

Tuesday, 10 October 1995

The SPEAKER (Hon. J. E. Delzoppo) took the chair at 2.06 p.m. and read the prayer.

ABSENCE OF MINISTER

The SPEAKER — Order! I advise the house that the Minister for Energy and Minerals will be absent from the house today due to illness. The Minister for Natural Resources will handle any matters relating to the energy and minerals portfolio.

QUESTIONS WITHOUT NOTICE

Ambulance services: communications system

Mr THWAITES (Albert Park) — I refer the Minister for Health to the crisis in ambulance services. Will the minister explain why the logbook for the duty officer at the Intergraph control room shows that in early September the automatic vehicle location system and the computer-aided dispatch were not working properly on 8, 9, 10, 11 and 14 September this year?

Mrs TEHAN (Minister for Health) — The honourable member for Albert Park referred to the effectiveness of the computer-aided dispatch and automatic vehicle location system introduced into this state about six or nine months ago. There is no doubt the ambulance system in this state, starting in the metropolitan area, needed a computer-aided dispatch system.

In 1986, 1987 and 1988 the former government spent about \$10 million trying to introduce an upgraded computer dispatch system, but after four or five years it was unable to do so mainly because of union resistance. It lost its money and ended up in the Supreme Court.

Similarly, there is no argument that we cannot run a proper dispatch system without a system that takes advantage of the technology of the 20th century leading to the technology of the 21st century. Rod Morris, in evidence given to a coronial inquiry in August 1992, said that very capable and competent officers were held back by a system that was relevant to the 1950s and 1960s.

Mr Thwaites — Mr Speaker, I raise a point of order under standing order 127. The minister is attempting to debate the issue. She is not answering the question, which specifically relates to a computer system that failed in September this year. She is attempting to debate the question and to pass the blame again. We are sick of the blame game. Give us an answer!

The SPEAKER — Order! At this stage I do not uphold the point of order, but I remind the minister that she may not debate the question. The minister will conclude her answer.

Mrs TEHAN — Since the government announced the introduction of the Intergraph public safety system a core of ambulance officers who are union members have resisted the introduction of this facility. They have done everything possible to make it not work — to sabotage and to subvert the introduction of the computer-aided dispatch system.

There is no doubt that the bans on the computer-aided dispatch system were informally introduced some three to six months ago. I ask the honourable member for Albert Park: does he condone those measures?

Mr Thwaites — On a point of order, Mr Speaker, I refer you to your earlier ruling regarding debating the question. The minister is not referring to the question, which relates to matters arising in September this year. She is trying to debate matters that arose in 1992 and that have arisen this week. She is doing everything except answering the question about the computer system, which has been shown not to work and which was not working in September of this year.

The SPEAKER — Order! I remind the house that the Chair cannot direct the minister how he or she should answer a question. At this stage the minister's answer is relevant, and I do not uphold the point of order.

Mrs TEHAN — This is the question for the house: does the honourable member for Albert Park condone the work bans that have been applied by the union? What does he want to see done?

Honourable members interjecting.

The SPEAKER — Order! I remind the house that if the question is too hard for the house to handle, I will call the next question. The Minister for Health will conclude her answer.

Mrs TEHAN — The government is determined to ensure that the people of Victoria get an ambulance service with a computer-aided dispatch system that meets their needs now and into the future. It will do that regardless of the opposition of a small core of union officials who say openly that they want to go back to the old manual system and it will do that regardless of the views of opposition members, who are just labourers of the Trades Hall Council and who do not take the moral position of being absolutely against the actions of this union.

Police: communications system

Mr TRAYNOR (Ballarat East) — Will the Minister for Police and Emergency Services inform the house of what action the government will take in reference to allegations made on 3AW this morning that the Trades Hall Council has sought to interfere with the new computer-aided dispatch system of the Victoria Police?

Mr McNAMARA (Minister for Police and Emergency Services) — Some serious allegations were made by two police officers this morning on radio. Both officers said they were aware of moves made by the Trades Hall Council to seek to interfere in the operations of the computer-aided dispatch system at the Victoria Police Centre. The allegations concern the Trades Hall Council seeking to manufacture a similar industrial dispute to that now being witnessed in the ambulance area. It is clear that the only motivation in encouraging such an industrial scene is to create political embarrassment.

Mr Thwaites interjected.

Mr McNAMARA — The honourable member for Albert Park — —

The SPEAKER — Order! I ask the honourable member for Albert Park to come to order. The minister will be heard in silence.

Mr McNAMARA — I must respond to the interjection of the honourable member for Albert Park. He sees people's misfortunes as just another opportunity for a photograph. That is all he is interested in. One would hope that the shadow Minister for Health would show a little more concern about ensuring that the system is operational rather than trying to sabotage it, which seems to be his only agenda.

Two serving police officers this morning blew the whistle on some disgraceful union tactics. Clearly,

those officers are aware that there is a union agenda within the ambulance service to put people's lives at risk. For the benefit of the opposition, I will quote from this morning's transcript. The first officer, who identified himself as David, told Neil Mitchell:

There's no problem with the system. The system's a major improvement on what's been the case in the past.

He continued:

... the inefficiencies that exist in Russell Street with the old sort of quill and eye shades mentalities ... I mean a lot of these emergency services need to be computerised ... and enter the 21st century.

David then referred to the Trades Hall Council:

We've had a couple of circulars from and various officers have approached me, and been down to Trades Hall.

The Trades Hall Council is trying to whip up an industrial dispute.

Another officer, who identified himself as Robert and who is a serving officer with the Victoria Police with 17 years experience — —

Mr Micallef — On a point of order, Mr Speaker, it might help if the minister were to provide us with a recording of the transcript.

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

Mr McNAMARA — Just tick his name off as being here. I will be happy to give the opposition a transcript of the whole thing.

The second officer, who has had 17 years experience in the Victoria Police Force, said that he was concerned about the activities of the Trades Hall Council. Neil Mitchell asked:

Is Trades Hall Council trying to get the police to object to the Intergraph system?

The officer responded:

They're looking for people to stir up trouble about the Intergraph system.

Neil Mitchell asked:

What, to support the ambos?

The officer said:

To support the ambulance ... friends in the ambulance service say that they've absolutely told the union blokes where to go and jump off.

They are fed up with union leaders putting people's lives at risk.

Mr Batchelor — On a point of order, Mr Speaker, under standing order 127 —

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable member for Thomastown to pause until the house comes to order. I wish to hear what he has to say.

Mr Batchelor — I refer to standing order 127. The minister is clearly debating the question. He was not asked to read the transcript from this morning's radio program but was asked a question on that subject. In reading out the transcript and debating the question he is clearly flouting standing order 127. I ask you to bring him back to the point.

The SPEAKER — Order! I understood the minister was illustrating his answer by quoting from a document. In the view of the Chair he is not debating the question, but I ask the minister to conclude his answer.

Mr McNAMARA — The officer who identified himself as Robert made it quite clear that it was a deliberate attempt by the Trades Hall Council to sabotage the Intergraph system, particularly by not reporting when ambulances were free, which put further stress on the system.

I will certainly refer the transcript not only to other honourable members but also to police command to see whether any further action can be taken in this investigation. Rather than petty political point scoring what we need from Trades Hall is for it to do something about protecting people who are at risk. This has been a sinister development in the action taken by Trades Hall and I would be concerned if attempts were made by it to spread this to other emergency services.

Honourable members interjecting.

The SPEAKER — Order! The level of interjection is far too high. I ask the honourable member for Yan Yean to come to order and not interject in a persistent way.

Mr McNAMARA — In conclusion, I commend not only the Police Association of Victoria on its support for the Intergraph system but also police command on the way the two organisations have worked so cooperatively with Intergraph. I particularly commend Chief Superintendent David Triplow. We have seen the introduction of an excellent service that has been now operating for more than a month. It was commissioned on 5 September, and on Friday last D24 was fully closed. In fact, last Friday, in the first 12-hour shift using the Intergraph system alone, 3000 calls were taken. If there had been any minor glitches the officers concerned would have worked them out in house rather than use the process of political sabotage that we have seen led by the ambulance union.

I would hope that the opposition spokespersons for police and health would try to do something constructive by recognising that we are dealing with both lives and public safety. The action the ambulance union has taken is putting at risk not only public safety but also the lives of Victorians.

Hospitals: emergency departments

Mr THWAITES (Albert Park) — I ask the Minister for Health whether it is a fact that since the Rosebud hospital's emergency department was closed in July the emergency department at Kyneton hospital has closed, the emergency department at Heidelberg hospital has closed at night and the emergency department at Wodonga hospital is threatened with closure. What action will the minister take to ensure that these life-saving emergency departments are not closed?

Mrs TEHAN (Minister for Health) — The member for Albert Park has asked about the possible closure of the emergency departments of four hospitals. The issue involving the Rosebud hospital is an important matter. It was raised in this house last week and it is apparent, but unfortunately true, that the doctors who had manned that emergency department at Rosebud have withdrawn their services. The hospital system, and especially small country hospitals, are totally dependent on the goodwill of doctors to man hospitals. There is no way we can man 136 hospitals, many of them as small as Rosebud hospital, without doctors working in those hospitals. The doctors are paid for their work in those hospitals under the Medicare system. However, unfortunately the 31 doctors currently on the Mornington Peninsula, especially the 12 who form the particular group at Rosebud — Dr Mark

Smith, who made comments last week, is one of them — withdrew their services from that hospital some months ago.

The government does not intend to nor can it substitute in any way for those medical services unless those doctors on the Mornington Peninsula are willing to work under exactly the same terms and conditions as other doctors work throughout the Australian system. It is unfortunate that the previous Labor government entered into an arrangement with those doctors to pay them an additional \$100 000. Those doctors were receiving not only —

Honourable members interjecting.

The SPEAKER — Order! This is the last warning I shall give to the honourable member for Yan Yean. I have already asked him to remain silent. He has a very distinctive voice which the Chair finds irritating.

Mrs TEHAN — The former government entered into an arrangement with those doctors and paid them an additional \$100 000. That has proven to be both illegal and against the spirit of Medicare. It is something this government will not do. I am hopeful some of the doctors on the Mornington Peninsula will restore their services because hospitals cannot run without doctors.

In relation to the other examples, the concern about Wodonga hospital is purely speculation and I have no facts on that matter. The Heidelberg repatriation campus is now part of the combined Austin Repatriation Hospital. There were two emergency services about 10 minutes apart and it was totally uneconomical and inappropriate to have two emergency services working at night 10 minutes away from one another.

The emergency departments in our hospitals do excellent and outstanding work, but certainly they are, particularly in the instance of Rosebud, dependent on the goodwill, cooperation and services provided by the medical profession.

Ambulance services: industrial dispute

Mr ASHLEY (Bayswater) — Will the Minister for Health inform the house of the progress in negotiations between the Metropolitan Ambulance Service and the ambulance union concerning the union's claim for an 18 per cent wage increase?

Mrs TEHAN (Minister for Health) — Some three weeks ago the government and the MAS entered into negotiations with the ambulance union concerning an enterprise bargaining arrangement. The government offered the officers of the ambulance union an amount of 10 per cent over two years on exactly the same terms in regard to timing as was offered and accepted by the nurses union.

In the course of the past 3 weeks and in the past 10 days we have been in and out of the industrial relations commission and on a number of occasions we have nearly come to settling that claim. It is worth between \$70 to \$80 a week to the average ambulance officer. On each occasion when we nearly came to settling the matter an additional requirement was demanded by the ambulance union. When you look at the timetable, the time frame and the type of requirements being asked, there is no doubt the union is being used by the Trades Hall Council for a political agenda.

The people down there regularly see Trades Hall people involved in negotiating more and more requirements from the enterprise bargaining arrangement. It is a suitable agenda for Trades Hall because it fills a political need for it to find some basis for its work in Victoria.

Since the negotiations started work bans have been applied by the union, and I repeat that that is part of a political agenda led by the Trades Hall Council. Those work bans are impacting on the ability of the service to provide the standards of response that one would normally expect from the Metropolitan Ambulance Service. Officers are refusing to wear pagers, refusing to answer selcalls, withdrawing overtime opportunities and ordering members to report in sick.

There is no doubt the work bans are affecting the service able to be provided. To hear Mr Morris suggest today that work bans are enhancing patient care gives us some idea of the absurdity of what is currently happening in this dispute.

There is a strong political agenda behind the industrial negotiations. The government's offer remains open. It will pay those ambulance officers a 10 per cent wage increase provided all work bans are lifted indefinitely. The sooner the ambulance union realises that in the interests of its own members it should accept that offer, get back to doing the good work for which it is recognised and regarded and get away from the agenda that Trades Hall is holding it to and pulling it by the nose and

the sooner the system is put in place with the reforms that have been introduced to provide the level of services that the people of Victoria expect, the better.

Crown Casino: expansion

Mr BRUMBY (Leader of the Opposition) — Does the Treasurer agree with the Premier's statement that if the government were to postpone a decision on Crown's application for an expansion of the new casino while fraud allegations are being investigated by the Victoria Police the effect of this would be, to quote the Premier, to stop the construction of the casino dead in the ground right now?

Mr STOCKDALE (Treasurer) — Yes.

Ambulance services: industrial dispute

Mrs MCGILL (Oakleigh) — Will the Minister for Health inform the house how the current industrial action being taken by the Ambulance Employees Union is affecting patient care?

Mrs TEHAN (Minister for Health) — The current industrial action being taken by the union is without doubt impacting on the ability of metropolitan and country ambulance services to provide optimum patient care. In Ballarat the situation has arisen that sabotage has taken place, which the police are investigating. There have been orders from the union that members call in on sick leave. Evidence has been given in the commission over the past couple of days that officers have not renewed the batteries in their pagers and have blamed the system for the paging system not working.

Not only are patients and the people of Victoria being put at risk but also there is an undermining of the confidence of the general public in our ambulance system. There is an agenda by some core people to bring down the CAD/AVL system to which I referred in answer to an earlier question. The government is determined that it will provide for the people of Victoria the most advanced computer-aided dispatch system and will ensure that it continues to grow with the resources that have been made available to it through the additional millions of dollars that have been provided over the past three years and with the additional 10 ambulances that have been placed in the system over the past year as well as the additional trained MICA staff and paramedics who are an integral part of the continual upgrading of and improvement to the system.

Hudson Conway: fraud allegations

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to his comments in the house last week when he said that it was not appropriate for the government to seek access to documents which fully detail the fraud and blackmail allegations against Hudson Conway. Will he explain why it would not be appropriate to at least ask Hudson Conway to provide this information to the cabinet, given that the Treasurer says Hudson Conway has voluntarily made the information available to the Casino and Gaming Authority and the Victoria Police and that Mr Lloyd Williams says on the public record that he is committed to providing a full and frank disclosure of these matters to all relevant authorities?

Mr STOCKDALE (Treasurer) — Lord knows how the Labor Party would do business if we ever have the misfortune to have another Labor government.

Honourable members interjecting.

Mr STOCKDALE — What a pity it is illegal to bet on election outcomes — we could all get rich!

The Leader of the Opposition will recall that last week I said that the SECV shell proposed to make an application to the court to be released from the possible embargo on the release of documents discovered in the course of discovery proceedings and litigation for the purpose of conveying information to the police and to the Casino and Gaming Authority.

The police and the authority have the proper investigative powers — the statutory and other legal responsibility — for investigating such matters. They are investigating them.

I understand the material has been released to them and they are conducting their own inquiries in relation to the matter. They are the appropriate authorities, and it would be inappropriate for the government to launch into some collateral inquiry of its own.

BLF: funds

Dr DEAN (Berwick) — Will the Minister for Industry and Employment inform the house of the government's position in relation to the Prime Minister's comments that the funds of the former

BLF should be handed over to the Construction, Forestry, Mining and Energy Union (CFMEU)?

Mr GUDE (Minister for Industry and Employment) — Some honourable members will recall that in 1985 this Parliament passed legislation for the derecognition of the Builders Labourers Federation. As the Deputy Premier says, the derecognition legislation was introduced by the then Labor government and supported by the then opposition. It was subsequently supported by the federal government in derecognition proceedings in the Australian Industrial Relations Commission, and the Builders Labourers Federation was ultimately deregistered.

The government at the time appointed an administrator, Dr Ian Sharp, a former registrar of the federal industrial commission, a person who all honourable members would feel was not only adequate but a proper choice for the task of administering those funds.

On 24 August of this year there was an attempt by the CFMEU to gain access to the funds being held in trust for former members of the BLF. I make the point at the outset that the action taken by the two governments, state and federal, at the time was against the activities of a union that was effectively destroying the building and construction industry not only in Victoria but throughout Australia. The freezing of those funds was to prevent certain union officials from misusing them.

At that time there were accusations that, for example, Norm Gallagher had used the funds to build himself a house, and all sorts of other claims were made at that time. The funds were then held in trust for the former members of the union. Chief Justice Wilcox in a decision on 28 September said that he believed the cash side of the amount being held in trust should be transferred to the CFMEU. The union was, however, not to spend too much of it because the chief justice was aware that the government and former members of the BLF had sought a stay of action, and in the event that there was a successful outcome — he was already doubting his own decision — those moneys would need to be returned.

There must be elections in the wind because only a day or so ago the Prime Minister discovered blue-collar workers in this country and decided to wade into this exercise. He said he will do all he can to ensure that the CFMEU receives not only the cash but also the property.

I find that an intriguing situation because at this very point the CFMEU is breaching accord mark-8 with its 15 to 25 per cent wage claim and so-called pattern bargaining program going on at the national level. I believe that what the Prime Minister was saying was Keating-speak for 'Give me your votes and give me your money'. One has to question whether the Prime Minister is trying to assist in the transfer of those funds to the union as a political payback.

It seems that perhaps corporate dollars have not been coming into the ALP coffers. That is hardly surprising when one considers the damage that has been done by the Prime Minister and his government to the people of Australia and corporate Australia. Of course they will not donate. So back he trots to his trade union mates — never mind the fact that they are breaching the accord, that he sought to deregister the union and that he professes to have a strong building industry — and says in Keating-speak, 'No, give me your votes and give me the money'.

Hudson Conway: fraud allegations

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to his comments in the house last week when he said the government had received certain advice that it would be inappropriate for members of cabinet to see documents that detail fraud and blackmail allegations against Hudson Conway. Will the Treasurer make a copy of this advice available to the house, and, if not, why not?

Mr STOCKDALE (Treasurer) — The Leader of the Opposition again misrepresents the advice I have given to the house. I said there were certain documents that had been revealed in the course of discovery in the legal proceedings and that those documents are subject to a requirement that they not be used for any purpose other than the proceedings of the case.

Mr Brumby — You referred to advice on that matter.

Mr STOCKDALE — Do you want to give the answer, too?

Mr Kennett — He always does!

Mr STOCKDALE — Advice has been conveyed to me by the administrator of the shell and orally by the counsel advising him to confirm that fact and to

indicate that, in the absence of consent of the owner, it would not be appropriate for the administrator of the shell to disclose to anybody who was not the subject of a court order, freeing the administrator from the constraint imposed by the documents having been unearthed in the course of discovery.

Community Support Fund: distribution

Mr TREASURE (Gippsland East) — Will the Minister for Community Services inform the house of new specific Community Support Fund initiatives for Victorian families that are at risk?

Mr JOHN (Minister for Community Services) — I am very pleased to announce this afternoon significant funding initiatives from the Community Support Fund to help Victorian families in crisis. The government will provide \$21.479 million — almost \$21.5 million — from the fund over the next three years to assist families in crisis.

I emphasise that this money is being made available in addition to the \$27 million already allocated from the Community Support Fund since this government came to office. It is also in addition to the \$780 million that is spent as part of the recurrent budget in community and welfare services. This is a very significant announcement and commitment by the Kennett government. I hope the decent and honourable members opposite will support this allocation of funding.

An amount of \$16.2 million will go for family counselling. It will go towards computer and information referral networks and services to the very important section of our community who come from non-English-speaking backgrounds. A total of \$2.9 million will go for financial counselling, and there will be \$1.5 million for problem gambling services. In addition, \$840 000 will be allocated for a parent help line for families in crisis.

This is a huge boost to funding. Most of it will be provided and distributed through the non-government community and church agencies that will be asked to be involved in providing the various services I have outlined. This significant announcement shows the huge commitment of the Kennett government to people in need. As I have said, a significant proportion of it will go towards problem gambling services.

Previously, \$5.9 million was part of the \$27 million package to support services for families with children under 18 years of age to deal with

parenting and family crises. An amount of \$5.5 million was previously supplied for support and respite care for families with young children under six years with severe disabilities, and \$3.7 million for support services for victims of child abuse and neglect.

The government has made a considerable commitment to providing problem gambling services. Not much is known around the world about problem gambling and its incidence. International research indicates that about 1 per cent of the population is affected by problem gambling. It is a very small proportion of people, but nevertheless it is a very important proportion because those individuals and families are damaged and we need to assist them by having the services in place so they can get the counselling and referral services they need. The funding being announced will enhance problem gambling services as well as supplying support and other services for families in crisis.

At a recent conference in London a few weeks ago Professor Mark Dickerson, who was the keynote speaker, said that Victoria, Australia, was leading the way with its problem gambling services. One of the most distinguished academics in this area in the world says Victoria is leading the way!

In conclusion, as part of this additional money, \$1.5 million is allocated to research, which is a very important part of the problem gambling issue. We hope to track the cases and do the research. The Premier met with church leaders yesterday and they agreed to become involved in the research project and assist in setting the terms of reference for the project and provide any other information to assist the government and the community in solving some of these problems. The government is pleased to have the churches and the community involved. As I said, the funding for the programs I have outlined today will be made to non-government community and church agencies to help with these problems.

Crown Casino: expansion

Mr BRUMBY (Leader of the Opposition) — Will the Treasurer give the house a guarantee that during the past three months there have been no changes to the plans for the design and construction of the permanent casino and that all construction currently taking place is fully consistent with the plans referred to in the Casino (Management Agreement) Act?

Mr STOCKDALE (Treasurer) — The casino licensee has a responsibility to construct the casino building in accordance with the approved plans. It is not my responsibility to go down there and measure every brick that is put in place. I am not in a position to give the guarantee the Leader of the Opposition requests.

Office of Public Prosecutions

Mr PATERSON (South Barwon) — I refer the Attorney-General to recent comments made by the former Premier John Cain that criminals will escape prosecution because of the changes to the Office of Public Prosecutions. Will she advise the house of the effectiveness and efficiency of the Office of Public Prosecutions since the new legislation came into operation?

Mrs WADE (Attorney-General) — The Honourable John Cain made a number of dire predictions about the outcome of the public prosecutions legislation. I take this opportunity to ensure that everyone is in full possession of the facts. John Cain suggested that as a result of the new legislation we will have crooks cheering from the sidelines. I would not like to give that sort of comfort to any crooks and I advise them to restrain themselves because Mr Cain's predictions are far from the truth.

There is no doubt that the Public Prosecutions Act 1994 has brought real benefits to the criminal justice system in the interests of the people of Victoria. Prosecutions are now being carried out more efficiently and effectively than they were in the past and at a much reduced cost. I stress that that is not because of a reduced budget. The budget of the Office of Public Prosecutions has not been reduced, but the cost of running the office has been significantly reduced.

The enormous payments that were being made to outside barristers were at the heart of the financial difficulties experienced by the office prior to the 1994 legislation. As a result of reducing the cost, we have been able to redirect those savings in a way that has made the office more efficient. I shall come back to that in a moment.

The way in which the costs have been reduced is by recruiting some additional Crown prosecutors. The office advertised for more Crown prosecutors at both junior and senior levels.

Mr Thwaites interjected.

Mrs WADE — You might like to apply for a job! You'd do better down there than you're doing up here! The response to the advertisements were overwhelming and we now have —

Honourable members interjecting.

The SPEAKER — Order! The level of interjections on both sides of the house is too high.

Mrs WADE — There was an overwhelming response to the advertisements and we now have 19 Crown prosecutors who are prosecuting a large number of cases now taken by the office. We are no longer paying up to \$4000 a day — day in, day out and in many cases over months or years — to support members of the private bar. As a result we have had a reduction of approximately 18 per cent in the cost of cases prosecuted. I assure honourable members that there has been no deterioration in the outcome of those cases. The record this year shows an equal highest number of convictions recorded of any year in the past nine years.

I shall mention where the savings have gone. Some have gone into acquiring additional computer equipment costing \$600 000. The Solicitor for Public Prosecutions, who came from the commonwealth DPP's office, was horrified at the level of computer support available to prosecutors. The old system is now being replaced by an up-to-date system. Better library materials have been obtained and there is a better staffing structure.

The Office of Public Prosecutions has now taken over all committals at the Melbourne Magistrates Court which is something the government has wanted to do for some time but the money was not available in the past to do that without a transfer from the police budget. That is being done as a result of the savings generated by the new prosecution system.

In conclusion, we have also set up a witness assistance scheme at the Office of Public Prosecutions to assist victims and other witnesses who come before the court, to explain court processes, sentencing, charges and to offer support and link up with other support agencies.

Assisting people who come before the criminal justice system through no fault of their own is a step in the right direction. I am happy to invite the Honourable John Cain to come down to see what I believe is the greatest step forward in the public

prosecutions system since he established the office of the DPP in 1982.

PETITION

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

Scallop dredging in Port Phillip Bay

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

The petition of the undersigned citizens of Victoria respectfully sheweth that: we object to scallop dredging in Port Phillip Bay

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

By Mrs Wilson (128 signatures)

Laid on table.

COMMUNITY DEVELOPMENT COMMITTEE

Governor's pleasure detainees

Mr LEIGH (Mordialloc) presented report on review of legislation under which persons are detained at the Governor's pleasure, together with appendices, minority report, extracts from proceedings and minutes of evidence.

Laid on table.

Ordered that report, appendices, minority report and extracts from proceedings be printed.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 11

Mr PERTON (Doncaster) presented *Alert Digest No. 11* of 1995 on:

Road Transport (Dangerous Goods) Bill

Government Employee Housing Authority (Repeal) Bill

Dangerous Goods (Amendment) Bill

Vocational Education and Training (Amendment) Bill

together with appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Acting Clerk:

Architects Registration Board — Report for the year 1994-95

Building Act 1993 — Building Code of Australia 1990 — Amendment No. 8

Crown Land (Reserves) Act 1978 — Orders pursuant to sections 17D and 17DA giving approval to the granting of leases (two papers)

Financial Management Act 1994 — Budget Paper No. 3 1995-96

Land Conservation Council — Report for the year 1994-95

Members of Parliament (Register of Interests) Act 1978 — Summary of Variations notified between 1 June and 30 September 1995 — Ordered to be printed

Planning and Environment Act 1987 — Notices of approval of amendments to the following planning schemes:

Benalla City Planning Scheme — No. L32

Benalla Shire Planning Scheme — No. L15

Cranbourne Planning Scheme — Nos L121, L124

Diamond Valley Planning Scheme — No. L56

Flinders Planning Scheme — No. L111

Hastings Planning Scheme — No. L84 Part 1

Lillydale Planning Scheme — No. L120

Melbourne Planning Scheme — No. L160

Moe Planning Scheme — No. L33

Mornington Planning Scheme — No. L59

Morwell Planning Scheme — No. L47

Ringwood Planning Scheme — No. L46

Yarra Planning Scheme — No. L2

Rural Finance Corporation — Report for the year 1994-95

Statutory Rules under the following acts:

Legal Profession Practice Act 1958 — S.R. No. 127

Road Safety Act 1986 — S.R. No. 128

Supreme Court Act 1986 — S.R. No. 129

Subordinate Legislation Act 1994 —

Minister's exemption certificate in relation to
Amendment 8 of the Building Code of Australia
1990

Victorian Arts — Report of the Council for the year
1994-95

Victorian Funds Management Corporation — Report
for the period ended 30 June 1995

Young Farmers' Finance Council — Report for the year
1994-95

The following proclamation fixing an operative date
was laid upon the table by the Acting Clerk
pursuant to an order of the house dated 27 October
1992:

Melbourne and Olympic Parks (Amendment) Act
1995 — Remaining provisions (except for sections 24,
25, 26, 27 and 28) on 5 October 1995 (Gazette No. G39, 5
October 1995).

BUSINESS OF THE HOUSE

Program

Mr GUDE (Minister for Industry and
Employment) — I move:

That, pursuant to sessional order no. 6(3), the orders of
the day, government business, relating to the following
bills be considered and completed by 4.00 p.m. on
Thursday, 12 October 1995:

Appropriation (1995-96, No. 1) Bill

Appropriation (Parliament 1995-96, No. 1) Bill

Competition Policy Reform (Victoria) Bill

Local Government (Elections) Bill.

Motion agreed to.

APPROPRIATION (1995-96, No. 1) BILL

Second reading

**Debate resumed from 5 October; motion of
Mr STOCKDALE (Treasurer).**

Dr COGHILL (Werribee) — In entering this
debate I shall take up some of the themes of earlier
speakers in the debate, particularly the comments of
the honourable members for Northcote and
Footscray when the bill was before the house last
Thursday.

The house may recall that the honourable members
for Northcote and Footscray referred to a number of
government contracts, the terms of which have
never been made public and the release of which has
always been resisted by the government. I contrast
the practice of this government with the findings of
the Fitzgerald royal commission in Queensland and
the WA Inc. royal commission in Western Australia,
which pointed to the dangers of this sort of
closed-shop dealing between the government and its
contractors, however broadly defined.

I suggest that open public contracts like those in the
United States of America should be adopted by the
Victorian government. Victoria should immediately
abandon the concept of secrecy in contracts between
the government and private suppliers of goods and
services and employees. Secret terms in contracts
serve no bona fide public purpose and create the
ideal environment for corruption to fester and grow.

I refer to what happened in Queensland where
ministers were involved in corrupt activities and
where there were corrupt arrangements between the
government and its mates. Fellow ministers didn't
know, National Party members of Parliament didn't
know, other members of the Queensland Parliament
didn't know and certainly their National Party
colleagues in Victoria didn't know. There were
similar activities in Western Australia. Brian Burke's
fellow ministers didn't know about the corrupt
dealings, Labor backbenchers didn't know, the other
members of the Western Australia Parliament didn't
know and certainly the ALP elsewhere in Australia
didn't know.

In the Victorian case, how can any member of this
Parliament know for certain that there are not
corrupt and improper terms and matters associated
with contracts into which this government has
entered? Similarly, how can the Victorian public be
assured that there are not corrupt or improper terms
involved in contracts written by this government? It
is not so long since the government attempted to
hide some of these contracts from the scrutiny of the
Auditor-General.

Many of these contracts remain secret with the claim
that that is necessary because they are commercial in

confidence. With my background I don't have a deep understanding of those sorts of contractual relationships, so when the opportunity was available to me recently to ask the head of the National Crime Authority, Mr Tom Sherman, how this matter should be approached in terms of public policy, I was intrigued and fascinated to find that he did not defend the concept of commercial-in-confidence contracts and drew my attention to the provisions of the Californian legislation where there is no such thing as commercial in confidence when it comes to contracts between the state of California and its various providers of services and goods and its employees.

It is worth having a look at the California Public Records Act which makes secret terms and contracts, including employment contracts, illegal. Indeed the opening paragraph — paragraph 6250 — of this chapter of the Californian public code, known as the California Public Records Act, states:

In enacting this chapter, the legislature, mindful of the rights of individuals to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state.

That is, the state of California. Only trade secrets are protected, and then in only very narrow categories are they protected. They are very carefully defined to prevent the improper use of the protection of trade secrets.

The protections I have been able to identify in the Californian code relate to pesticides — and one can understand why it is important to protect pesticide production techniques and formulations — and air pollution, where there is a quite detailed definition of the trade secrets that are subject to protection. However, that narrow protection in itself confirms that only a very narrow category of information in contracts between the Californian government and its contractors is protected.

I shall refer to one section of the Californian code in this respect. Section 6254.7(d) states in part:

- (a) 'Trade secrets', as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an

opportunity to obtain a business advantage over competitors who do not know or use it.

Having regard to the fact that that section relates only to air pollution, one can see that there is a very narrow limitation of the information which is protected from public disclosure under the California Public Records Act. The protection does not extend to the rates of payment except that they are quarantined for relatively short periods — in some cases 12 months; in other cases 3 years. But in Victoria these matters could be kept secret forever; there is no obligation, no legal requirement and no principle of government which allows these matters to be viewed by the public or to be scrutinised by Parliament to ensure that they are open and above board. In fact, a huge range of Victorian government contracts including many employment contracts for highly paid personnel appointed by ministers, contracts for the grand prix, contracts for the management of the state's veterinary laboratories, media services and a host of other services, are termed 'commercial in confidence' and hidden from public view.

I refer honourable members to the comments of the honourable members for Northcote and Footscray who outlined a large number of examples, and I shall refresh our memory on a few of them. One is the contract which existed between KNF Advertising and the Urban Land Authority and others in association with that authority. As a matter of fundamental public importance that contract raised a whole host of issues in addition to its simple terms, and yet it is not available for public scrutiny.

It is worth refreshing our memories of just how extraordinary the powers are in the Australian Grand Prix Act 1994 so far as they protect the contracts relating to the grand prix. Section 49 states:

- (1) Despite anything to the contrary in the Freedom of Information Act 1982, that Act does not apply to a document, whether created before, on or after the commencement of this section, to the extent that the document is, or discloses information about a contract between the Corporation —

that is, the Grand Prix Corporation —

or a company referred to in sub-section (2) and one or more of —

- (a) the bodies, whether corporate or unincorporate, partnerships or trusts —

- (i) granting the right to hold a round of the Fédération Internationale de l'Automobile Formula One World Championship; or
- (ii) responsible for the organisation of, or granting the right to hold, an approved motor sport event;
- (b) bodies, whether corporate or unincorporate, partnerships or trusts owned by, or associates of, a body, partnership or trust referred to in paragraph (a);
- (c) a person not ordinarily resident in Australia in concert with whom a body, partnership or trust referred to in paragraph (a) or (b) is acting in relation to that contract.

Subsection (2) identifies the companies as Melbourne Grand Prix Promotions Pty Ltd, ACN 059 230 278 and Melbourne Major Events Company Ltd, ACN 050 270 089. Those powers are absolutely extraordinary. They prevent the Victorian public knowing anything about the contracts between the state of Victoria and the people actually involved in the conduct of the Australian Grand Prix, and this is an area where government funds are being used for the construction of facilities and where there is apparently some sort of government underwriting or guarantee as to the success of the event. There can be no rational basis for restricting this information from public knowledge. It has been asserted that if this information were available it would jeopardise the capacity of not only Victoria but the Fédération Internationale de l'Automobile (FIA) to negotiate other grand prix venues around the world. We know now that that is not the case.

Last week the honourable member gave the example of Hungary where, although the contract figure was disclosed, it did not cause Hungary to lose the grand prix venue. We must recognise that by being party to such secrecy we are entering into a conspiracy between the FIA in the person of Bernie Ecclestone and communities around the world, every one of which was potentially disadvantaged if Victoria agreed to abide by this unnecessary restriction on information about the contractual arrangements between the state of Victoria and the FIA. There can be no rational basis for denying that information to the public and the effect of its denial here and in other places is simply to give an unfair bargaining advantage to the FIA, to take advantage of taxpayers in every country in which it successfully negotiates for a formula one event to be conducted.

We have other examples of similar secret contracts which cannot be defended on any public interest

argument. We have the Vicroads plant and equipment sale and lease back. There can be no rational basis for keeping that information secret. We also now know of the secret agreements concerning the casino. Again, it has never been explained how it is in the public interest that this information should be denied to the people of Victoria. The general term 'commercially confidential' is thrown around but, as the Chairman of the National Crime Authority pointed out, there is no proper basis for that. Every time such a secret agreement exists it gives rise to the opportunity for corruption, as we have seen in Queensland, Western Australia and other parts of the world.

That sort of secrecy is not confined to specific legislation such as the Australian Grand Prix Act. There is a general provision in the Victorian Freedom of Information Act and I refer to section 34, which states:

- (1) A document is an exempt document if its disclosure under this Act would disclose information acquired by an agency or a Minister from a business, commercial or financial undertaking, and —
 - (a) the information relates to trade secrets or other matters of a business, commercial or financial nature; or
 - (b) the disclosure of the information under this act would be likely to expose the undertaking to disadvantage.
- (2) In deciding whether disclosure of information would expose an undertaking to disadvantage, for the purposes of paragraph (b) of sub-section (1) —

this relates only to paragraph (b) of subsection (1) —

an agency or minister may take account of any of the following considerations ...

The point I make is that that qualification does not apply to paragraph (a) of subsection (1) so that virtually any information which is of a business, commercial or financial nature is automatically protected without right of review under the provisions of the Freedom of Information Act. Again, where is the rational basis for that? It is in stark contrast to the provisions of the Californian legislation and one cannot imagine why there should be such a difference between Victoria and California — the land of the free, the home of the brave and the home of free enterprise.

In California, these contracts would all be open to public scrutiny and, indeed, it is worth recalling that

the Republic of California, as it is technically known, is one of the biggest state economies of the USA. It proudly boasts that the regional economy of California alone is the sixth largest economy in the world. So we are discussing a significant entity, a vibrant economic entity that finds no need for commercial confidential secrecy of contracts between the government of the state and the people who provide goods and services and who are employed by it.

All honourable members would acknowledge the United States as the home of free enterprise. If free enterprise can flourish there with virtually all contract terms open to public scrutiny, it could do so in Victoria. What would be the disadvantage to Victoria? I know of no disadvantage. I have not heard anyone argue that there is a disadvantage. The advantage would be that Victorians could rest comfortably knowing that Victoria's contracts were open, frank and honest and did not provide the opportunity for the festering of corrupt practices as seen in other states of Australia but which fortunately has been relatively rare in Victoria.

Victoria should heed the lessons of the royal commissions into corruption in Queensland and Western Australia, which have highlighted the importance of open processes to clean government. That can be achieved in Victoria if there is a move towards a general, absolute right of public access to contracts between the state and its various suppliers and employees.

My second point also concerns the way Victoria accounts for its commercial activities. A totally inadequate level of information is available in budget papers, such as those for 1995-96, regarding the effect on the total Victorian economy of major projects, whether it be the grand prix, City Link, the privatisation of rail services or the restructuring of the electricity industry, to give a few examples.

There is a generally good understanding that the grand prix will be of net benefit to Victoria and the Victorian economy even though there may be a net cost to the budget. But that information is not readily available to the house and certainly not generally. The total impact on Victoria rather than only the cost to the budget of major government decisions should be disclosed to the public. Victorians have a right to know whether they will save by paying less in taxes than they will pay in charges for privatised projects such as City Link. Nothing in the budget papers throws light on the overall cost to the people and the economy.

Many Victorians accept that there will be a net gain from the grand prix even though there is a substantial cost to the state budget. Most people would expect a full analysis to reveal a job creation and tourism benefit. The same principle should be applied to all major projects so that the community can see whether it would pay more for a project if it were carried out by the government rather than the private sector.

In the case of City Link, it has to be proven that the private construction and operation of a toll road will be at less cost to the Victorian economy than if the same transport needs were met in the tried and true manner used throughout advanced nations in modern times. Mr Acting Speaker, with your background you would understand that the capital investment will have to be serviced whether City Link is privately or publicly constructed and operated and whether it is funded from borrowings or equity. In any of those cases, a return will be expected sufficient to meet the cost of borrowings or dividends. The difference between those two is often not great. Even publicly sourced equity funds would be expected to return a net benefit to the total Victorian economy.

Knowing that the cost of collecting the West Gate Bridge toll was 43 per cent of revenue, Victorians need to know what the cost of collection and other possible City Link inefficiencies will be. So far those crucial facts have been withheld from those who will be asked to pay for the project through tolls, hidden taxes and whatever compensation provisions are in the contracts they have not been allowed to see.

The limited analyses of such projects falsely treat the public and private sectors as being distinct, but the public sector economy is not a totally divorced economy that acts in isolation from the private sector. The public sector is integral to the total Victorian economy and social structure. The public sector is central to the way Victorian society regulates its economic and other activities, yet City Link and other projects are treated as though there were a total divorce between the public and the private sectors — as though they were totally disconnected, as though one were not relevant to the other and as though in all cases the private sector were able to do things better than the public sector. That is certainly not the case.

There is an opportunity for further reform in economic analysis and for reform in the way budget information is presented, not only to the Parliament but to the people of Victoria. That would encourage

better decision making by the government, the Parliament and ultimately the public of Victoria.

If the public knows the total cost of a project and its total benefits, it may well be prepared to pay higher taxes rather than pay even higher charges by way of tolls, for example. The public may decide an evenly distributed tax burden is preferable to an unevenly, inequitably distributed range of private sector goods and services charges. But with the budget information available at the moment the complete picture cannot be seen. The public cannot know whether the transport needs City Link is supposed to address would be better addressed by a public sector system or whether operating through the private sector will have genuine advantages for the total Victorian economy.

There will be those who would argue that the private sector is more efficient, but that has not proven to be the case in all or even the majority of cases. In some cases private sector enterprises have been more efficient than public sector enterprises. However, the failure of some private sector enterprises shows that some of them can be less efficient and less effective than the best public sector enterprises. It is not an absolute distinction, and those who suggest there is a total dichotomy between the public and the private sector fail to look at the evidence and to accept the realities of life in this country and other countries.

Whole-of-state budgeting must be introduced for projects such as City Link, the Australian grand prix and the restructuring of the electricity industry, to give a few examples, so Victorians can truly know who will pay, how much will be paid and who will benefit from each project. As I said, that information will give the opportunity for better decision making by government, the Parliament and ultimately the public on the quality of public administration in Victoria.

Mr THOMPSON (Sandringham) — I am pleased to support the Appropriation (1995-96 No. 1) Bill. At the outset I draw attention to Terry McCrann's article in the *Herald Sun* today. The heading at page 2 reads, 'The real question of our destiny', and the article raises a number of fundamental issues which may serve to impact upon the longer term welfare and destiny of Australians. The federal Labor government has ignored a number of the more important issues that presently confront and affect the national and Victorian economies, and I refer to the recent merger between CRA and RTZ. There is also the overseas sale of a number of

national icons such as Nylex and Petersville, which are national brand names.

Earlier this year Geoffrey Blainey remarked that Australia was currently in a process of economic decline. That is corroborated in part by other commentators who have suggested that we lack a manufacturing inventory. There is the example of a country such as Sweden, which has a population of some 7 million to 8 million people. It has been successful in marketing international brand names such as Ericsson, Saab, Volvo and Orrefors. Australia, which has a population of some 18 million people, does not have the breadth of marketing exposure or market penetration that a country the size of Sweden has. What are the reasons behind it? One could relate it to distance, and other factors would include Australia's manufacturing environment. However, it is in this particular context that the Victorian budget needs to be considered and evaluated further.

At a state level and within the domain of my own electorate we have had the example of a number of significant state companies, some with national markets, being sold to overseas interests. Boral Elevators, the successor in name to Johns and Perry Lifts, was recently sold to an American company. Boral Elevators and its predecessor entities were Australian owned, had been operating for more than 140 years and the profits of their activities, operating in a market controlled by a few companies, were to remain within Australia. Although there will be some reinvestment in research and development and other activity, profits from here on will be repatriated overseas.

There is the further example of Spring Valley Fruit Juices. That company started a generation or so ago and was sold a couple of years ago to Campbell soups. Earlier this year there was the example of the company Ronstan, the company which makes sailing hardware and rigging for boats. That technology is also used in the building industry and its products have penetrated into international markets, but early this year it was bought out by a United Kingdom company, Chemring.

Although there may be some positive aspects to that transfer of ownership in terms of investment in Australian capital and plant, at the end of the day it will result in a repatriation of profit out of Australia toward overseas shareholders.

There are broader examples, and one need only look at Edgell-Birdseye in Tasmania, which was sold to

the Simplot group in the United States. There is the example of Petersville being sold to Nestlé, and of Herbert Adams, another icon, being sold to the Simplot group. At the end of the day, there go the profits. Once there has been a conclusion to the investment in Australian plant and equipment to capitalise upon domestic markets, the profits will be repatriated overseas. That is the magnitude of the problem we are currently confronted with.

What has the Victorian government been doing about these wider circumstances? We can look at the public sector reforms that have taken place in local government, Workcover and the electricity industry. There has been much protest from the opposition benches about the privatisation of the SEC. However, the opposition has failed to acknowledge that the move has received the support of the federal government.

Within recent weeks the Public First campaign has been waged outside electorate offices of coalition members — not all that well patronised, I understand. Nonetheless, the commonwealth government has proposed to sell or has sold such entities as the Commonwealth Bank, Qantas, CSL Ltd, the Housing Loans Insurance Corporation, ANL Limited, the Macleod hospital, the Snowy Mountains Engineering Corporation and Brisbane Airport land. I point out that the Labor Party has already sold the defence services home loan scheme, the Williamstown Dockyards, the lease on Chifley Square, the Tokyo Embassy, the commonwealth government's centre in Melbourne, the commonwealth's phosphate rock stockpile, the commonwealth's accommodation and catering services and a range of other government-owned assets or assets owned by statutory corporations. Where have the protests been in relation to those particular transactions? They have been nowhere to be seen.

The Victorian government has had a wide responsibility to implement a range of reforms to try to redress some of the problems people such as Terry McCrann and Geoffrey Blainey have argued will impact on Australia's long-term destiny to the extent that government sector reform can produce long-term changes.

In the past three years there have been a number of landmark reforms. Unemployment has dropped from 11.8 per cent at the time the government came to office to around 8.7 per cent in June. There has been an increase in private sector employment at a rate of 11 per cent compared to 1 per cent for the rest

of Australia. Productivity has increased 6 per cent in Victoria compared to 3 per cent for the rest of Australia. Business investment in Victoria currently leads the rest of Australia. As a state and a community we can take a great deal of pride in the reforms brought about by the Victorian government to attract overseas investment to this state, which in turn will provide jobs in the longer term.

For the first time in years the budget has achieved a sustainable surplus. Capital expenditure has increased and the debt spiral has ceased. Victoria's credit rating has been upgraded on a number of occasions and there has been a demonstrable improvement in a range of government services.

In more specific terms what has the current budget achieved? For the first time since budget statistics commenced in 1961 the state government has recorded a surplus on both the current account and the overall budget in the same year. The surplus on the current account is some \$932 million and the surplus on the overall budget amounts to some \$215 million. This represents the attainment of the first objective of the government — that is, the budget being in a position of sustainable surplus.

In terms of the challenge ahead for 1995-96, the projection is that there will be an overall deficit of some \$344 million. The estimated current account surplus is projected to be some \$706 million. The Treasurer stated that at last the people of Victoria have seen the end of the haemorrhaging of the state finances, but more work needs to be done.

An overview of 1995-96 shows that we are in the fortunate position where no new taxes will be introduced and no taxes will be increased. That will continue to help businesses compete as a consequence of being able to maintain their overheads at a steady level. Some 41 300 jobs are projected to be established in Victoria in the 1995-96 financial period.

The unemployment rate is projected to drop further from 8.7 per cent in June. One must remember that the unemployment rate was 11.8 per cent when we came to office and rose to 12.6 per cent within 12 months, but now it is around 8.7 per cent and is expected to go even lower during the next financial year to about 8.25 per cent. These are real jobs in industry and will make a significant difference for people because they offer a sustainable future.

There is also the removal of the lower cap applying to land tax assessments, a concession of some

\$7 million to business. These are the businesses competing in a global economy. Already in my electorate alone companies such as Boral and Spring Valley, and household brand names such as Petersville, Birds Eye and Herbert Adams are being sold off overseas at the present time. But the Victorian government is committed to reducing the tax burden on those companies that are struggling to compete effectively in overseas markets. The government should be congratulated on its clear vision and objective.

During the next financial period there is a projected economic growth rate of some 3.5 per cent, which is much healthier than in 1991-92. The state deficit levy was abolished from 1 July 1995 as a consequence of the reversal of the current account deficit where more than \$2 billion was required in borrowings to fund the day-to-day operating expenses of the government.

We have the example in Canberra where the federal government has spent some \$70 billion more over the past five to eight years than it has earned through taxation. How has it made up the shortfall? Through the sale of assets such as Qantas and the Commonwealth Bank. That is an absolute disgrace! The Victorian government in the longer term has the economic rigour and discipline to achieve a current account surplus so that what we earn in tax revenue will meet what we are paying the Victorian public service to provide a range of services to benefit Victorians.

The total funding for concessions in the 1995-96 period rises 5.5 per cent from a base level of \$197.5 million to \$208.4 million as part of the government's budget commitment to providing extra support for low-income earners. There is \$66 million available for electricity and gas concessions, \$46 million for public transport concessions and \$96.4 million for municipal rates, water and sewerage concessions.

These are just a number of the more important points in relation to the Victorian budget, but it is important to emphasise that there are ongoing concerns that the government must continue to address. These problems include the state debt, which increased in the 10-year period of the Labor government from \$11 billion to some \$33 billion. It is being reduced through a range of stringent economic measures and the proceeds of electricity privatisation.

I turn to Victoria's comparative competitive position with states such as Queensland and New South Wales. We have a higher level of taxation which in turn acts as a disincentive to business in this state. I have in my electorate a company that has been asked to move interstate because it is one of the fastest growing private companies in Australia. A couple of years ago it was ranked 89th among the fastest growing private companies in Australia and was one of only six such companies in the top 100 engaged in manufacturing, and one of only two such companies engaged in manufacturing in Victoria. It had offers to move interstate where there are comparative cost advantages because it is competing in international markets. That company must look at how it can keep its costs under control to enable its product to have a greater prospect of selling overseas. The Victorian government has provided strong support to that company, which I will outline in greater detail shortly.

One must understand the difficulties that exist in a marketplace that provides real jobs for Victorians. A further problem that the government must address as a consequence of having such a high debt is the exposure of the state to interest rate increases. At this point one might draw a comparison such as the one that has been made between public and private sector debt in Australia and overseas and realise the pressure that has been placed upon interest rates, which has been clearly acknowledged by advisers to the Labor government. Mr Fitzgerald, I understand, recently verified the correlation between debt and high interest rates. It is something that the federal Treasurer has yet to acknowledge publicly.

The budget will provide strong assistance in my electorate over the next 12 months in particular. Drainage works are being undertaken in the southern end of the electorate to alleviate flooding problems, and \$10 million of capital expenditure has been committed. Some \$1.4 million of major maintenance money is being directed towards the Sandringham Secondary College; that is long overdue. The money had not been provided during the decade of Labor rule but is now being provided to upgrade classrooms to bring them up to an acceptable standard.

Some \$920 000 is being committed for redevelopment and reconstruction of the Beaumaris Primary School, which was damaged by fire last year. The tender process is reaching finality, and construction work is due to commence on a number of new classrooms, a staff room and other school facilities as well as computer wiring in the

not-too-distant future. This involves the expenditure of significant government funds raised through taxation, but at another level of expenditure there are a range of other government grants that will assist and benefit people in my electorate, such as the \$5000 that has been allocated for the Black Rock Life Saving Club. The club will use the funds to acquire a boat and develop water programs that will assist both the lifesaving club and young people who may be at risk in the wider community.

The club is managed magnificently by the president, Mr Terry Peterson. It is one of the strongest lifesaving clubs in Victoria today due to the commitment of a group of volunteers who spend many hours directing the activities of the club, providing training programs and training people for beach patrol work during the summer.

Money has also been provided for local libraries. A special funding grant was given to the Bayside library to enable staff to be trained in the use of the Internet and to keep abreast of developments in technology that are taking place at the present time. A local company in Sandringham has earned \$15 million worth of export income, which has underpinned a lot of the work of the Directorate of School Education in the provision of computer facilities to schools as part of the Schools of the Future program, and more recently has become involved in the innovative satellite program utilising the Internet, which was recently launched by the Minister for Education and the Premier.

Under the Labor government a range of services at the Sandringham Hospital was mooted for closure, and more recently the hospital was the subject of internal health department work which tended to suggest that the hospital faced an uncertain future. Following the Metropolitan Hospitals Planning Board's report which had as an objective the better utilisation of the health dollar, and the appointment of the Southern Network Board, the chairman of the board recently announced at a public meeting at the Monash Medical Centre that he was confident about the future provision of accident and emergency services at the Sandringham Hospital.

This was magnificent news for the people of Sandringham, as was the announcement that there would be an allied role for the use of the hospital's infrastructure for the provision of medical and surgical services down the track, but these are issues being worked through at present. It is hoped the benefit of the network will be a better use and distribution of resources to meet the health needs of

the wider community in a fairly diverse geographic region.

In the area of transport government funding has been committed to upgrading the Sandringham rail line, which now provides one of the best services in Victoria. On average trains leave for the city every 15 minutes. The station will be marketed as a premium station — that campaign will shortly be launched by the Minister for Public Transport. Lighting and the waiting room area have improved. The very reliable service to the city is generating a higher level of patronage, which is a magnificent return for the great work that has been undertaken on that line in recent days.

I should mention also the Nightrider bus service, an innovative service introduced by the Minister for Public Transport that has operated over the past couple of years. It is flexible and responsive to community needs. The program is committed to further addressing transport needs in a cost-effective manner rather than conforming to any ideological or historical pattern that has applied in the past. Bearing in mind the developments that have taken place, a number of significant achievements will be delivered to the Sandringham electorate during the current financial year.

I turn now to two local companies that have received recognition for their capacity to compete in the wider marketplace. Last week the Governor of Victoria presented a number of export awards. The winner of the Ausindustry New Exporter Award was Gale Australia Pty Ltd. I have directed attention to that company on many occasions in the past couple of years. In 1976 it pioneered a unique technology for extruding high tensile resin fibres and knitted those fibres to create durable outdoor fabrics. Today the company is a recognised world leader in the research, development and manufacture of the knitted resin fibre fabrics and holds a significant number of design and intellectual patents for fabric-based products that provide innovative screening protection in outdoor environments.

The Gale company's revenues from export activity grew by a massive 283 per cent in the financial year ending June 1995, with export sales revenues anticipated to again more than double in the current financial year. Companies like Gale Australia will be the beneficiaries of the government's reforms in reducing the costs of electricity, local government, Workcover and so on to enable them to better compete in the international market.

In Japan Gale Australia has been awarded membership of the prestigious Japan DIY Industry Association, representing 2500 home centre stores. According to the company, it is the first overseas company of its type to be accorded that level of accreditation.

Another company based in Sandringham that received an export award last week is Ronstan International Pty Ltd, which manufactures and markets premium sailboat hardware, including rigging products, to the leisure marine and construction industry. Approximately 50 per cent of Ronstan products are exported, with 95 per cent of the materials used in the manufacturing process locally sourced. Through the versatility and aesthetic appearance of its rigging product range, Ronstan has been able to market its product in a range of overseas markets.

Mr Hamilton interjected.

Mr THOMPSON — It is a fine product, as the honourable member for Morwell says. However, the tragedy is that it was bought out by an overseas company. I must add that the advantage of that acquisition is that the company will have the capacity to market its products to more than 140 countries throughout the world with a greater level of backing. In addition, significant capital has been invested in equipment at the Ronstan factory in Sandringham, and that will assist in its ability to continue to provide jobs locally. The downside of the situation is that at the end of the day in a number of years there will be a repatriation of profits overseas.

I conclude where I began. There is a real question about the future economic destiny of Australia. A number of our national icons have been sold overseas. The work of the Victorian government has been to create a manufacturing and economic environment that will enable Victorian companies to prosper and succeed in the international marketplace. If that does not occur we will have the sober words of Geoffrey Blainey ringing throughout this chamber for the next 15 years: that this nation is in economic decline. More work needs to be done. The Victorian government is on course. All we need is an Australian government with the intellectual merit and political will to embark on the reforms necessary to provide for the longer term future of all Victorians and Australians.

Mr DOLLIS (Richmond) — Just wait until we come to the gospel according to Jeff Kennett! When

introducing the appropriation bill the Treasurer reported to Parliament that after last year's current account surplus of \$932 million and an overall surplus of \$215 million, the budget for 1995-96 will see a current account surplus of about \$706 million, but will come in deficit overall to the tune of some \$344 million.

This set of figures has been achieved at a great cost that has been borne by the Victorian community. The Premier says there is no relief in sight. The screws are still to be tightened: more jobs are to be lost and more cutbacks to take place. The Victorian public is questioning the Kennett government's priorities because a recovery is a matter of priorities.

The Treasurer's famous words, 'Read my lips: there are no new taxes', are an absolute joke. Victoria is already the highest taxed state in Australia. Since 1992 — these are fairly important figures — taxes have increased by \$2 million annually, or up to \$2000 a Victorian family a year. Since 1992 real expenditure on health and community services, education and transport has been cut back massively. There have been massive cutbacks in health and community services which, in real terms, have amounted to about \$500 million annually. No wonder we have a crisis with ambulances and hospitals! No wonder there are hospital bed closures.

Mr W. D. McGrath interjected.

Mr DOLLIS — Which world do you live in, Minister? There is a constant and continuous health crisis because of the priorities that you and your government have placed on services to the community.

Bringing down a budget is an exercise in social responsibility. It is about the government being accountable to the community for the taxes it raises and for what it spends. It is about how and for whom it raises revenue and in what proportions it spends it.

I shall spend some time on the gospel according to Jeff Kennett! When he was overseas he made an extraordinary attack on the churches. You would have thought that while he was overseas it would have been advisable for him to keep quiet. The Premier launched a stinging attack on the church representatives who felt it necessary to speak out on issues of social responsibility, particularly their concerns about the privatisation of electricity, gambling and new taxes and charges. An article in the *Herald Sun* of 19 September quoted the Premier:

For church leaders ... getting involved in the political field is almost to me an indication of an acknowledgment of failure of their primary purpose ... It's why they're partly asking government for so much more all the time, because their flock doesn't provide the resources themselves — their flock has flown, they're not there.

The Premier singled out the Uniting Church when he said:

I've had a number of people who have come to me who have left the Uniting Church after some more outlandish comments that were made in terms of electricity reform.

The Premier's remarks were totally lacking in judgment. They are a sign of his poor understanding of the long history of the church. The church always has and will continue to make social and political comment. The Premier's remarks reflect his ignorance about the churches. Since the Second World War the churches have considered their task is to care for people as whole human beings. They have sought to protect and improve the living standards of the poorest and the most vulnerable in our society. Father Mark Coleridge from the Catholic Church expressed his comments in this way:

Mr Kennett shows a feeble grasp of the link between spiritual and temporal concerns ... the attempt to drive the church back into the sanctuary has never worked in the past and it will not work now. This is a government which has not always shown itself insensitive to all voices in the community, perhaps this is the fate of governments with a dangerously large majority.

The Catholic Church told the Premier that the fact that the coalition government achieved a large majority does not give him the right to try to silence those who defend the rights of those in need — the poorer sections of our society and those who do not belong to the wealthy classes. It has been the traditional role of the church to defend those people. For the Premier to criticise the role of the church is not only outrageous it also brings Parliament into disrepute.

The unfortunate remarks made by the Premier show his fundamental confusion. I point out that the struggle between the civil and ecclesiastical authorities dates back to the Middle Ages. Prior to that there was no such separation between the powers. But that struggle has no place in today's society.

The Premier's remarks are unwarranted. Since the Middle Ages the struggle between the state and the church has been essentially to preserve the church from the domination of secular powers. That struggle has been resolved. The government does not seem to understand the doctrine of the separation of powers, which has allowed religious freedom and tolerance as well as the emergence of other freedoms in a civil society. The doctrine must be understood by those who govern.

The *Declaration of Religious Freedom* made by the Second Vatican Council is of great significance to this issue. It states:

It follows that a wrong is done when government imposes upon its people, by force or other means, the profession or repudiation of any religion, or when it hinders men from joining or leaving a religious community.

That is a fundamental factor when governing a state and that is why the Premier should not attempt to silence the churches when they are exercising their fundamental rights. I remind the government of the Christian concept of the church and state relationship which stems from the words of Christ. If the Premier bothered to read the Bible — in the past he often suggested it as the book to read — he would find that Mark says:

Render to Caesar the things that are Caesar's, and to God the things that are God's.

However, the Premier is unable to understand this fundamental separation. Michael Davie interviewed the Premier and his article was reported on 21 January. In the article the Premier, to the surprise of a considerable number of people, said that the two leaders he had studied were Gandhi and Stalin. One can understand why he saw Indira Gandhi as a figure to be admired because she was a person of considerable repute, but it was amazing that, out of the blue, the Premier referred to Stalin. In examining the old encyclopaedia and history books to try to find out why the Premier found Stalin so appealing I assumed the Premier's admiration was for his strong leadership qualities, and that is precisely what I find pathetic and dangerous. It is pathetic because there are better examples of strong leadership and it is dangerous because of the type of regime Stalin led. The Premier should not be allowed to get away with remarks of that sort. The Premier spat those words around with a total disregard and lack of understanding for what they represent. In some ways Stalin was the most powerful leader we have

had this century and I suppose the Premier in his wildest dreams would like to be equally as powerful, but he forgets that Stalin was a most violent and ruthless leader who launched a campaign of bloody terror during the mid-1930s when the world saw him purge, arrest and deport Soviet citizens to labour camps. He filled the lives of every Soviet citizen with fear. That was the weapon he used to the fullest.

Mr Deputy Speaker, I imagine you have not had the honour of attending one of the cabinet meetings to see the method the Premier uses. If fear is not a weapon, I don't know what is! If the people of Victoria, for some unknown reason, were to give the Premier another term, he too would touch the life of every Victorian — and he will touch it in the most remarkable, ugly way. Dissent is not something —

Mr W. D. McGrath interjected.

Mr DOLLIS — Now the agrarian socialist minister wants to talk about socialism. We can go back to your party platform, Minister, if you want to compare policies. Would you like me to pull out a few passages of your own party platform and compare it with some of the so-called socialists' platforms?

Mr W. D. McGrath interjected.

The DEPUTY SPEAKER — Order! The Minister for Agriculture is being provocative with his interjections across the table. We seem to have strayed somewhat from the appropriation debate. Prior to the last exchange I was having some difficulty relating the remarks of the Deputy Leader of the Opposition to the appropriation debate, but because of the integrity of the honourable member I was sure he was painting a background picture which was going to illuminate the house. I hope the illumination is not too far away!

Mr DOLLIS — Mr Deputy Speaker, you cannot say that the words of Mark 12:17, 'Render to Caesar the things that are Caesar's, and to God the things that are God's', don't relate to taxation! If you don't understand that this is a direct relation to taxation, let me refer you back to the Bible where you will find before this statement the title 'Paying taxes to Caesar'. My comments relate very much to the appropriation bill. Of course, Caesar wants only things that belong to Caesar but he does not want to give to God the things that are God's.

I return to comments that were made by Archbishop Rayner of the Anglican Church in replying to the Premier's comments in the media. He said:

In fact, some of the less glorious episodes in the history of the church occurred when church leaders weakly buckled under tyrannical governments and curried favour by going soft on their Christian principles ...

So if the church is to be true to its gospel, it must do what it can to uphold and preserve human dignity.

Human dignity is what the Premier is trying to take away. If human rights and dignity are threatened, the church is bound to speak.

Today I am defending the very right of the church to express an opinion. Historically it has had the right, but also it has earned that right. No person, whether it be the Premier of Victoria or anybody else, should be allowed to take that right away from the churches because that is the first step towards tyranny. The house must uphold this fundamental right if we are to see society moving forward.

The response by the churches has been to unanimously defend their right to speak out. They stand united on this issue and the issue of social relevance being part of their mission. The Uniting Church even strengthened its position after the Premier made those comments about the churches. If the Premier had bothered to listen to statements made during the church's last synod and a number of decisions it made he would have discovered that the church's resolve is even stronger. The social responsibility of the churches is based on worldliness.

Mr W. D. McGrath interjected.

Mr DOLLIS — If the minister wants some reference to biblical passages that demonstrate God's presence within the economic and material dimensions of human life, which may take care of any concerns that this issue does not fall within the boundaries of the bill, I refer him to Matthew 25:31-46, where again —

Mr W. D. McGrath interjected.

The DEPUTY SPEAKER — Order! I think the minister has created enough havoc in the house. He ought to remain silent.

Mr DOLLIS — In that passage Jesus describes a divine judge who assembles all the nations and

separates them from one another. The judge places the righteous at the right and grants to them the blessings of his kingdom. It then goes on to say:

For I was hungry and you gave me food, I was thirsty and you gave me drink, I was a stranger and you welcomed me, I was naked and you clothed me, I was sick and you visited me, I was in prison and you came to see me.

I do not think the churches are against wealth generation or against public utilities operating efficiently. They are questioning the outcome of policies in the marketplace. As Archbishop Rayner said:

It is not that money is evil, but if it becomes an end in itself, if material values swamp spiritual values, if the profit motive is allowed to become the guiding light for the community, our humanity is really threatened.

It is that very humanity that this Parliament must preserve. The philosophy of social responsibility argues that people are communal beings and share responsibility for one another. This responsibility forms the basis of a social contract, the social wage or the rights of citizenship. It is through the social wage that governments implement their social responsibility to redistribute the revenue obtained through taxation for those in need. You collect your taxes in order to distribute them to those in need. Never forget that, Minister! In that way governments retain an ability to redress irregularities that develop within the market economy. In this view the government acts as a buffer between the individual and the market where required. Governments that disarm this responsibility abdicate their legitimate role in social policy. I say to you, Minister: your Premier has abdicated this responsibility for quite some time.

The objective of social policy and the wellbeing of the society or the common good is rightly put by Father Mark Coleridge as follows:

Governing the state and running a business are not the same thing. The overriding responsibility of the government is service to all Victorians.

It is a message that comes from the Catholic Church and it is a message that the minister and his government should carefully consider. Your responsibility, Minister, and the responsibility of the government is to collect taxes and then redistribute them to those in need. The overriding responsibility of your government is to rule and govern and

service all Victorians. You have an overriding responsibility to provide ambulances if they are required. You have an overriding responsibility to provide hospital beds if they are required. You have an overriding responsibility to keep schools open if they are required.

Mr Finn — On a point of order, Mr Deputy Speaker, I have been listening to the honourable member, with varying degrees of interest, for the past 5 minutes, and in that time he has frequently and at length addressed the minister directly across the table. That clearly is against the standing orders and I ask you to make him abide by the standing orders and to address his remarks through the Chair.

The DEPUTY SPEAKER — Order! I uphold the point of order raised by the honourable member for Tullamarine. I ask the Deputy Leader of the Opposition to address his comments through the Chair, and encourage those who are distracting him to desist.

Mr DOLLIS — It is fundamental that unless the government understands its responsibility it cannot claim to govern on behalf of all Victorians. It cannot govern only on behalf of the interests of a small elite. It was given the task of governing by the people of Victoria and they expect something in return.

I shall concentrate the remaining part of my contribution on the privatisation of the electricity system. I remind honourable members of what is happening in the United Kingdom at this very moment after more than a decade of privatised utilities. What are the Tories doing now? *The Times* reports:

Customers fear electricity and water will not mix.

Consumers of water and electricity fear that by joining forces the two companies will create a natural monopoly that will mean increased hardship for them. One unfortunate situation is that during the current English drought 25 per cent of water in Yorkshire has been leaking from pipes before it reaches peoples' taps. Power generating companies in the Midlands are considering merging and saving billions of pounds by create the first company in the industry capable of the bulk generation and supply of power.

A number of assurances and justifications have been given to this house by the government. Competition is terrific when it comes to the electricity industry but competition is not allowed when it comes to the

casino. The government believes gambling should be a natural monopoly, supported and protected by government. However, electricity, something people require for their daily existence, is to be open to the forces of privatisation and competition. I cannot work out the logic behind this regime, but I remind the government of some things it said previously.

Victoria is one of the few places in the world where casino gambling or gambling of that sort relies on the majority of its income coming from the local population — not from visitors or from people who live outside the state but from the very people who live in the state. The government must take that into consideration so that we do not face an epidemic some time in the near future when the effects on the people concerned will be such that it will be too late for us to do anything.

Mr W. D. McGrath interjected.

Mr DOLLIS — The minister interjected that the Labor Party did all this. We can talk about the casino paying for one licence and getting one for free and about its getting its gaming tables as a priority from a government that does not consider health to be a priority. It is an absolute disgrace and it has nothing to do with the previous Labor government. If the minister goes back to the findings of the Connor commission before the legislation was enacted he will find the commission warned the government about the serious consequences of this legislation, the consequences we now see happening.

We see a total capitulation by the government in the interests of a small group of people. The government should start defining its social responsibility because in reality the people of Victoria expect it to govern on their behalf, to make sure that ambulances run on time, that schools are properly funded and that hospitals are given the resources they require. Instead of recognising its social responsibility the government's priority is to provide the casino with even more tables — not a small number but a huge number of tables — so that more Victorians can go in and lose more money.

The experience of privatisation in the UK is that companies that privatised in the past and bought small components of the utilities are beginning to merge and create huge monopolies. One could perhaps argue for public monopolies because they at least would have some common good at the end of the day with their profits, relatively speaking, going back to the people. Instead of that, they are private monopolies increasing the number of disconnections

and making certain that people live without the vital resources they require: electricity and water. With private monopolies record profits go to the shareholders, prices go up and disconnections increase by the day.

If the government were serious about its social responsibility it would stop diverting attention by attacking the churches in relation to privatisation and the unions in relation to the ambulance service and it would face its responsibility and govern this state on behalf of every single Victorian and, more importantly, on behalf of those who are in need, the very people from whom the government collects taxes and the very people the government has forgotten.

Mr DOYLE (Malvern) — It is always a pleasure to follow the honourable member for Richmond. At first today I thought I was listening to one of the new prophets, St Demetri the Martyr, but as he went on and became more florid towards the end of his speech it was obvious that this was not a new prophet but one of the false prophets, St Demetri the Misguided!

I take up some of the points he made about the church, predictable enough as those rabid defences were. I do not know whether the honourable member for Richmond has attended any of the meetings he described in such florid detail but I have done so in my electorate. He spoke about how the church is bound to speak out, as if it had some sort of God-given social responsibility. I do not disagree with that. I think churches have a role in speaking out and I do not think anyone on this side of the house would dispute that — certainly the Premier, the cabinet and those backbenchers to whom I have spoken would not dispute that. However, one thing we do not think appropriate —

Mr Cole interjected.

Mr DOYLE — I take up the interjection. It is not about disagreement. We only draw the line when the churches start to barrack. If both sides of the argument are put and people are allowed to make up their own minds, that is open debate. I am all for disagreement in any informed debate but when the Uniting Church, for instance, allies itself in Geelong with a discredited group, Public First, that is not about disagreement or debate, that is pure and simple opposition.

When the honourable member for Richmond talked about the church in a holistic way, it was not representative of the church but of a small group which has captured the synod to the discomfiture of the rest of the church.

Mr Cole — Rubbish!

Mr DOYLE — I shall explain my acquaintanceship with the argument, and 'rubbish' is not an appropriate objection. I actually had members of the Uniting Church speak to me during and after a meeting in a church in my electorate to say that they disagreed with the position put by Mr Robert Johnstone, the secretary of synod. His own parishioners stood up and told him they thought their church had no role in the debate. I would not go that far. The church has a role — and I will come back to that in a moment — but his own parishioners said that the church had no role whatsoever. He does not speak for the entirety of the church; I shall give two examples of positions that irritated me. My recollection is that on that night the secretary of the synod explained to the congregation that he felt the synod had spoken out because 'they had read the mind of God on this'.

Mr Dollis — I will be back.

Mr DOYLE — Is that a threat?

I took exception to Mr Johnstone's comment. If his was an interpretation of the mind of God I would be surprised. Let us say so, but let us not have any claptrap from church leaders that they somehow have a conduit to the Almighty, who has told them to speak out against the Victorian government's privatisation plans. An appropriate disagreement might well be that the government's responsibility — if I could paraphrase what I think the synod's disagreement could be — is to take care of the poor and vulnerable. Honourable members would agree with that. If the argument were that many people are not able to pay their electricity bills, that argument could be taken up directly with the government. But that is not per se an argument against privatisation.

The Uniting Church has deliberately and wilfully misrepresented community service obligations as though those obligations were paid by the SEC directly to the poor and most vulnerable. As the government has tried to explain to the Uniting Church, they are paid directly from the budget through the government.

If the argument is that not enough people are taken care of, the synod's argument is with the government, the Treasurer and the budgetary allocation to community service obligations, but that is not the way the Uniting Church went. From the outset it was against privatisation. That is what I would say is the difference between the right to speak out, which we would all agree with, and simply barracking for one political side. A distinction has to be drawn between those two arguments. The Uniting Church synod has not drawn that distinction, and is properly attracting criticism from within its own ranks. That criticism will continue, and the church will make itself irrelevant to the debate if it does not properly engage in debate and attempt to present both sides.

It is not enough for the honourable member for Richmond to quote selectively from Archbishops Rayner and Little or anybody else and then to predicate that as the view of the entirety of all churches when we know it is a section of the Uniting Church wilfully leading and misrepresenting the debate.

The honourable member for Richmond got a little overexcited, but at the end he came to what is in essence the difference between those on the two sides of the political fence. He accused the government of not governing for all Victorians. That depends on how that is seen to be done. Government members say that before that can be done the first step is getting one's financial house in order. Our Treasurer, our Premier and our cabinet have had to be receiver managers for three years because they know that if this state is not operating on a sound financial basis any appearance of government for all Victorians is rhetoric. It is worse than rhetoric; it is a cruel hoax because promises so easily made in such a debate by the likes of the honourable member for Richmond cannot be fulfilled.

My view is that opposition members should ask the people of Victoria about social responsibility. They should ask them whether in the dying days of the Cain-Kirner government they felt that its social responsibility was any more than lip service. People will reply, 'No'. They will say that some things have been very hard financially for their families and businesses over the past three years, but any indication of public feeling in Victoria shows the populace's great support for this government. Why is that so? The answer is that people know the government is doing the right thing.

If a government wants to meet its social obligations — I agree with the honourable member for Richmond that we are here to offer service to the community — the first step is to have a sound financial basis. If that cornerstone is not in place, everything else is rhetoric and a cruel hoax on the people. That is the philosophical divide between us. The honourable member for Richmond threatened he would be back later. I would say the same thing to him if he returned to the chamber. Until that first step is in place, the rest will not work.

I spent a little longer on the speech of the honourable member for Richmond than I intended, but I felt a couple of points required a response. I will now make a couple of points on how the government and the budget have affected my electorate. My first heading is local government. Much bleating has been heard from the other side on the reorganisation of local government. My area operates under the City of Stonnington.

Mr Mildenhall interjected.

Mr DOYLE — I am delighted to take up the interjection of the honourable member for Footscray because I am about to praise Greg Maddock, our chief executive officer. I know the honourable member will take a particular interest in that, understanding what an excellent public servant Greg Maddock is.

Mr Cole interjected.

Mr DOYLE — The honourable member for Melbourne reminds me that I wanted to mention our commissioners, two with some sadness. Reg Weller, a commissioner at the start of the process, unfortunately died during his period of office. I publicly put on record our thanks to Reg Weller for his hard work, particularly in the early days of marrying many of the financial systems of Prahran and Malvern, which were remarkably different. The amount of work Reg did in putting together two disparate systems and services which were a couple of kilometres apart deserves recognition in this forum.

Neil Smith, the chief commissioner, has been very ill. He, too, has done a sterling job. He has not yet returned to service, but we are well served by Anne Murphy and recently Des Bethke, who has joined the team. I most want to praise Greg Maddock, the former CEO of Prahran. He has helped the commissioners enormously and, I would say, is the driving force of Stonnington's success.

The first point I want to make about local government reform in my area is that people are about to get rate reductions of unprecedented levels. The rates, including the garbage charge, will reduce from \$38.1 million in 1994-95 to \$26.67 million in 1995-96 — a 30 per cent reduction in rates. I will shortly give some examples of rate reductions. In addition, loans totalling \$6.3 million have been repaid, making Stonnington a debt-free authority. Spending on capital works has increased from \$13.5 million in 1993-94 to \$15.2 million in 1995-96. Also a sorely needed \$2 million upgrade for Prahran market has been recently announced.

In my electorate of Malvern there are a number of real-life stories that illustrate what happens when services are maintained at current levels and spending is maintained or increased but rates are reduced. Three years ago someone looking down Glenferrie Road would have seen a forest of 'For sale' and 'For lease' signs over shops, as businesses came and went with depressing regularity. Now the government is doing its bit to help those small shopkeepers stay in business. A person with a small shop in Glenferrie Road in 1994-95 would have paid a rates and garbage charge of \$1574.60; in 1995-96 that charge will be \$1031.28, a 34.5 per cent reduction. A person with an office in High Street, Armadale, would have paid \$1122.40 in 1994-95; in 1995-96 that charge will be \$736.20, again a reduction of 34.5 per cent. On a subject dear to my heart, a person with a house in Armadale would have paid \$1559.95 in rates in 1994-95; in 1995-96 that charge will be \$1275.48, a reduction of 18.2 per cent, and gratefully received.

Mr Mildenhall interjected.

Mr DOYLE — Regardless of what the house is worth, yes, it is, but then that is also part of the disposable income of a family that it can now count on. Although I was talking about High Street and Glenferrie Road, two of our great shopping strips, my near neighbours at the Prahran Market and Chapel Street will be even more pleased. If you have a shop in the Prahran Market you would pay rates of \$1077.87. You now pay \$646.72, which is a reduction of 40 per cent. If you had a shop in Chapel Street — and all honourable members would agree that Chapel Street is one of the great shopping strips not just in Melbourne but in fact the world — the rates have decreased from \$1679.70 to \$1007.82, which again is a reduction of 40 per cent.

If you mention local government to people the first thing they think of is garbage, and for quite proper

reasons. As most people see it, that is the central task of local government. The opposition has been critical of compulsory competitive tendering. Stonnington has recently tendered the garbage services under compulsory competitive tendering, and the contract has gone to the in-house tender.

On 25 September the commissioners accepted the evaluation panel's recommendation and the contract for waste collection transportation and disposal has been awarded to the Stonnington in-house team. Four tenders comprising the in-house team and three others from large and very well-known companies were received but the in-house team scored the highest in tender price and customer focus and transition. The tender was put in after performing trials of different service-delivery methods and considerable thought into detail. It was an innovative bid. The staff will work 9½ hours a day in a four-day week, but they will perform the household refuse service over a five-day period, which is a substantial change to the current practice. But this is the interesting part: extra services will be provided. We will have a green-waste disposal, which is a service that did not previously exist. We will have a choice of different bins as we move to smaller bins. They will be cheaper than similar bins provided by the former councils of Prahran and Malvern.

The current cost of the service to the city is \$2.355 million. The savings generated by the acceptance of the in-house tender is \$741 264, which is 31.5 per cent of the 1995-96 budget. That is a shining example in two particular areas: firstly, in rate reduction and, secondly, in that crucial service operated by local government — that is, garbage disposal. It shows how Roger Hallam, the Minister for Local Government in another place, has driven through reforms which the opposition could only dream about in 1986. Remember Morris, QC, in his attempts? Nothing happened and now we have reforms in two of the most contentious areas opposition members have been bleating about. The government has delivered the reforms.

It is also interesting to note that this is not a sham process. The competitive tender for the Harold Holt pool did not go to the in-house group; it went to RAMS Management. It manages 6 indoor aquatic facilities, 13 outdoor pool complexes, and 3 general leisure facilities. RAMS scored more highly in all areas of the selection criteria, offering a greater financial return to council, regular evacuation drills, a larger range of programs and special events and a head-office structure capable of networking all of the

centres managed. We will get a better service at the Harold Holt pool and the savings generated will amount to \$176 000 a year.

RAMS Management has also already commenced operation of the facility; it has been a smooth and professional transition with many of the existing staff moving over to RAMS to further their careers with that professional group. Local government reforms have been a breath of fresh air to Stonnington.

I shall move briefly to education. I make no bones about the fact that my seat is a safe Liberal seat, and in the past it is with some shame that the Labor Party should look at the neglect of maintenance of schools in my area. In the past 18 months to 2 years all five primary schools in my electorate have received maintenance funding.

Mr Mildenhall — Buildings are more important than kids!

Mr DOYLE — I suggest to the honourable member for Footscray that if you can put kids into buildings that are properly maintained, purpose-built for teaching, dedicated to educational purposes and technologically sound and if you can staff them with professional teachers then, yes, buildings are important to kids and they are important to education. The honourable member can decry that if he likes, but when you do not spend money on maintenance then the whole building runs into disrepair and kids are disadvantaged. The best example of that is Lloyd Street school, which is a beautiful example of 1920s architecture in East Malvern. However, the school has had nothing done to it in over 10 years. It has been subjected to absolute neglect.

The school has great teaching staff and a wonderful new principal in Mrs Heather Littlejohn, but it is pretty hard for teachers to work when they are working in rooms that have ratty old lime-green, shag-pile carpets that are worn through, when paint is peeling off walls, when water is coming down the walls, when putty falling out of the windows —

Mr Mildenhall interjected.

Mr DOYLE — Wrong. The staff are happy. In fact, the union representative is bringing the children to Parliament next week and is happy with the work the government has done. It has spent \$549 000 just doing the basic things such as painting, plastering, carpeting, rewiring and updating the

lavatories which were an absolute disgrace. They have updated all those things that make a school environment pleasant to learn in and therefore more effective to learn in.

Recently Malvern Central School celebrated 120 years of operation. It is a great school in Spring Road, Malvern. The Minister for Education had a very warm and genuine welcome from Malvern Central parents and council. A former Minister for Education and former Premier of the state, the Honourable Lindsay Thompson, my predecessor in the seat of Malvern, was also there. He revealed that he had taught at Malvern Central in the three years before I was born, but I was not so unkind as to point that out to him at the time. That school is in a wonderful old Edwardian building, but when repairs such as fixing the leaking roof are not done, you cannot do any painting and the building becomes damp and unsafe.

The roof at Malvern Central was at a point where \$100 000 was needed to make it good because it was no good just painting over it or doing minor repairs, it had to be replaced.

Armadale Primary School has wonderful old buildings, but they had been sadly neglected. The worst room that needed an upgrade was the staff room. The government spent \$30 000 upgrading the staff room, and \$150 000 was spent upgrading the school facilities.

Chadstone Park Primary School was in good nick; it was one of those 1960s-type schools, but it too had poor administration and staff facilities. It only needed \$5500, but that money provided facilities which made it a workable place for the staff and the administration staff and it is now a much more pleasant and efficient place in which to work.

Why had that money not been spent in the 10 years previously? It is not a huge amount but it made a difference to the lives of the people who worked at Chadstone Park Primary School.

The government has now combined the magnificent Edwardian buildings of Tooronga Primary School and the wonderful Victorian buildings of Malvern Girl's High School. That combination now forms Malvern Primary School in Tooronga Road. Extensive renovations were required to the old Victorian high school to make them pleasant learning environments for primary school children, and that has been achieved as well.

The Minister for Education has done a first-rate job in providing such facilities. The minister, and the principals involved — Heather Littlejohn from Lloyd Street, Mary Wadds from Malvern Central, Kevin Ryan from Tooronga, Neil Johnstone from Chadstone, and Bill Pedrina from Armadale Primary — are all working with the government to make sure the schools offer the best service possible to the staff and to the students and parents.

I shall now turn to transport.

An honourable member interjected.

Mr DOYLE — I will resist the temptation to take up the interjection, tempting though it is because I love a soft lob, but I will move on given that I have 8 minutes left. In my area there is a premium station: East Malvern station. It is one of those stations that has an enclosed waiting room area, a booking office, improved lighting, closed-circuit TV, automatic passenger information, a public address system, and better security in the car park area. It will become a hub for people who wish to drive to East Malvern and leave their cars at the station knowing they are perfectly safe personally. They will then travel into the city on a safe and quick rail system.

Without such initiatives people will not travel on the public transport system. The station I travel from into Parliament is Armadale. Under the previous government the Armadale railway station was a disgrace; it was a threatening station covered with graffiti, and nothing was ever done to improve it. The Department of Transport and local residents have transformed that station into a showpiece. Not only do staff take great pride in the station itself, but the community takes pride in its surroundings and now ensures there are regular plantings. Armadale station is now the centrepiece of the commercial area that has been reinvigorated with new shops opening up. That has been the result of this governments efforts.

Another local major project announced by the Minister for Roads and Ports is the City Link project. Recently \$67 million has been allocated for grade separations, first at Warrigal Road and now at Burke, Tooronga and Toorak roads.

Mr Cooper interjected.

Mr DOYLE — I shall not go over the jokes about the South Eastern Arterial car park. There are signs along the arterial road apologising to motorists for delays and telling them that the car park will soon

be on the move. One can see motorists smile in recognition of what should never have been there: traffic lights on the freeway. That was farsightedness by the former Labor government! It was frustrating not only for motorists but also for residents of the Kooyong valley and the City of Stonnington because of the noise and pollution created by the traffic snarl, which made people's lives intolerable.

The upgrading of the arterial's grade separations will be finished next year and the traffic will flow freely. It should have been a freeway in the first place, but that would have been too difficult for the Labor government! If four major intersections cross the freeway one can only conclude that they will hold up traffic. Can one blame the former Labor government for not having the foresight to build a freeway that flowed straight into the city? Of course! Those intersections will be removed and it will become a true freeway.

Mr Mildenhall interjected.

Mr DOYLE — The honourable member for Footscray says that there will be a toll. There have been public meetings with Vicroads and Leightons as well as a public information fair day and letter drops. Members of the Stonnington freeway committee and the Kooyong valley residents' association and numerous interested residents have been in my office meeting with representatives of City Link and Transurban. Not once have tolls been mentioned.

Mr Cooper interjected.

Mr DOYLE — I thank the honourable member for Mornington for his invaluable help. We all remember Honourable Jim's contribution! The residents were not concerned about tolls, because they recognised that two 80 cent tolls would not matter if there were a \$2.50 saving from Warrigal Road to Punt Road, which is what the predicated figures are. They realise that they will be better off, whether it be through saving on wear and tear on vehicles, fuel consumption or travel time. They are not silly: they can actually add up, as can businesspeople in the area. They were concerned about noise attenuation.

The groups have had excellent hearings with representatives of Vicroads, Leightons, City Link and Transurban, and recently with the Minister for Roads and Ports. They are happy to work with the government on this historic project. The Minister for Roads and Ports has said he would be happy to

come out so as not to rely on readings from a report, but to experience noise levels, to stand in someone's back garden and listen to the freeway noise and talk to residents, on the spot, about what their needs are and how one might go about fulfilling them.

Ms Marple — Come down to Laverton.

Mr DOYLE — I suggest that Laverton is about to be out of the honourable member's electorate. Although that is the case, I suggest the honourable member for Altona follow the same procedure we have used: go through fruitful discussions with the relevant authorities and have productive input instead of carping, whingeing and whining about one of the great projects in this state.

I turn to a good-news story. When we had to rationalise certain primary schools in my electorate we had to close the Gardiner Primary School. We have one of the alumni of that school in the honourable member for Sandringham. I was concerned that the school not be sold off to development. The Malvern Elderly Citizens Welfare Association was able to buy the land from the Urban Land Authority. Their association, which takes care of the elderly, has entered into a partnership which has meant that on the site will be erected 13 independent living units and a 55-bed hostel, leaving the majority of the land as open space for the many flat-dwellers in the area.

The Minister for the Aged, the Honourable Rob Knowles, in another place came to the electorate on 2 June to officially turn the sod for the start of that project, and commented on what a great story it was. As the demographics of the area have changed and the young families and children are no longer in the area it has been transformed into a wonderful facility for the aged.

Because of the reform strategy of this government — be it financial restoration, improved public sector management, greater emphasis on service provision, economic reform to encourage business investment and employment, major rebuilding of civic infrastructure — whatever one points to, one would have to say that this is not only the state on the move but, to steal another state slogan, a state of excitement.

To see that one has only to look at what happened over the weekend when tens of thousands of Victorians visited these major projects. Along with thousands of others I went to the Alfred Hospital — —

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member's time has expired.

Mr COLE (Melbourne) — It may be the state of excitement, but in the appropriation debate I must respond to what the honourable member for Malvern said about the churches. Nobody would disagree with the concept that church must be separate from state. Unfortunately, in the past and even today that has been a theory rather than the reality because historically, usually in conservative terms, the churches had a big role in the running of the state.

Indeed, the Church of England in England was the church of that country. I respect the right of people to have religious views, but I do not believe they should interfere with the running of the state. I would even argue strongly that the prayer that is said in this place should be got rid of. We should not have to sit here and endure it because it acknowledges only one religion. We are a multicultural society and the prayer takes no account of agnostics, atheists, Muslims, Jews and others who may be members in this place. That is an important point.

There are important reasons why the churches have sought to make statements about the government. It is not the first time churches have commented about governments and political parties. In the past the Catholic Church has been very critical of governments, not only in the 1950s, 1960s and 1970s but also when we were in government in the recent period from 1982 to 1992. The most important issue with the Catholic Church, the Salvation Army, the Uniting Church, the Anglican Church and the Islamic religions is that they are all heavily involved in the provision of welfare services. To a large extent it has fallen on them to speak out about what I see is going wrong in the provision of government welfare services in this state. The Uniting Church and sections of the Catholic Church and the Salvation Army have taken a strong ideological stance on the provision of services because they believe the services are an important part of the state's responsibility.

They disagree with what the government is doing in the provision of services to people on low incomes. The most important issue is that when you privatise electricity services you run a very real risk that the people on low incomes will be badly affected by the decisions made.

The points that the churches are making are well taken and the Premier, who has just arrived in the chamber, was in the wrong to criticise them for exercising their right to make a statement. It is one thing to say you do not agree with them but it is another to say they had no right to say what they did, because clearly they are also accountable to the media and the public, just like anybody else. If the archbishop or a bishop wants to speak out in opposition to this government that is his or her right to do so.

Mr Doyle — They are not allowed to barrack.

Mr COLE — They are allowed to barrack if they wish. If they are seeing what is happening to the downtrodden in this society because of this government they can barrack as long and as loudly as they like. They are entitled to do so. And if some people do not like it they do not have to go to the church.

It is very important, though, to note there has been quite a radical change in the church's position on these matters, and it should be applauded. More importantly, because of the right-wing reactionary government we have had, the churches will have to stand up and be counted on behalf of those on low incomes, the poor and the weak.

Mr Doyle — They have to have their facts right before they disagree.

Mr COLE — It was not about facts. The issue was about their right to make a statement, the right to barrack, and they have that right.

If the honourable member for Malvern disagrees he can stand up in this chamber and say they have the facts wrong, but he and other people have no right to say these church leaders do not have a right to speak out. That is just not true, and historically they have done it. Let us take the example of IVF. Why are they not allowed to speak out on privatisation but are consulted extensively about the in-vitro fertilisation program? That is a very important issue to the churches, and they play a very important role.

This budget yet again highlights the ideological obsession of basically a fairly uncaring regime. In Victoria now you can have humanity, but only if you compulsorily tender for it. It is not there for nothing: you actually have to compete to get it.

This government is committed to very radical change and we have seen much of it. The Premier is

like a tornado: he is not in one place for long and he causes a hell of a lot of damage. Our health and community services, even our garbage collection and now our libraries have been challenged and put under threat. It is not, as has been pointed out by others, to benefit state finances but simply because of an ideological obsession, a commitment to competition. I saw what happened in New Zealand when I went there to study the health system, and again in England. It was a Tory's dream: competition at all costs and a winner-takes-all mentality. What we are delivering in this state now is a large pool of unemployed with no regard for where jobs are going to come from.

I shall talk about a number of planning issues, but I must say that at least the Minister for Planning is consistent: he is prepared to hurt his own people. In regard to a six-storey building going up on the Sorrento foreshore, he said recently that the people objecting to the proposal were the weekend nobility. I do not know whether he is the week-long nobility. It is disgraceful for him to say that about people who have quite a legitimate objection to what is proposed there. That example again highlights this planning minister's proposals, which are to deliver decisions on development by administrative edict without going through the proper processes.

We have seen also the alienation of parkland with the development of Albert Park for a grand prix, which was purloined from South Australia. That highlights this ridiculous concept that states will compete against states for things that really should be seen as being in the national interest. It is good that the motorcycle race has returned, although it is questionable which is worse — riding a motorcycle or smoking a cigarette. But the point remains that we should never have gotten into that debate and it should never have gone up to New South Wales. The people of New South Wales are reaping the cost of holding the race at Eastern Creek. We have learned from that experience that enormous problems arise when you get into these ridiculous competitions between states. So, the grand prix will take place at Albert Park. The bottom line is that a motor car race is replacing parkland. Trees have been knocked down. We are alienating our parkland, and we cannot get it back.

We also have alienation of parkland in my electorate with the development of the Carlton football ground at Princes Park. It is not Optus Oval — they have no right to call it that. It is called Princes Park, even if it is a bit of a monarchist name. The Minister for Planning recently amended the planning scheme to

allow the development of the grandstand to go ahead. That will take 15 metres of parkland at Princes Park, which is a well used area with 1500 people a day running around it. The minister's decision to amend the planning scheme was totally at odds with the views of his own independent panel, which was against the alienation of parkland. The minister set up his own panel; the panel decided to go one way, but the minister decided the opposite.

The Melbourne city council proposals that have been forwarded in support of the football club are also at odds with the panel. It is an undemocratic council. Even a council that was elected under an undemocratic, gerrymandered voting system would not have supported Princes Park being alienated and developed in that way. Melbourne city councillors always opposed this type of development prior to commissioners being put in those positions. With no democratic or legal mechanism available for the residents in Carlton and around Melbourne generally and with no opportunity for the community to truly object, this decision is devastating for all the people of Melbourne. The chief commissioner, Kevan Gosper, head of the jockstrap economy, is so closely aligned with the sporting bodies that it is hard to imagine that somebody like him, who has an allegiance to everything bar Melbourne — that 'everything' is called the Olympic committee — could possibly have made an objective decision. He is totally at one with the owners of the Carlton football team. His attachment to the Liberal Party is well known and, of course, we know the President of the Carlton Football Club is John Elliott.

It is not hard to see in that context how the head of the jockstrap economy, Kevan Gosper, who is more often overseas than here and who is over there looking after his Olympic interests, not the residents of Melbourne, makes a decision totally at odds with what the residents want. That is typical. This is not what amalgamations are all about. They are about efficiency, not decisions that elected councils would not make. I also believe the special legislation which is required and which will be introduced into the upper house by the Minister for Conservation and Environment at some stage of the bunfight should not be introduced. It should be delayed pending the re-election of the council next March.

A democratically elected council should make the decision on whether or not land should be alienated. If it decides that way, so be it. If a democratically elected council decides it should not be alienated, so be it. But the decision should not be left to a

commissioner like Kevan Gosper, who is more concerned about the sporting interests and groups in this state and country. Before proceeding with anything at Princes Park which will make it a venue for 35 000 people, we also need to know what are the intentions of the Australian Football League.

Let us not forget what happened when Parliament introduced special legislation at the behest of the Collingwood Football Club to overcome the demands that Collingwood council made about the lease price for Victoria Park. No sooner was the legislation passed and the ink dry than the Australian Football League moved Collingwood Football Club from Victoria Park. They now play only three home games a year there. That is what the AFL is about and these are the problems we have to confront. We should not be making decisions about Princes Park. I am sure that a crowd of 35 000 is not enough for a home game when Carlton Football Club is playing, particularly if it is intended to reduce the number of Victorian teams to six in the not-too-distant future. There is no way a Carlton Football Club home game would be played before an audience of 35 000 people.

This is another example of the Carlton Football Club's war of attrition with the residents and community. It needs a venue that takes 70 000 people, with lights for grand finals and other entertainment proposals. We will see Princes Park, one of the most used sporting and recreation venues in the state, taken over by a football club that is basically privately owned by a group of business people. I strongly oppose the alienation of parkland. We must all be conscious of this issue. I urge the government to engage in a little more public consultation, or at least wait until elected councils are put in place. What are the AFL's proposals for Princes Park? Viccode 2 should also be examined; its name should be changed to Developers Dream 1! It encourages a mentality of development at any cost. The tragedy is that when a planning decision is made, especially when it is a bad one, it has an effect for a long time. Some shockers have been made!

The government has gone overboard ideologically! I am speaking about the ambulance service. I have some involvement because my brother is an ambulance officer, which will probably be used against me! The service has been decimated by the government. The reds-under-the-beds, McCarthyist complaints we have heard over the past week are absolutely outrageous and a nonsense! They will not overcome the simple unequivocal fact that the government has reduced the number of people

working in the ambulance service and also the number of ambulances. It has made changes in procedures, based yet again on an accounting exercise. This has had the devastating effect on the provision of emergency services that we are seeing today.

I have spoken to my brother about this many times. On a number of occasions he has said, 'Last night when out on the job we were told we were the only ambulance available to cover 500 000 people in the north-western suburbs'. It was only a matter of time before my brother or another ambulance officer got two emergency calls at the same time. It has happened more than once. I knew it would be only a matter of time before this would become an extremely serious and important issue.

The Minister for Health has blamed union work bans for the delays, but what about the delays that occurred before the work bans were imposed? The bans have been put in place only recently, but the delays have been going on for some time. The delays are caused by a lack of resources. It is not good enough for the minister or the Premier to say that 90 per cent efficiency is not a bad strike rate. That is not good enough.

Jack Firman was sacked. He had become an embarrassment because he was so hopeless. We also know the government is privatising the ambulance transport system. The shadow Minister for Health has made the point many times that enormous problems have been caused because there were no backups. What more do we have to say to get the point across to the Minister for Health that this is not a Trades Hall issue? It is not the union or the bans; it is simply that the government removed the emergency people who worked in transport and who provided the necessary backup. They are not there any more. It was a simple arithmetical proposition. When officers go out they have no-one behind them as backup. There is no transport to cover emergencies because they have been privatised.

The government has an ideological obsession with privatisation! The transport people are working in private industry, but they cannot cover the emergencies. When officers like my brother attend emergencies, they have no backup. That is why delays are occurring. That is why lives are being lost and people are suffering. The ambulance service is a microcosm of the many problems of the government. These problems are seen nowhere else as readily and as acutely as they are seen in the

ambulance service. This reflects the ideological commitment of the government to privatisation at any cost. It sees it as a wonderful alternative but it has had devastating effects on our community.

It appears that we may have to pay for our library services and if we do not those services will diminish considerably. The government is interfering with a fundamental right that has developed over centuries — that is, for people to be able to go to libraries and borrow books. The government has interfered with this service because of its ideological obsession, which is totally unnecessary. Compulsory competitive tendering is not needed by libraries.

The kindergarten my children attend held a stop-work meeting on Friday afternoon to discuss CCT. The bottom line for the staff is that they will have to compete and take salary reductions. I do not know why it is necessary for them to take salary reductions because they are doing a great job. The introduction of CCT sets worker against worker. That is the role of this Tory government. It will destroy the wage structure and remove conditions. A lesser service will be provided. The problems in the ambulance service might bring the government to its knees and show it for the disgrace it is, coupled with the scurrilous activities regarding Crown Casino, its mates and the rorting of the system.

I notice the honourable member for Mornington is not in the chamber, but the other day he referred to the controlled-use-of-heroin program, although he did not call it that. I am disgusted and ashamed that the Minister for Health is not prepared to participate in the program based in Canberra, which compares methadone treatment to heroin treatment. The problem is so great and vast that we need a properly coordinated program to find a solution to it.

Most important of all — and this is typical of this government's ideological stance — we have extensive research supported by the Liberal leader in the ACT, Sir John Gorton and other people to at least investigate the possibility of this program being introduced. Yet this government's ideological bent cannot cope with the thought that people will establish a medical program and be given heroin as a means to overcome their addiction problem.

From the way the honourable member for Mornington was talking you would think we would all be up the back behind the Speaker's chair shooting up or something. That is the standard of debate generated by government members. These

are the people who tell us about their great economic rationalism and their rational approach to just about everything. They talk about how bright they are and about the fact that we aren't and that we just don't understand.

The second biggest industry in the world is illicit drug dealing — the biggest of course being arms or weapons dealing. It is a vast problem in our community. Large numbers of people overdose on heroin and many crimes relate simply to people acquiring these drugs. We have so many problems with people who are unable to stop taking drugs because there is no valid or legitimate program to help them. The only thing this government offers is something that vaguely resembles community education people telling everybody out there that they should not be on drugs.

The lesson for and the message to this government, the Premier — who does not even know what he is talking about when marijuana legislation is mentioned because he said he would oppose what we currently have — and the Minister for Health is that nobody is listening to that education message and that we have a massive problem. The minister's solution is not to even consider supporting the proposal in Canberra — you don't even have to have them doing it here — to research whether people on methadone programs are getting off the habit. It is not, as suggested by the honourable member for Mornington, that you could go behind the Speaker's chair and snort methadone; the people on the program go to the pharmacy, take little cups of methadone and sip it. It is a substitute for heroin. All we are saying is that we should perhaps introduce an equivalent system with heroin.

Let's research the matter to see whether it will reduce the harm in such a way that there would be no need to supply the drug illegally. It could be supplied by prescription through doctors so people don't have to go up the back alleyways of my electorate and get it from taxidriviers or from the nightclubs in King Street. They would be able to do it under and within a properly structured medical model. Honourable members may not believe it works, but when I visited England I saw the program in Liverpool — and it works. People can be put on to heroin and it can be a very effective method of harm minimisation. Because they don't desire it any more the supply problem is resolved. They don't have to become involved in criminal trading in drugs because they don't need it or desire it. We are perpetuating that need and desire.

I am so disappointed that the minister will not open her mind and possibly her heart to consider that that would be a much better resolution of this problem — the scourge of our society — than putting up the shutters and saying, 'We want community education'. The fact is that the problem is there. It's real, people are dying and something has to be done about it.

When it talks about social change in our society this government is very good on its radical economic agenda but absolutely hopeless on anything else. Government members have no compassion. They don't understand there is such a thing as the need for a disadvantaged child, who might be a Down syndrome child, to get proper care in a school. They don't understand that. They do an accounting mechanism on the Treasurer's abacus to ascertain what these people need.

We have seen it in such a real way with the ambulance service. The bean counters took it much too far, so what does the government do now? It resorts to the age-old trick of kicking the communist can. Government members are looking for reds under the bed and in the back of the ambulance. They have gone on the attack and said, 'The ambulance union is causing these problems. It is putting bans on. It is undermining the computer system'.

I say to the health minister: I have never known my brother to be militant about anything other than barracking for Richmond, which is a problem. I have never known him to put forth his views strongly or to try to undermine people. Most of the ambulance officers — and I have met lots of them — are just like that. The nature of the job is the antithesis of militancy, as the minister describes it. They are not like that. They have to be cool, calm, collected and, most importantly, dedicated — and they are. They have to pick up the body on one side of the track, the head on the other. The bean counters don't understand that.

Don't blame Trades Hall for it, Minister! The Premier can't just go on carping about the Trades Hall Council and the union putting on the bans. The problem is that resources have been cut. You have stretched them too far. They can't do the job they so much want to do in an effective and dedicated fashion. If you don't know that, get into the back of an ambulance one night and go out with them and see what it is like. If you did that, you wouldn't be coming in with the stupid, inane, commie-bashing rubbish that the government has been going on

with. It might be good stuff for a week but it will not save any lives. If the government keeps going down that path it will cost a significant number of lives. The Premier and the Minister for Health will be held accountable by members of the opposition and we won't be deterred from our task by the government calling us names.

Mr RYAN (Gippsland South) — I wish to divide my comments on the bill into three broad bases: a commentary on the general position which applies to the state at large; some comments on matters affecting my electorate; and some general comments regarding the opposition's approach to the budget, most particularly some of the issues raised by the Leader of the Opposition.

Firstly, I shall compare where we are as a state as opposed to where we were when the government took office in 1992. It is pertinent to do that because it gives us a measuring stick as to outcomes. I think it is justifiable to look at this third budget of the Treasurer and the government on the basis of judgments dealing with outcomes.

When we assumed the reins in 1992 the state was in a terrible and parlous financial condition. I shall not address those matters at large — they are historical fact. Suffice it to say that over the past three years we have been able to reduce the losses and have now undertaken the task of hauling Victoria up the scale again. Congratulations must go not only to the Premier, the Treasurer and the government at large but also to Victorians generally because collectively we all had to share the burden of the task before us. It is fair to say we have been successful in that role, and subject to our being able to pursue the aims and intentions that have been set out in the budget papers and in our policy directions generally I am sure Victoria's status will continue to improve as will the lot of the people of this wonderful state.

I shall refer briefly to some of the leading features derived from the current budget. The sustainable current account surplus for 1994-95 has been achieved one year ahead of its target. I understand this is the first time in some 31 years that Victoria has actually traded in the black. In addition we have reduced our unfunded superannuation liabilities by some \$4 billion; made a radical improvement in our economy in that our business investment is up 45 per cent compared with the national figure of 35 per cent; increased employee output by about 12 per cent compared with the national rate of some 7 per cent; and achieved total employment growth of 8 per cent, and in the private sector 13 per cent,

compared with a national figure of 10 per cent. Importantly the unemployment rate has declined from the 1992 figure of 12.6 per cent to 8.6 per cent.

Some major initiatives are being undertaken with recurrent expenditure: \$112 million has been added to acute-care hospitals; \$8 million for the unified computer-aided call-taking system for emergency service organisations — I am sure it will function well if it is allowed to; a further \$9.4 million for mandatory reporting and child protection programs; \$5.8 million for industry incentive programs; and a \$4.9 million one-off library grant for municipalities. An allocation of \$400 000 has been made for dredging operations at Lakes Entrance, a little east of my electorate, and Queenscliff.

Among the major capital initiatives are \$88.9 million for the improvement of educational facilities and a broad range of other initiatives referred to in the budget papers. There are no new taxes or tax increases. We have at last been able to remove the state deficit levy. I know that within my electorate and all other electorates that will be of enormous relief to those we represent.

All those advances need to be preserved by persevering with the current policy because we have a debt and interest burden that is too high. Tax reductions must be sustained over the coming years. Our infrastructure investment has been too low in the past and it is important to persist with the structural reform that is under way. One compelling statistic in the budget papers shows that we are spending about \$1 billion a year more than New South Wales on our interest bill.

Our four long-term budget objectives are: to reduce the state debt to levels consistent with the AAA rating we want to regain; to bring Victoria's tax effort closer to the average of other Australian states; to establish sufficient infrastructure to contribute towards a more productive economy for our country at large and our state in particular; and, finally, to deliver quality government services at the least cost. As part of that process the stated intention of the government is to direct all privatisation proceeds to the reduction of debt. We have set out to achieve those general principles and I am proud to say, looking at the state as a whole, they are on the way to being achieved.

With regard to the rural position, the government has contributed more than \$30 million in drought assistance to the farmers of Victoria when the federal Labor government chose to turn its back on them

and provide nothing. We have also provided \$22 million under the agriculture and food initiative to help boost the agricultural sector's productivity and export performance. That is an area close to my heart. In the electorate I represent the hope is that that initiative will return \$230 million a year to the community.

Stamp duty on the transfer of farms between family members has been abolished, saving the farming community an average of \$25 000 a family and providing a \$15 million concession over 12 months. A review of the leasing and licensing of Crown land has been undertaken and that will assist our rural land-holders. The Better Roads program is continuing to spend millions of dollars for the betterment of Victoria's country road system. By the end of this decade some \$400 million will have been spent under that program. Since the coalition took office no country police stations have been closed. That includes all the one-man stations in country areas that were under threat from the previous government.

I could keep going through the various general headings of advances that have been made to rural Victoria but I want to apply some of my time to running through initiatives that have occurred in my electorate since I won the seat in 1992. I do so in no specific order of priority. These issues have about them the common factor of a government acting as a catalyst to enable them to occur.

Sunwood Timber Industries has recently established a mill in the township of Yarram, a delightful centre of 2000 people in the southern part of my electorate. This company came to Yarram for a variety of reasons. The Yarram community was intent on winning the company and bringing it to the town to assist future development. The Victorian Plantations Corporation, ably run by its local officer, Mr Ian Hemphill, assisted in securing the venture. The result is that over the next 12 or 18 months approximately 300 000 cubic metres of pine from the hills near Yarram will be made available for processing. The forest that was first planted in the 1960s will come on stream and it is a completely sustainable resource that we will see ever after.

Sunwood already has an impressive facility in Dandenong, and in 1993 it won the Premier's award as the fastest growing and most successful small business in Victoria. It is a tremendously progressive company under its general manager Mr David Westbrook. It was planning on expanding its operation and the local council was keen on the

company coming to Yarram. The predecessor of the Shire of Wellington was the Shire of Alberton which, to its credit, went about the process of earmarking land for this form of activity. Without doubt the amalgamation of the Shire of Alberton into the larger mass of the Shire of Wellington enabled that to be carried through. It could not have been achieved — in the sense that it was ultimately achieved — without the significant resources behind it in the form of the enlarged municipality.

Finally in all this we had a state government anxious to make its contribution through the Minister for Regional Development, who was keen to ensure that the government developed a package that would assist in getting Sunwood down to the community of Yarram, to make the best use of the resources available through the corporation and for the betterment of the community at large. Sunwood has spent \$6 million in six weeks taking a fair block of land and establishing a mill. It has already started processing logs. It has taken on its first 21 employees and will double the size of the mill before Christmas. That will mean employing the same number of employees again. Sunwood intends to expand the mill again in the new year. One must also bear in mind that for every employee in the mill a like number is required for felling timber and carting it to the mill. The multiplier effect for this new initiative for Yarram is enormous.

The common thread running through these initiatives is the government's involvement. It is acting as a catalyst, not only in the practical application of finance to assist in the industry's establishment but also to bring together all the appropriate forces and to coordinate the different processes required to enable necessary permission to be obtained. The government has been there all the way along to ensure the right outcome is achieved.

South Gippsland is investigating the development of an aquiculture industry, again through the Minister for Regional Development, whose assistance I have engaged in obtaining funding for initial studies undertaken by the Victorian Institute of Marine Sciences. I called a public meeting in the township of Foster in September last year. Out of that, dare I say, the committee was formed and it has done an enormous amount of work to develop an aquiculture industry in this part of the state.

Aquiculture is a huge contributor to the economies of states such as Tasmania, South Australia and New South Wales. Victoria does not have a developed industry. The work of the South

Gippsland Aquiculture Industry Committee will be of lasting significance. In Tasmania that industry has a turnover of around \$80 million a year having come from a standing start about 12 years ago. Victoria has every opportunity of being able to do the same. Such an industry could be located within my electorate in Corner Inlet and Nouramunga. Their pristine waters would be completely appropriate and it would be a marvellous development.

It is important to reflect that, whereas some forms of development can be said to derogate the natural resource, such is not the case of aquiculture. By definition, it needs pristine water. If anything, the establishment of this industry will better the environment of South Gippsland. As I have emphasised to all concerned in the community, there is no intention to interrupt existing usages such as commercial fishing and environmental and recreational uses. The aquiculture industry can be established without causing such problems.

Since the government assumed its important role, there have been magnificent education developments within my electorate. In the City of Sale, for example, the Minister for Education has recently made available some \$100 000 to enable planning to proceed on the amalgamation of Sale High School and McAlister Secondary College. People have had this plan in mind for more than 10 years, yet it is only under the governance of the Kennett government that this has been able to happen. The development will be wonderful not only for Sale but for the entire region. This consolidated facility will be magnificent in its delivery of education to our students.

I hope a science and technology centre will also be established, and I have had discussions with the minister on that subject. There is plenty of scope in and around Sale to work with the ultimate employers — for example, the oil and gas, aeronautics and agriculture industries — ensuring they have a meaningful part to play in guiding the sort of education we want to give to our students.

As I have often said, it is no use training our students to hop if at the end of the day employers want them to be able to skip. It is important that we match education with what employers ultimately want from our students. The work being undertaken in Sale will achieve that end, particularly in concert with the development of a science and technology centre.

The primary school at Leongatha is almost being rebuilt at a cost of around \$800 000. At Mirboo North a superb scheme is under way, and I hope it is successful. It is in its formative stages. The secondary college and the primary school are doing wonderful work in developing master plans. Val Wearne, the principal of the secondary college, and Harry Forrester, the principal of the primary school, their staff and the school community at large are to be congratulated because this outcome will be something Mirboo North can be proud of, not only for the purpose of delivering education to students in time to come but also in the sense of establishing its rightful part in the administration of education in the district. Although the scheme is in its formative stages, I would like to think the plan will have its genesis over the next few months.

From memory there are about 41 government schools in my electorate, many of them being small, rural schools. One after the other they have been the beneficiaries of funding grants through the minister. That has transformed them for the better. Tens of thousands of dollars have been allocated and that has greatly assisted their development. I am proud to say that when I visit these schools I am able to see the tremendous results of the work undertaken as a result of the government's input.

Recently at the Sale 545 Primary School I opened the new library. The government has contributed some \$80 000, with \$20 000 being raised through the community's efforts. That is yet another example of what the government has been able to auspice and be actively involved in for the purpose of the advancement of its students. The government has contributed some \$4 million to \$5 million to education capital works in my electorate. I am delighted to say that there is much more of the same to come.

Regarding the allocation of funds to road works, country Victoria has never had it so good as under this government. In my area the Rosedale Bridge is a \$15 million project under the Better Roads program. The bridge was built in about 1934 and since then, touch wood, we have avoided the disaster of any major accident. The bridge is the carriageway for all traffic passing up and down the east coast of Australia and necessarily conveys an enormous amount of traffic on a daily basis, much of it commercial.

As a result of the enlightened decision of the Minister for Roads and Ports in another place, this large funding allocation has been made. The bridge

work is under way, and much work is being done within the township of Rosedale. More work is being done on the approaches to Rosedale. After all those years, that work stands as a monument to the magnificence of the government's contribution to the road system in country Victoria and in my electorate in particular. Another \$10 million is being spent on roads in my electorate, so altogether some \$25-odd million is being spent on roads.

Regarding health delivery, the Small Rural Hospitals Task Force has done some terrific work in bringing about appropriate outcomes for our hospitals. The hospitals at Foster, Yarram, and Maffra took part in that process.

The Parliamentary Secretary to the Minister for Health, the honourable member for Portland, visited the Yarram and District Community Health Service and noted its tremendous work. The minister has also seen it. Some \$400 000 has been allocated to capital works to assist in the development of further programs at the Yarram health service. It is a great example of the way the government has been able to focus on rural health issues, ensuring a range of services can be delivered to people at their local community health centre. On Friday last week I was in Yarram looking at that work with the CEO, Peter Craighead. That work is a great tribute to the people working in that area.

Some \$621 000 from the Community Support Fund has been spent on the Sale Regional Art Gallery. It is sited at the former Esso office, which a couple of years ago was purchased by the municipality. The Sale gallery is a remarkable regional achievement. The opening by the Minister for the Arts in another place was a tremendous event, a gala occasion for Sale and for the region generally. The gallery will enable local works and all sorts of travelling exhibitions to be exhibited.

I am informed by those who have a knowledge of the state of galleries in country and provincial Victoria that Sale gallery can be bettered by none. It is an outstanding example, fitted with the latest technology — fire alarms and the like — and offering a magnificent display area. That is a direct outcome of the efforts of the government.

I hope that by the conclusion of the parliamentary session the all-important issue of the provision of natural gas will have been tackled by the government. I will not refer to that subject in detail because notice was given today of legislation that will be debated before the session is over.

We need to achieve the availability of natural gas for our rural centres. The Murray Goulburn factory in Leongatha employs 420 people. It is now producing about \$260 million of product annually and some \$160 million goes offshore. I am certain that natural gas in the area will attract attendant industries based upon the dairying industry in particular. We need to have available a cheap form of energy, and if this government can do something about making that available it will be a great outcome.

It is one resource that has been sought eagerly by the people of South Gippsland for a long time. If it can be directed to Leongatha in the first instance it will mean from there on we will be able to extend it in due course through the rest of South Gippsland. I see the Minister for Public Transport, the honourable member for Gippsland West, is at the table. I am sure he has Korumburra in mind when I speak about the issue because great opportunities are on offer right around the area running across that southern coastal strip and they will be advanced no end if the government can arrange for natural gas in that area.

Our timber industry, which I have already referred to, is flourishing. We will see in the not-too-distant future the release of a considerable amount of plantation hardwood. I hope that will mean that we may see the development of yet another hardwood timber mill in the Gippsland region offering more employment for the people in our area.

Over the past few days a panel appointed by the Minister for Planning has approved the Lochsands development. It is a \$45 million resort proposed to be constructed outside Lochsport in the area adjoining Lake Reeve and the Ninety Mile Beach. This is particularly pertinent to my point about the assistance this government has provided by being a catalyst. In 1989 the then planning minister, the Honourable Tom Roper, saw fit to bury the project. He called it in and he did not even give it the chance to be subjected to the public process.

Since the government was elected Mr and Mrs Vincent Rizza have seen fit to regenerate their application for the project and I am pleased and proud to say that it has passed through the process of an appropriate planning amendment and an environmental effects statement being developed. The amendment and statement have been displayed.

I point out that a consultative committee was formed at the behest of the minister and that committee reported to the minister who in turn

appointed a panel. The panel held hearings for three days in my area and reported to the municipality that it approves of the development. There you have it in one. The process has been allowed to take its course and there is a \$45 million project on offer that our predecessors had buried without giving it a chance to see the light of day.

I shall turn to the government's private prison development, which has been announced and for which the contracts are about to be let. That is a \$70 million project about 12 kilometres outside Sale which will generate income into our local community for time ever after of some \$15 million to \$20 million.

I shall refer to the tannery development at Rosedale. Again the Minister for Planning has been able to take the appropriate steps, and what may have been opposition from some people in the marketplace has been circumvented. That tannery will now be developed under the auspice of Australian Leather Holdings, which will provide employment for about 60 people. More importantly, however, is the fact that the project is the beneficiary of funding assistance through the Office of Regional Development of the Department of Business and Employment. That assistance has made the project possible.

There are numerous other areas that I could go on about — namely, the oil and gas industry and the dairying industry. I shall dwell on the latter to the extent of referring to the fact that Bonlac recently announced a \$160 million project at Warrigal. That project and many others are part and parcel of what is happening in and around my electorate. I know they exemplify similar such developments in other parts of country Victoria.

I listened to the comments of the Leader of the Opposition with much interest — I'm sorry, I cannot tell the house a lie, I did not listen to them with much interest. In all honesty I started the week hard because I sat down the other night and read his speech. For my sins, I am due a just reward, but as I read his comments I noticed that his first complaint was that the government is making far more money than forecast. I cannot help but reflect on the time only a few years ago when condemnation was cast upon the former government because it was losing far more money than ever forecast. Here we have a complete turn around.

The Leader of the Opposition also said the government is taxing the people too much.

Honourable members can only have regard to the summary I gave at the outset as to why the government is having to tax as it is — that is, to get the state out of the hole the then government dropped us into. As the budget papers have already explained, the government has in place a clear idea as to how it will go about getting out of the hole and ensuring that we continue to improve this wonderful state.

I say this by way of a parting comment about the opposition's view of the world: the former government comprises people who are not only economic vandals but economic recidivists. If we let them in to run the show again we will be in exactly the same circumstances we were in when the government took office three years ago. It is important therefore to ensure that the initiatives outlined by the Treasurer in the budget, which are represented by this bill, are put into place and given effect. From my travels around my electorate, which consists of some 6000 square kilometres of the best part of Victoria, I know there is a renewed sense of community spirit, and it is wonderful to see it happening. It is a tremendous thing to see that above all else when you go interstate no-one laughs any more when you say you are from Victoria. The fact is that the people of this state are better off and are making things better for themselves and this state at large.

This government not only sees what it is that people want to achieve but is prepared to get out there and enable them to do it. The government is doing what it can to enhance the prospects not only of today's people but also the prospects and future of the children of tomorrow.

Mrs WILSON (Dandenong North) — Most Victorians would have expected that in what is likely to be the last budget before the next election we might have seen some relaxation of the very high taxing policy of this government, a policy that has hurt many thousands of Victorians. Unfortunately the budget offers little encouragement for ordinary working men and women. There certainly appears to be little relief in sight.

In the real world out there, the real world that many politicians unfortunately seem to have little access to these days, there is a growing realisation that the average wage and salary earners have borne a disproportionate share of the economic recovery of this state. Of course the recovery is quite evident from the budget surplus, but these people realise that their hard-earned money has gone to support

the get-rich-quick mentality of this government and its many friends. As a result the government has created a divided society since it came to office, and the gap between those who have and those who have not has widened considerably.

Since October 1992 most government taxes and charges have risen substantially. We were told that the average family is now paying \$11 500 a year more. For the next financial year those taxes will total almost \$2 billion more than was the case when this government first came to office. In fact, in the past three years almost \$3.7 billion in additional taxes have been levied from the people of Victoria.

To those who thought the pain might be over after three years of this government the Premier has since indicated that he wants to find another \$600 million in spending cuts. No doubt those cuts will include more job losses and certainly include higher taxes. In fact, the budget shows clearly that there is provision for more job losses. We have already seen a massive dismantling of the public service with more than 50 000 jobs lost in that particular sector alone. There has been a flow-on effect from all those job losses.

I was absolutely amazed last Tuesday when I opened the *Age* to see that it had reported the Premier telling a dinner for members of the Liberal Party that the greatest achievement of his government was to slash 50 000 jobs from the public sector. I find that an absolutely astounding statement because to me there is something totally immoral about any person who delights in the fact that he has got rid of jobs, regardless of whether it is 50 000 or 50 jobs and regardless of the reason.

If this is the Premier's greatest achievement, I feel very sorry for him. Firstly, I feel sorry for him because I wonder what kind of individual could glory in this sort of achievement. Secondly, I feel sorry for the honourable members of his party because if the standard they embrace is the result of his leadership, as individuals each one of them is considerably diminished. Thirdly, and perhaps more importantly, I feel sorry for the people who have lost their livelihoods and, lastly, I feel sorry for Victoria. This does not mean that our party did not recognise there was waste, because there was some waste within the public service. In fact during the last years of the Labor government we had been addressing it, but mainly through natural attrition.

When one considers the effect of all those job losses one realises that they have come at a considerable cost not only to the individuals who lost their jobs

but to the state as a whole. For example, our education system is much poorer as a result of the many fine, experienced teachers who either were forced into accepting what they call voluntary departure packages or were sidelined as a result of organisational restructures within schools. In most schools class sizes are now larger than they have been for the past decade. Teachers are more stressed than they have ever been, and as a result many parents are now electing to send their children to private schools. It does not matter what school one goes into these days, all the teachers will tell you that they have a far greater workload than they can actually carry. Parents sending their children to private schools might suit this government to a tee because we know that much of the cost of private schools is paid for by the federal government and by the parents.

Irrespective of the bleatings of the current Minister for Education, I believe that during the years of the Labor government state schools were great schools and we were achieving very high standards of education. Now retention rates — mainly in secondary colleges — are falling dramatically and, unfortunately, this government seems to have no policy to counteract the decline that is occurring, or perhaps no inclination to tackle it. Truancy is becoming a large problem in many schools. There seems to be no will within the government to address this important matter.

Because of the new global budget provisions introduced into all schools in Victoria, parents are now constantly being asked to find money for a whole range of items and maintenance that should be and traditionally has been the responsibility of government.

On a number of occasions I have spoken about the Waverley Park Primary School in my electorate — a school where one could not find a better or harder working group of parents. The principal and staff address their roles with great enthusiasm. The parents and staff at the school are gradually being worn down by the enormous burden of urgent maintenance work that needs to be addressed.

Two months ago I wrote to the Minister for Education telling him about this problem and asking for his assistance. The school provided a series of photographs showing graphically the work that is required to be done, but my letter has not been answered and the letter from the school council has yet to be answered.

The school desperately needs urgent maintenance work to be carried out because of the potentially unsafe conditions of many of the classrooms. For example, the roofs leak in a number of the rooms and the window frames are so rotten that if any of the students fall or push against them the windows fall out. During times of heavy rain buckets are unearthed from a closet and placed at strategic positions around the school to collect the water that flows from the roof.

Electrical wiring has had to be replaced on a number of occasions because of water damage from the roof. The carpets are water damaged and full of mould and mildew, which surely is an unhealthy environment for young students, particularly in an area where there are high levels of asthma and respiratory complaints. Also there are holes in the carpets that have been covered with masking tape to prevent staff and students from tripping.

The parents at the school have worked as hard as they possibly can to provide the many extras the school requires. They are aware of the benefits to students of the technology that is available in schools these days. Over the past year they have raised about \$20 000 locally for repairs and replacement of doors, windows and carpets and for internal painting rather than spending the money on some of the high technology equipment.

It is well beyond the resources of any school council to provide funds for the most urgent repairs required at some of the schools, particularly the big-ticket items such as the repair of roofs, windows and doors. I hope that when the Minister for Education gets around to answering my correspondence and that of the school council he will have good news for those people. They deserve some good news because both the staff and the parents work extremely hard.

In recent months the Department of Education has again been encouraging school councils and their school communities to form cooperatives to provide money for a range of buildings and other facilities required in schools. That proves once again the strange priorities of this government, because there seem to be stacks of money for the circuses, monuments and help to the big end of town but no money for some of the basics in education.

Many of the parents in my electorate are finding it extremely difficult to provide funds for the extras required at the schools. School budgets are now expected to cover many items that were not

previously included and parents are constantly being asked to give more and more money or to raise additional funds for specific projects. This obviously advantages children from the wealthier areas but disadvantages those who live in the poorer areas. A system that was once based on equity is now very inequitable.

The effect of passing over all the responsibility to principals to balance school budgets has been to turn principals into accountants rather than educators. In many schools that I have visited recently principals have regretted the burden of their new responsibilities, which prevent them from being involved in so much of the education and curriculum of the schools, and the fact that they are now administrators and accountants.

I am deeply concerned that our education system is in such a state of decline. This has been acknowledged by the allocation of \$52 million that the minister announced recently for the Keys to Life program. This is virtually an admission that in many cases the reduction of staff in our schools, particularly primary schools, has had a great effect on the ability of many students to read and write, and with no special needs teachers to carry out remedial work this funding is urgently needed.

I am not surprised that the majority of my colleagues on this side of the house have elected to mention the Community Support Fund in their contributions to the debate. I like to call it the ministerial slush fund because if anything portrays the difference in priorities and philosophy between this government and the opposition it is the distribution of funds from this particular source.

Let me say in fairness that many of the projects and organisations that have received funding from the Community Support Fund are indeed worthy recipients. However, I have some concern that the original main purpose of the fund has been overlooked to a great extent. It needs to be understood that a large amount of the money that flows into the fund is drawn from some of the lowest income areas in the state. I believe a large proportion of gaming machine revenue comes from the western suburbs. I know much of it comes from areas like Dandenong, but very little of that money actually seems to come back to those areas in the form of either project or capital funding.

Indeed, the priorities of the fund seem to be centred mainly on the big-ticket items and the high-profile organisations. It seems to me that people who need

help in these low-income areas are often not assisted in the way they need to be assisted and money is often spent on the more elitist-type projects.

It is appropriate to give credit where it is due, and I admit I was very pleased to hear the announcement by the Minister for Community Services this afternoon that an additional \$21.479 million will be provided to support families where one or other of the breadwinners happens to have a gambling problem. I understand from what the minister said that the money will be used for family counselling, research and support. I admit this is a good step. It means the government has acknowledged there is a big problem with people who are addicted to gambling.

The problem is certainly evident in my electorate. For instance, the work of all the welfare groups in cities like Dandenong has increased dramatically. The Dandenong Benevolent Society, with which I have had a long association, tells me that it is now handling hundreds more cases than it did previously. When members of the society visit families with assistance in the form of food parcels and the like, they often find the fridge is bare and the only article in the food cupboard is a packet of breakfast cereal. There really is a problem, and I am pleased to acknowledge the government is trying to address it by providing the assistance it announced today.

The Dandenong Benevolent Society helps hundreds of families every year. Many of those have family members with compulsive gambling problems. Unfortunately, in areas where people have very low incomes they have so little else in their lives that they are often the ones seduced by the slick advertising of the casino and the gaming machine operators. All the advertising for gambling shows glamorous people having a wonderful time, a great night out, and always winning. None of the advertisements show that a person loses.

We know it is definitely not the case that everyone wins. But the advertisements for both the casino and gaming machines portray a very wrong image. This is why I believe it is necessary to have advertising that puts the position honestly and shows that although some people win sometimes, unfortunately the majority of people lose, and some of them lose all the time.

In the same way that we now have warnings on cigarette packets and the excellent TAC warnings against speeding and drink-driving, there needs to

be some very specific warnings to people who participate in any form of gambling that if they gamble they will probably lose their money. I know that is certainly not a popular concept with people who are making a lot of money at the expense of others.

Until today's announcement the total amount allocated for problem gambling programs, including support, counselling, advertising and education programs, was only \$6.6 million statewide. It was certainly not enough and it is hoped the additional \$21.479 million will reduce the problem considerably. When one considers that \$1 million every week flows into the Community Support Fund from the 1 per cent of turnover from gaming machines in hotels, it is not difficult to understand that more than \$1 billion per annum is swelling the Treasury coffers from all gambling sources.

Community Support Fund money has been spent on the new sports and aquatic centre at Albert Park. It has been spent on the museum project and the Exhibition Building and has provided additional funding for Victorian Institute of Sport programs and Tennis Victoria. I have no problem with funding being provided for these purposes, although they are not necessarily the same priorities that the opposition may have designated.

However, I have some problems with the \$1.5 million that was allocated to the America's Cup challenge, irrespective of the fact that the yacht actually went to the bottom of the ocean. I also have a problem with the money provided for a theatre at the Rialto, particularly when an excellent organisation, Vicsrapid, which provides mainstream sporting opportunities for intellectually handicapped people, has been trying very hard to have its funding renewed either through the community services or the sports and recreation department but has failed to do so. This is probably one of the most miserable situations I have encountered in recent years, where a group of very dedicated people, many of whom work in a voluntary capacity with hundreds of intellectually handicapped young men and women, are denied \$40 000 to continue their superb work.

Funding could have been provided from the pool of more than \$1 billion a year that comes from all forms of gambling. The message is: if you are young and glamorous and you can provide a big event or a circus your funding by the government will be guaranteed, but if you are physically or

intellectually handicapped your chances of funding are much reduced.

I turn briefly to the area of health, which concerns us all. Much has been said in this place about all aspects of health care needed by the wider community. Dandenong Hospital, like other public hospitals, has been hard hit by the enormous funding cuts imposed over the past three years by the government. Many beds at the hospital remain closed despite the fact that the hospital services a large growth area. The area is expanding on a monthly basis as a result of the new houses being built in Cranbourne, Pakenham and Berwick, but despite that beds remain closed.

One of the greatest tragedies resulting from cuts to health funding has been the changed relationship between nursing staff and patients in public hospitals. Nurses, doctors and ancillary staff say that in the past they had time to talk to their patients to find out about any problems they had that were not health related but were slowing patient recovery. However, nurses are so stressed and overworked because of staff cuts they have time to concentrate only on their main nursing duties. The friendly chat, kind words and small amount of time spent fussing over sick patients are things of the past.

Hygiene standards in our hospitals are of concern to most of us. Recently, a number of letters appeared in the daily press referring to the lower standards of cleaning and hygiene that are so evident in public hospitals. Staph infection continues to be a problem in a number of hospitals because of its deadly effect on extremely ill patients. Our hospitals should not be operating under substandard conditions. To achieve high standards of hygiene adequate resourcing is required; but that is not being provided by the government.

I shall briefly comment on the ambulance service although I do not intend to specifically talk about any of the recent deaths that were the result of the delays in ambulance attendance other than to say my heart goes out to the families concerned. In the 10½ years I have been in Parliament I do not remember a time when there was more comment, more complaints or more unrest about the delays in our ambulance services. The Victorian community has always been realistic about the possibility of ambulance services being overburdened with cases and unable to get to emergency situations as quickly as they would like, but recently the complaints have been coming in fast and furious. When one analyses the situation one finds there are far too few

ambulance officers to handle the calls that come into the system. Individual ambulance officers have commented that they are often required to work more than 60 hours a week and, like the rest of the community, they get tired and worn out. They want to spend some of their days off with their families. The system has been cut back to the bone and it is haemorrhaging. The minister must act quickly to restore faith in what was once an excellent ambulance service. She must establish clear lines of communication between herself and the representatives of ambulance officers. It is inappropriate to blame various sections of the organisation.

During the past week we have heard the minister blame the ambulance union and the Trades Hall Council. Perhaps the next group she will blame will be the patients who require the ambulances! They are the only people who have not incurred her wrath.

Public housing waiting lists in my area have now reached a serious level. People wanting public housing, particularly families that need three or four bedrooms, are being told they must wait at least seven years for houses. That indicates the government has failed to provide housing for low-income earners within a reasonable period. Many of these people are in desperate need to move into public housing. They need to be rescued because their lifestyles are diminished because they lack disposable funds. Some people in my area are paying \$150 a week out of pensions of little more than \$220 a week, which creates misery for the families involved.

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

Sitting suspended 6.27 p.m. until 8.03 p.m.

Mr PERTON (Doncaster) — It is with great pleasure that I join this debate on the appropriation bill. In Victoria there is a new spirit, a good feeling. It is not a gloom-and-doom mentality. It is not the mentality of the late 1980s and early 1990s. It is not the gloom and doom that we read about in the newspapers and hear about on the television. There is a spirit of regeneration in the state of Victoria.

After listening to the speeches of opposition members one would think that the education system in this state had suffered under this government, but the opposite is true. As proof of that I mention that my parliamentary colleagues and I, in conjunction with my local council, the City of Manningham,

sponsored the first Doncaster public speaking competition. If any honourable members had been there, as the editors of the local newspapers were, they would have been amazed by the talent. They would have been proud of the product of our Victorian education system because in the very formal environment provided by the council these young people — a bracket of 16-year-olds and 12-year-olds — gave speeches that would have done credit to any of the members of the house.

The ultimate winner of the secondary school competition, Kristy Pinkerton of the Doncaster Secondary College, made a speech about our changing society. Honourable members would have been moved by a speech that managed to relate personal experience to good policy and sound management. Although on the previous Saturday I had heard a professor of politics give his views on the changing nature of Australian society, I suggest Kristy Pinkerton and the other participants had more to offer than professors of politics and the like.

Again the house would have been amazed at the quality of the speeches of the 12-year-old entrants. The winner, Amy Quirk of St Peter's and St Paul's Primary School, gave a terrific insight into the nature of politics and her vision for Australia. The judges — the chief commissioner, Adam Kempton, the federal member, Kevin Andrews, and my upper house colleague Bruce Skeggs — in their judgments paid tribute to the leadership potential of the young people who took part in the competition. I believe one or two of those people will end up in leadership positions in federal, state or local politics. The fact that those young people spoke so well and gave such a wonderful portrayal of the product of our education system is a great tribute to the schools, teachers and administration in the Doncaster area.

For many years during the term of the Labor government my schools were left bereft of additional grants. Schools had no maintenance money and were becoming run down. Under this government we now have the money available to undertake the necessary construction works on school sites, assist with refurbishment and provide new programs that are bringing a new spirit of confidence to the schools. This evening Adam Kempton visited Parliament and we discussed some of the needs of the schools. One of the things we will be building in the Doncaster electorate is a city of the future based on the knowledge, industries and library facilities that a community needs in the 1990s. Through good negotiations between the commissioners and the Westfield corporation the

arrangements to extend Westfield in Doncaster will provide a \$4.6 million community contribution to building a library of the future, and that will be a magnificent facility: it will provide education for young people and modern communication facilities for the community, driving the business community forward into the 1990s. This is very good news.

The leadership in the schools is seizing these opportunities. It would be easy for me just to list headmasters in the area: I shall not do that, but leaders in a school community like Vicki Mackrell, the principal of the Doncaster Primary School; Juris Hyrenko, the principal of the Doncaster Secondary College, Robbie Burns; the principal of the Millgate Primary School —

Mrs Wilson — Good names!

Mr PERTON — As the honourable member for Dandenong North says, they are great names. They are terrific leaders of their school communities. When you visit those schools and talk to the students you find a depth of knowledge that is most unexpected.

Recently during the Australia Remembers ceremonies I attended the Millgate Primary School where young people read poetry and talked of the experiences of their grandparents and parents. I see the honourable member for Glen Waverley in the chamber. He too shared in the experience in Vietnam of the parents of many of these young children.

It amazed me that when I went to that school to talk to those young people about war and what we remember of it the teachers had provided the children, right down to the five-year-olds, with an incredible insight into the history of their country, their community and their own families. The Labor Party may carp and the radical unionists may decry the product of our education system but what I see every week in my local community is a fantastic education system, as good as anything in the world producing a product that is even better than anything in the world. When I consider these young people going out and trading in Asia, learning Indonesian and Mandarin languages and Malaysian customs and dealing with Japanese students on exchange I think of the marvellous world we are moving into and I know the education system, especially as it operates in my electorate, is meeting the challenge.

Not only has the government improved the education system but, with the cooperation of commissioners, it is also improving the environment of the City of Manningham. Over many years members of Parliament and councillors have pressed for improvement to the Doncaster gardens and for upgrading of the Mullum Mullum Creek parklands. This year more than \$200 000 has been provided by the state government for the construction of the Ruffey Creek lake and recreational area and the Mullum Mullum Creek area. I often walk in the mornings in East Doncaster and I have noticed koalas in the area again, and platypuses have been seen in the Mullum Mullum Creek. If one took notice of the complaints heard and even read the *Age* two weeks ago one would think those areas were dead and polluted; yet the platypus has been re-established in the middle of the eastern suburbs.

The government is not just providing money for forests and parklands that improve the environment. In the Doncaster area since the early 1980s we have been suffering the problems of pollution, traffic congestion and diminution of lifestyle as a result of too much traffic forcing its way through our streets. When the Labor Party came to power in 1982 the first thing it did in the Doncaster area was subdivide the heavy rail line reservation to East Doncaster, and some 35 protesters received front-page coverage in support of a railway to Doncaster. The Labor Party made that impossible.

With the privatisation and reconstruction of the bus system through the good works of the National Bus Company we now have 400 additional bus services each week in my area. Those services are not just from Doncaster to the city or from Doncaster to Box Hill; the services run in suburban streets and allow people to catch buses from outside their front doors to their local shopping centres. It is a far more convenient way for older people and mothers with young children to shop. Young mothers do not have to worry about parking cars or struggling with parcels, children and pushers. I congratulate not only the National Bus Company but even more so the Minister for Public Transport for undertaking these fantastic reforms.

In the 1990s the coalition government in Victoria was firstly forced to set about the basic housekeeping task of balancing the budget. We have done it on both the current account and the capital account. It should be noted that this is the first time in more than 30 years that this has been achieved in this state. However, these are accountant's terms,

they are not the stuff that will impassion or inspire the community. The community regards it as important that we balance the budget, undertake responsible financial management and make sure that Victoria, which still has the highest debt and taxes in the country, is brought back into a state of prosperity where those figures are no longer an embarrassment and where we can hold our heads high in financial terms.

Apart from that the culture and spirit of the state are important. By his confident and strong leadership the Premier has managed to inspire the community. Although not everyone agrees with his style it is interesting that when I am interstate taxidriviers say, 'How is that Jeff Kennett going? Gosh, he's terrific. We'd like to rid ourselves of that Goss or that Carr'. In comparing the New South Wales Premier and our Premier, the New South Wales Premier has broken almost every major promise he made at the last election. Just as the Labor Party in Victoria did, he made some rash promises about the abolition of toll roads. That was the first broken promise. He worked out that the toll roads were popular and that the roads the Greiner government had constructed were what the New South Wales voters wanted and demanded.

We can read opinion polls and listen to talk-back radio but for me one of the best ways of getting the mood of the community is to go to local facilities. One of the facilities I use — and I do not use it often enough — is the Doncaster Aquarena, a local gymnasium and leisure centre. When using the exercise room or the swimming pool 18 or 19-year-olds come up and say, 'Isn't the grand prix something terrific? Isn't it a great thing you are doing at Albert Park. We have gone to look at it and you are right, Mr Perton, it does look better'. They then go on to talk about their confidence about obtaining jobs and careers. In fact at 7 o'clock this morning I was talking to a young woman who had been a public servant but had given it away and set up her own business as a physical fitness trainer. That is confidence for you, a 23-year-old saying she will strike out from the bureaucracy and have her own business. It is all about empowerment and liberalism, and we are seeing it today. It is not all attributable to the government; we have a fantastic community made up of talented, well-educated and confident people.

In Doncaster, especially in East Doncaster, we have one of the highest concentrations of people of ethnic Chinese origin, be they from Hong Kong or Taiwan, and they are fantastic. They are natural

entrepreneurs and contributors to the community. As honourable members know, the Liberal Party recently called for candidates for preselection. One of my referees, Mr Jeffrey Tan, is a good example of this breed of Australian. He comes from Malaysia, was educated in England and has set up house in Doncaster. He is engaged in the air transport of top-quality Australian food to top-quality Asian establishments — five-star hotels from India to Taiwan, from Shanghai to Kuala Lumpur. He sells not just high-value products — would you believe he sells two containers of Victorian lettuce a week to Hong Kong? That is an entrepreneur; that is someone with the skills and talent this country needs. He calls himself Australian; his children talk with Australian accents; he runs his business in Heidelberg; and he participates in the local Doncaster Church of Christ. There is an Australian, and there is a contributor.

In the City of Manningham a new section of the library has been built providing Chinese language books to our elderly Chinese community. It is fascinating that that is the most borrowed section of the library. Through the efforts of Jack Wu, a developer from Taiwan, the Chinese community was called upon to donate books. He managed also to get donations of books from Taiwan. The state government has contributed to the process by providing the money needed to bring a librarian from Taiwan to catalogue the books so they will be even more useful to the Chinese community in my area.

Those in the Parliament who have enjoyed the food of Plume Chinese Restaurant or Zen's Chinese Restaurant, two of the best restaurants in Melbourne, would know that Andrew Ng and the Ng family are natural entrepreneurs. They specialise in providing the best quality service to their community and they then contribute their profit to the community. Whether it is the football club, Doncare or the social club that need assistance, those people help to provide that assistance.

There are many characters in my electorate. Members would know Yoland Lim from his television advertisements, but do they know that he exports traditional Chinese medicines from Australia to China? That is a staggering achievement. That is an entrepreneurial spirit, and it is very much an Australian spirit.

What else is happening in my electorate that is good news? New businesses are being opened. Just a few weeks ago I was visiting some shops and met

Arthur and Kerry Athanassiou. They have started a new business. On Saturday night at 8 o'clock in the evening their business was still open and customers were coming in. They were providing a high level of service. I asked, 'How are things going?'. They said, 'It's hard work but it's fantastic. It's our own business, and it's thriving'. The couple and their children were in the shop and friends had come to visit. That is a good example in my electorate of the way small businesses develop.

There have been hard times in the building industry over the past decade, yet in my area quality businessmen are still producing quality products. Ron Englehart, who builds houses in your electorate as well mine, Mr Acting Speaker, has survived the recession by building a top-quality product. That is a tribute to quality and to his hard work and dedication. People like Ian Farrer and Gary Hutchens of Darnley Developments are taking the hard block of land and not taking the easy solution of just building a shopping centre. They are ensuring the development includes top-quality housing to complement the rest of the area. People such as Glen Eagle and Barry Plant are still working hard in the subdivision and building area.

Ms Marple interjected.

Mr PERTON — The honourable member for Altona is a cynic. Having lost preselection, it would be hard to be positive. I am glad she is in the chamber and smiling. It is not just commerce that makes a community. For many people, the churches are still a centre of community life. In the past year I visited the Doncaster Church of Christ, which has completely rebuilt its church. It is a fascinating congregation, having a history over a century old and having received the orchardists, the ethnic Anglo-Celtics and an influx of people from China, Malaysia and elsewhere. The spirit in that church is dominated by its minister, Paul Cameron, who you may have seen mentioned in the newspapers recently as the minister for the Richmond Football Club. It is a tough job but one he does with a genuine sincerity.

Although I am not a member of that congregation, I have to say it is one of the greatest pleasures of my political life to visit the Doncaster Church of Christ — not only to participate in their singing and ceremonies but just to hear a sermon from Paul Cameron. I am sure the players of the Richmond Football Club, who basically came from last to third on the ladder this year, would pay some small tribute to him.

It is not just that sort of ministry that has developed in Doncaster. Father John Dupuche of St Peter's and St Paul's has built a fantastic ministry, developing a relationship between Catholicism and Buddhism. He has travelled to India on several occasions to develop his knowledge of Hinduism and Buddhism. His concern is to build links between the two communities based on the ethical and moral values the two share.

It is fantastic for the children who attend the parish primary school attached to Father Dupuche's parish to learn something of the customs of the east; they are learning about meditation and other techniques to enhance their worship and education. It is a great tribute to an interesting man. Again, it is not just economics that make a community.

It has been fascinating over the past year, with a spirit of confidence, to deal with local business people in my area who are concerned about civil and human rights. Some two weeks ago Eric Grigorich of Donvale travel agency came to me with a fascinating civil rights issue relating to immigration and the problems of a family in which one member in Australia was in poor health and needed the support of relatives from Croatia. Through working with Mr Grigorich in an active and cooperative way we managed to remove the obstacles that prevented this relative coming from Croatia on a tourist visa, enabling the family to come together in a time of crisis.

Whenever I have a hard case, I find that one of the solicitors in my area, such as Jennifer Mairs, is prepared to take the case on, often at no cost or on limited legal aid. It gives a spirit of confidence when dealing with the hard cases to live in a community where people really care.

The 1990s are a time of new technology, including communications technology. People think of Doncaster as just a dormitory suburb, but it is more than that. Those members of Parliament who look at their pay slips will see the name Hansen Corporation on them.

The Hansen Corporation, a high-tech company, not only processes our salaries but processes international accounts from as far afield as the United Kingdom instantaneously on-line. That corporation is based in Doncaster. The people who work with the super computers, the technicians and the experts in short-wave design all work in the old Shell building in Doncaster just off Doncaster Road, so we are part of it.

Ken Hansen is an experienced businessman, but in recent times people such as Simon Kriss have been setting up small businesses to compete and cooperate with major multi-national corporations that form our communication industry.

Many people in my electorate are producing quality products, for example, the Iezzi brothers. People come all over Melbourne to visit their fruit shop in East Doncaster. For gaming facilities there is the Doncaster Inn, a terrific venue providing the services that people want. It is managed by a man with the exquisite name of Brett Melbourne. There are people such as Peter Moore, who runs the pharmacy, and David Bayes, who runs McDonalds — all those people are doing fantastic jobs for their communities. Ted Strapp, who has been around for what seems like 100 years selling cars, and Kevin Benade, who set up a new BMW dealership that services a large portion of Melbourne are other examples.

The reason I mentioned those names is because there is no doubt that the Victorian Liberal government has restored confidence in this state, which is important. The fact is we have a terrific population. We have wonderful people who are not only good business people and good educators but concerned about their environment, their fellowman and building a better community.

I have the honour to represent a fantastic electorate. It has been well served by the election of a Liberal government and it appreciates the changes that have been brought into effect. Doncaster is the first community that experienced the privatisation of electricity, and it has been a good experience. We are a community that is being served by the new \$250 million extension of the Eastern Freeway: the biggest road project currently undertaken in Victoria, although of course, it is soon to be dwarfed by the City Link project. Nevertheless, this is a good thing for a community that deserved better during the time of the Labor government but which did not receive it. It needed the election of a Liberal government to deliver fairness, equity and leadership. The government has provided leadership and the Doncaster community is certainly one that has responded to it by delivering in the 1990s environment.

Mr MICALLEF (Springvale) — I believe the speech of the honourable member for Doncaster to be unusual. Normally he gives me plenty of ammunition to fire at him, but tonight his speech

was a total parish-pump type contribution. He must be coming up to preselection!

Mr Perton interjected.

Mr MICALLEF — All I can say is that he must have prepared the speech in anticipation of being opposed, therefore he is unpopular. He felt that because he had put so much time into preparing it he might as well present it, so I will give him 9 out of 10 for innovation in this time of adversity.

Having spent sometime in Doncaster years ago, I point out that it is an interesting place, but no matter what the honourable member for Doncaster says, it is still fairly boring compared with places such as Springvale which has 112 different ethnic groups, much more vitality and much more vibrant day-to-day activities.

I bet if you, Mr Acting Speaker, came down I could show you a good time, a good meal and some good quality time at a fraction of the cost to what you would pay in Doncaster. I would suggest the food and the presentation would be well above what is presented in Doncaster. If anybody wants to come and see an excellent community in action, come down to Springvale.

As I said, I will give a sample of 112 different ethnic communities who live together in excellent harmony in a way that has become a model for the rest of the world. Earlier this year global diversity delegates came to Australia to attend a conference in New South Wales. They visited Springvale as one of the areas to look at and took back some of their experiences of living in a multicultural society like Australia. The Prime Minister said at the opening of the conference that we do not present ourselves to be a model for the rest of the world to look at but that there are many experiences that the rest of the world can learn from us.

Getting back to the real world and looking at the honourable member for Doncaster in an objective way, I say that he is nowhere near the standard of the previous member for Doncaster was. He was not a pseudo-presenter being concerned about the community; he was a real person. Morrie Williams was head and shoulders above the current member, who has a long way to go before he fills his shoes. This whole house respected Morrie for his contribution, his sincerity and his ability to get up and call a spade a spade when it was not comfortable to do so, even in his own party.

Mr Perton interjected.

Mr MICALLEF — You've got a long way to go, Sonny, in that regard, so stick to it and you may well eventually come up to his standards.

Mr Perton interjected.

Mr MICALLEF — You have made your contribution so leave the house and let things go on because you are only going to present yourself as a nuisance and undo a lot of the good work of every Doncaster person you listed. They will now be in your *Hansard* greens, so you better make sure that their names are spelt correctly!

That is enough about the honourable member of Doncaster. Before I get on to the main thrust of my speech I must respond to another speech made by the honourable member for Mornington. I am getting a little sick of his snide remarks about the only policy the Labor Party in government being the legalisation of drugs. It is sad and sick that somebody becomes absolutely paranoid and preoccupied about those issues when this government is doing so much to wreck the fabric of society in this state.

The Premier is concerned about the violence down in King Street at night. There is a bit of a raucous and the Premier goes on the radio, with Neil Mitchell and his mates, is reported in the *Age* and is reported by all the other media people who support this current government right or wrong. The Premier has received a lot of publicity about this matter. I live in the City of Greater Dandenong. In the past 18 months 12 drug-related deaths have been discovered in municipal facilities in that region. It is a disgrace when government members attack people who are trying to deal with the problem and when they have produced remedies.

Government members come out with suggestions, such as decriminalisation of drugs, and, as a lawyer, the honourable member for Doncaster should understand the difference between decriminalisation and legalisation. He should also understand that people should try to work through the problems. The honourable member for Doncaster might have the courtesy to make a proposal for more resources to fight the drug problem. We can fight the problems of alcohol abuse or whatever in King Street, which upsets the facade of the King Street night circuit, but there are many more real problems.

Mr Perton interjected.

Mr MICALLEF — 12 people have died in one suburb. What are you doing about it? Nothing!

The ACTING SPEAKER (Mr E. R. Smith) — Order! The honourable member for Doncaster has had his go. The honourable member for Springvale has the right to be heard in silence, and I demand that he receive that courtesy.

Mr MICALLEF — What I as a local member have done is to suggest that we have a summit of all the organisations that have funding left.

Mr Perton interjected.

The ACTING SPEAKER — Order! The honourable member for Doncaster should remain silent. If he does not do so I shall take action.

Mr MICALLEF — I have suggested that a summit of all those organisations that have funding left get together to work through the problem. What has the honourable member for Doncaster done? He is part of the government that has cut funding to the organisations. I would hide my ugly face behind the bench and get out of the way. It is a disgrace that the government is responding selectively in a knee-jerk way to get publicity but does not deal with the real problems in the suburbs.

The ACTING SPEAKER — Order! The honourable member for Springvale should address his remarks through the Chair.

Mr MICALLEF — I am sorry, Mr Acting Speaker; I have been watching the Premier too much. The Premier boasts about his achievements, but recently one of his greatest achievements was the sacking of 50 000 public servants and witnessing the destruction of community and health services. It is making it difficult for us who are trying to achieve some quality of life and support for ordinary people in the suburbs.

What is the role of the media? It is about time the media stood up and questioned the government. We are heading down the same road as happened in Queensland over many years when there was a strong Premier, and look how Queensland finished up — there was corruption because of the inability of the media to question a Premier who, because he was a bully, was able to get away with it. It should not happen. Where there is stench there is corruption. We are beginning to see that in relation to the casino, with the Premier and the cabinet looking after their mates.

The media should stand up and be counted. They should question the government and make it accountable. We all remember the *Insight* articles in the *Age* many years ago, as the honourable member for Sunshine would recall, which took on governments irrespective of how powerful they were. They took on the Henry Boltes, Dick Hamers and other Premiers. It did not matter who was running the state; the issue was how they were running the state. It is about time we had a media that stood up to the government.

Another disgraceful action taken by the government is the expansion of gaming in the state. I was a member of a committee that helped to introduce gaming machines and the casino. It was never meant to be a focal point to relieve every Victorian of the income needed for everyday living. Now we are witnessing the enormous consequences, as the honourable member for Coburg pointed out in his excellent contribution, of what the casino is doing, particularly to the Asian community. That community represents about 3 per cent of the Victorian population but makes up about 40 per cent of the customers at Crown Casino. The Minister for Community Services should be ashamed of being part of a government that encourages the Asian community onto the gambling scene in Victoria, because that is wreaking havoc on ordinary households in suburbs such as mine. Asian members of the community in my electorate have lost their jobs, houses and cars; marriages have broken up and there is domestic violence. It will be left up to the next generation to pick up the pieces. The government should hang its head in shame!

The impact of gaming machines and the casino is a growing problem — one that was never intended to occur. I accept that the previous government set the project in train, but it was never intended to be attractive to the ordinary person in the community: it was meant as a tourist attraction to siphon off some of the international tourist trade dollars that come to this country. It is being used instead to live off the earnings of the ordinary citizens in this state and those who are vulnerable.

When one attends functions where there is a large percentage of the ethnic community who love to gamble in a small way with lucky tickets and raffles it is now the case that the government is preying on that vulnerability. An article by Paul Robinson in *Saturday's Age* reports on the savage cuts: 50 000 public servants have been retrenched, sacked or got rid of. The government has increased taxes to the highest level of any state in Australia. The article

goes on to say that the Premier is still as popular as ever. We'll see about that! I have a lot of faith in ordinary Victorians. The polls show some volatility. Rednecks may be attracted to the Premier's love of aggression and the way he handles situations like the grand prix and the ambulance dispute, but instead of fixing the problems for the benefit of all Victorians the Premier talks about sacking ambulance drivers, contracting out, privatising and using any excuse to disband a service that has given a lot of support over the years. That is the sort of Premier we have.

It is very un-Victorian and un-Australian to respond like that to a difficult situation when ambulance drivers are attempting not only to improve their quality of life and working conditions but also to take on issues on behalf of the community they are dedicated to serving. It is unspeakable that the Premier should act in that way. He should use his good offices to remedy the problem rather than making threats. He has got away with it in the past but should not be allowed to get away with it in the future, because Victorian householders are paying \$1500 a year more in gas, water and electricity charges and family taxes.

To hear government members support the Premier and heap praise on the government by naming people in their electorates in the face of what is going on in the community is a disgrace. People out there are hurting and it is about time the government understood the issues. People are being left on hospital trolleys. Even Liberal members in the south-eastern suburbs went to the hospitals and met with hospital staff. The hospitals are now getting a lot of bad publicity about waiting lists and people with serious injuries being left in casualty wards waiting to be treated. It is a serious situation when Liberal members of Parliament have to take action and get into their own Premier and Minister for Health to get them to remedy the situation.

The government should fix the hospital situation and do the right thing by the hospitals and the ambulance service, which has suffered cuts of some 200 workers since the government's election. The government cannot continue to cut services drastically and then pretend that services will continue to be provided but on the basis of full cooperation with those working in the industry. It is a nonsense situation. The government will have to do a lot better than that.

The government certainly has too close a link with the business community. We know of the links with

the casino, Lloyd Williams and the like. That is beginning to damage the government's image and gives the impression that the government is certainly looking after its mates. As has been said time and again, the government is more concerned about the number of people waiting at casino tables than it is about the waiting lists at hospitals or waiting times for ambulances.

The government has become arrogant and cronyism has become rampant. It will certainly see a reaction to that. It may not be evident in the polls, but it will certainly be evident in the election to come. Victorians have the good sense to give the government one jolt out of office and I am sure they will do it particularly well.

The government's budget completely fails to address a number of key issues in both of my shadow portfolios — ethnic affairs and industry services. It is obvious from the most cursory examination of the state of ethnic affairs in Victoria that the Kennett government has failed and will continue to fail to deliver programs and services of any real or lasting benefit to ethnic communities. In the 18 months that I have been shadow Minister for Ethnic Affairs I have rarely seen the Premier at any ethnic community function. I will continue to harangue him about that. Again, at the 84th anniversary of the Republic of China the Premier sent along a backbencher to represent him, yet there were perhaps 1000 people from the Asian community at the grand ballroom of the Hyatt hotel. The Premier did not even have the courtesy to turn up or at least send a minister or his parliamentary secretary. That demonstrates his contempt for the ethnic communities in Victoria.

With its cutbacks, sell-offs and other drastic measures the government has sold out ethnic communities and completely failed to give adequate support to new arrivals. That is obvious. The Premier's style in ethnic affairs is about gimmickry and political stunts; he has used his office for cheap political point scoring.

Mr Perton interjected.

Mr MICALLEF — I can certainly read it in this government. It has continually exploited and exacerbated divisions within and between ethnic communities for political advantage. That is an absolute misuse of the very important offices of the Premier of this state and Minister for Ethnic Affairs.

The Premier struts around the international stage playing at being the world statesman. We have just seen a demonstration of that while he was in Greece. He pretends he has some international status, which is an absolute nonsense because he is seen as a joke overseas. We might even have Premier Court going overseas soon doing deals on behalf of Australia! If this country is to be serious in international terms it should recognise that we have a federal government that is responsible for and elected to carry out that role. Yet here we have a joke walking around on the international scene and making suggestions to international organisations!

The Premier has very little understanding of the damage he is doing. His actions stem from purely political opportunism. He does not give long-term support to ethnic communities in this state or think about targeting their specific needs.

When the government came to power it set about actively dismantling the progressive policy initiatives in ethnic affairs that were instituted by the previous government. The most insidious measures were those dismantling the processes that were in place, resulting in the removal of the powers and resources of the Ethnic Affairs Commission. The commission is only a shadow of its former self and this government ought to be ashamed of what it has done.

At the same time there has been an erosion of translation, interpreting and general language services. That has had a direct impact on ethnic groups' abilities to access government services. That is disgraceful.

Mr Perton interjected.

Mr MICALLEF — If you keep that up I will deal with you.

The ACTING SPEAKER (Dr Coghill) — Order! The honourable member for Doncaster is out of order. I ask him to remain silent.

Mr MICALLEF — Increases in taxes and charges have had a disproportionately adverse impact on ethnic groups. In many instances those groups are already struggling to make ends meet. Many families come to this country as refugees and it takes a long while to become established. When they come here they are hit with government taxes and charges and then discover that government services have been cut back.

The government's continued downgrading of ethnic affairs to being a low priority area has certainly affected the Overseas Qualifications Unit. I understand a recent review of the unit recommends its continuation. The government's actions have certainly knocked about the unit's effectiveness. It sacked and retrenched qualified and expert staff from the unit. It brought in people repatriated from other departments and directed them to go into areas where they did not have expertise. That had an impact on the effective working of the unit.

We all know that the qualifications of many professionals and tradespeople from ethnic backgrounds are being underutilised in this state. I am glad to note the government has picked up the fact that this is happening and agreed to resurrect and support the continuation of the Overseas Qualifications Unit. It is a pity that it has taken three years for the government to come to that decision.

The census shows that more than 700 000 people born in non-English-speaking countries currently reside in Victoria. This represents more than 16 per cent of the state's population, the highest percentage of any state or territory in Australia. Also, Victoria was recorded as having the highest proportion of people who speak a language other than English.

Victoria is a diverse cultural state. The federal Department of Immigration and Ethnic Affairs report on population flows says that 25 per cent of those arriving in Australia in 1992-93 settled in Victoria, and 27.5 per cent of Victorians were born overseas. We have an extremely high population of those born overseas. These multicultural figures should be cause for celebration!

Mr Perton interjected.

Mr MICALLEF — After listening to the inane comments of the honourable member for Doncaster one would be embarrassed to suggest that he may be part of those statistics. You are an embarrassment to your party. It is no wonder you have not got on. I totally concur with your Premier, who obviously treats you like a dill!

When almost 30 per cent of Victoria's population are from non-English-speaking backgrounds — that is almost one-third of the population — it is hard to understand why there is so little in the budget that acknowledges that fact. It has been well publicised that the government will spend \$35 million on an advertising campaign that will be nothing more than political propaganda; yet not 1 per cent is being

spent on new initiatives in ethnic affairs. In the first year of the Kennett government spending on ethnic affairs was zero. That shows what the government thinks about ethnic communities in this state.

Funding for ethnic affairs in the budget is only a miserable \$234 000, and the overall figure in program outlays of \$1.8 million is pitiful and reeks of tokenism. The ethnic communities will respond to that at the next election. The government will spend only \$1.8 million for the whole of Victoria and yet the Premier can spend \$33 million refurbishing his offices. It is an absolute disgrace.

Last week we were told that \$1 million was lent from the Community Support Fund to the Grollos for a project associated with the Rialto tower. The government ought to be ashamed of its action. That funding should have gone into support for ethnic communities, but instead it has been used to support the rich and powerful. That is what the government is all about!

Mr JENKINS (Ballarat West) — It is a pleasure to contribute to the Appropriation (1995-96 No. 1) Bill. Just three years ago on 3 October 1992 the great Kennett government was elected to run the state and get its wheels back on the rails. Investigations were held to see what had occurred during the previous decade — and what a mess and what debt were found! In the first months many stories were told in this chamber. One concerned the hundreds of tram conductors' uniforms that were made by Fletcher Jones and cost the earth. They were hanging waiting for the moths to eat them. We did not know how many cars were in the government car fleet. We were also told about \$30 000 worth of toilet paper that that was the wrong size for the receptacles. The Labor government had no idea how to run the state. That has been well documented by many over the past three years. We were told about the mess and the huge debt created during that time.

Victoria's credit rating was downgraded, which was an embarrassment for Victoria. However, in the past three years the state has undergone a turnaround. The credit rating has been upgraded and I hope next year it will be upgraded even further. With this budget, for the first time in 30 years, the state is in the black and there is absolutely no reason why we should not continue that way. The turnaround has not been without pain, but confidence has returned to the state. Business is starting to invest in Victoria, something that had not occurred for many years. However, there is a long haul ahead to get Victoria back to where it should be. The people accept the

changes and the hard decisions that have been made by the Kennett government. The polls are showing that the people are responding, and industry is showing results. It is regaining confidence, investing and expanding. Victoria needs investment, especially in my area of Ballarat.

A headline in the *Ballarat Courier* of 6 February states, 'Big projects bringing \$60 million to Ballarat'. Many projects in our area are benefiting our community by way of investment and employment. We are very proud of what is happening. Projects such as the Information Technology Centre at the University of Ballarat, costing \$80 million, is almost at completion stage.

Mr Hamilton — Is that federal money?

Mr JENKINS — It is not federal money. It is \$80 million of private investment. The technology centre has nothing to do with the federal government. It did not give us the funds for this project. The centre will be open in November and will employ 165 people. By 1999 it will employ up to 950 people.

Ms Marple — Tolls are going up!

Mr JENKINS — There are no tolls on Ballarat roads. Things are fine up our way. The honourable member for Altona should come up and try them out. Another project costing \$11 million is being developed on the old Sunshine Biscuits factory site where biscuits, and later dog food, were once manufactured. The derelict building has been phased out after more than a century's operation and the site is being redeveloped. Last week the first new enterprise, Hungry Jacks, was opened on the site. We now have McDonalds, Hungry Jacks and KFC in Ballarat. It is a great investment in our city.

The School of Mines and Industries, with which the honourable member for Morwell will be familiar, has just announced a \$6 million project on the old Ballarat Brewery site. Honourable members will be familiar with the brewery, which was phased out when Carlton and United bought the brewery. The historic School of Mines and Industries was a great mining institution in the early days and now is a great education centre.

Another interesting project is the \$2.7 million Eureka Village hostel which has just been opened. That is another instance of private money being invested in Ballarat. In addition a 45-bed hospital will be built in the area for the Queen Elizabeth Centre. Another

one to open next month is the Great Southern Woolshed project.

Mr Haermeyer — On a point of order, Mr Acting Speaker, did the honourable member utter an unparliamentary term?

The ACTING SPEAKER (Mr Cunningham) — Order! I thought he said 'woolshed'.

Mr JENKINS — The honourable member for Morwell would know what it is, but city members may not know that a woolshed is a place used for the shearing of sheep. A number of local business people got together to make this sheep and wool centre a great tourist attraction at Ballarat. The project will also provide significant employment in the Ballarat area. It will be located on the Western Highway and will be 140 metres long.

Containers Packaging has been another interesting story in our great city. It has established a \$17 million factory where it is making millions of ring-pull tops for cans for Australia and South-East Asia. This great enterprise involves \$17 million of high technology modern industry in Ballarat. Another \$10 million will be spent on the Gardens residential housing estate.

Mr Steggall — Sounds like a good place to live!

Mr JENKINS — It is a great place to live. I have lived there all my life and will never stop talking about it. A \$2 million restaurant will provide 106 jobs. There is no doubt about the Ballarat area. It is going great guns because of the initiatives of the Kennett government. The Minister for Planning has been a great help in cutting the red tape. Victoria was bogged down with red tape. The previous government thrived on red tape and made it difficult to get on with projects. We have a great planning minister.

Ms Marple — Anything goes?

Mr JENKINS — No, he does it with great skill and ability. We have plans, and we get projects operating and up and running as quickly as possible. A number of investors have said to me it is a pleasure to do business in Victoria but more so in Ballarat. The other day one said to me that he wanted to get a plan approved by the council. He took the plan into the council in the morning, and 6 hours later he was able to take out the approved plan. He poured concrete the next Monday. That is what it is all about. It is a matter of getting on with

the job and getting it done. It is typical of what the government is doing and typical of what the local people are responding to in that area and around the rest of the state.

Mr Hamilton — Tell us about the Ballarat people.

Mr JENKINS — The Ballarat people are great people. They are fine. You are one of them, so you would know. The honourable member for Morwell is a Ballarat man!

The high-fliers of the 1980s decided to build a \$60 million village in Ballarat. They started off, spent a great deal of everybody else's money, then went broke and left this derelict half-built housing estate, which sat there until the bankers sorted out who would swallow the bitter pill. Finally, some local businessman decided to revamp the whole project and made a magnificent area for residential purposes in the village. They will spend \$60 million there — another great thing for our city.

Even Telecom, now Telstra, decided to spend \$24 million in upgrading facilities in Ballarat. Only last week we had the opening in Ballarat of the new Telstra office which carries out a lot of the administration for a greater part of country Victoria and Tasmania. It was pleasing to attend that opening. Telstra has seen how we can set up these places in Victoria. It is not Tasmania, New South Wales, Queensland or South Australia. It is Victoria and Ballarat where they are setting up these projects.

This week the Laminex company, which makes particle board, is celebrating 25 years in Ballarat. The company is spending \$12 million on new timber-drying equipment because it has faith in Victoria. It didn't go to Queensland — it stayed in Victoria and spent \$12 million on new equipment in Ballarat. We are very excited and pleased to support the Laminex company which uses timber thinnings from the Victorian forest to make this value-added product for use throughout Australia and beyond.

Mr Hamilton — How many people do they employ?

Mr JENKINS — Some 120 people, and it is a very good industry. Bendix is another large employer in Ballarat. It has been there for 40 years and is proud to be part of Ballarat, too. The company has just opened a \$5 million rail and industrial brake manufacturing plant at Ballarat. It is high-technology manufacturing for the specialised blocks which will replace the current cast iron blocks

used to put the brakes on trains. It is intended to provide Australia and South-East Asia from that plant. It is expected to employ 40 people in the future. We have industry investing heavily in Ballarat. I have only scratched the surface.

I shall turn to health and talk about our great base hospital. The previous government added a new building to the Ballarat Base Hospital which cost about \$40 million. It is a very nice and beautifully designed building. It has a great atrium in the centre and is reasonably functional, but in the attempt to design how to look good they forgot to properly design the wards for patients. They found that when the orthopaedic surgeons want to examine a patient all the ward equipment is in the way and has to be wheeled out so the surgeons can move in their equipment. It was a bit of a blunder! Knowing those people in charge during the 1980s and the Labor hierarchy at the time, you can expect those mistakes.

We also found that the hospital accumulated a \$10 million debt. This was very sad news and a big jolt to Ballarat. However, despite the Cain-Kirner years when these things happened we now have a hospital management which is turning that situation around and is reducing the debt. Soon we will be able to smile again about the finances of the base hospital. I congratulate those in the administration, staff and medical fields for what they are doing and on getting together to have that great hospital survive and expand once again.

The Lakeside hospital has been closed down but parts of it will be relocated onto new sites. We have a very modern facility in Ballarat East which is taking a number of Lakeside patients into modern day living accommodation where they feel part of the community and are not just isolated into wards like they were in the old mental home. Those facilities are going into the city and beyond and former patients are being provided with general living accommodation in Ballarat. Those patients who have the ability to live in a town can do so while being well supported by the CAT teams and by the community services available.

During the past few weeks a \$5 million redevelopment for a new psychiatric centre at the Ballarat Base Hospital has been announced. It will provide for the more severely mentally handicapped in modern premises associated with the hospital. Although when speaking on the budget we tend to mention large projects, it is also important to mention small projects which are going on all around the state and which provide many facilities

for communities. We must remember the little details as well as the big ones.

I am proud of the way medical operations are being handled in Ballarat nowadays. We have confidence in what is going on not only in the state system but also in the private health system. St John of God Hospital in Ballarat is run by the Sisters of St John and is one of their many hospitals in Australia. It has spent millions of dollars upgrading its Ballarat facility, which gives good service to the local community and beyond. I congratulate the administration, especially the sisters and staff, for what they are doing. The reason they have spent all that money is because they have confidence in Victoria.

The government is also looking after our mentally ill who are settled into the community. They have a 24-hour-a-day psychiatric help line, which is working extremely well. There are 12 CAT teams in the Ballarat and Grampians area and they respond immediately to any concerns clients have. The community has accepted the former patients of Lakeside into their neighbourhoods. People have come to me and said it is a pleasure to have them living next door. They enjoy their fellowship as neighbours and they are comfortable about the service being provided by CAT teams and other workers in that area. We congratulate the CAT teams along with other staff of the Department of Health and Community Services. Ballarat Base Hospital has been given \$42.5 million in case-mix funding for the next 12 months. That will boost funds and help reduce debt.

I turn now to transport. Ballarat has been a great railway centre for more than a century. One of the early train lines to Ballarat ran via Geelong. Later a direct line was established from Melbourne through to Ballarat and on to the Mallee, Wimmera and the Western District.

Mr Hamilton — What about the standard-gauge line?

Mr JENKINS — It did not go through Ballarat, for a very good reason. The standard gauge went down through the western plains. We have taken that on the chin and said that we would do more about it than let it run by. We now have an excellent train service with our sprinter system. I travel on it regularly and find it to be a good service — what is more, the staff smile. We also have the conversion of the national gauge line to the west. Mistakes are often made, and one mistake was having different

rail gauges around the country. Standardisation around Australia is one of the greatest achievements of our country. It took a long time, but it was well worth it.

The conversion to standard gauge lines goes up to Yaapeet and Hopetoun and across to Avoca, Maryborough and Dunolly, the great wheat storage area. The engineers are currently transferring that line. A lot of money has been spent on rail and, of course, the upgrading has been a boost to our local railway workshops.

For as long as I can remember living in Ballarat one of the most political organisations in the city was the Ballarat railway workshops. In earlier days it was a bit of a luxury to work there because it was considered to be an easy job. Nowadays the workshops are efficient and have quality assurance, something that is rather unique in railway operations. I am proud that the Ballarat workshops have that standard of quality control. The workshops have been important in fulfilling a series of contracts. At the moment they are spending time refitting and upgrading many of the suburban trains under a \$49 million contract as well as sharing another \$39 million contract with the Bendigo workshops. The workshop staff are pleased to be part of this government endeavour; in fact, they even like Liberal politicians now — that was certainly not the case for many years. Perhaps Tom Evans, a former member of Parliament, was a good supporter of the workshops. I should say these days they are not a bad mob of blokes.

As I said before, the most exciting scene in Ballarat is information technology. According to the Premier, Ballarat is poised to become a mini Silicone Valley, and I certainly endorse his comments. Ballarat is excited about bringing a lot of work in to expand the information technology centre. I went to the Silicone Valley in San Jose, California where I made some contacts with people interested in investing in Ballarat. Silicone Valley has 2500 companies ranging in employment status from two or three people up to 3000 or more. It is a fantastic enterprise. If we can get 10 per cent of that it will do for Ballarat and Victoria, because we will be at the leading edge of information technology. This opportunity is boosted by the fact that the Kennett government made the former Ballarat College of Advanced Education a university. The other advantage is that the university has courses based on information technology and is working closely with the IBM-BHP consortium to have an interchange of experience and training. That will grow as

information technology around the university expands. In fact a lot of contract work is going through South-East Asia, and that will increase in the future. We look forward to the Premier opening the new complex in November this year. It has been estimated that the information technology complex at the university will create 7000 extra jobs by the year 2010. I congratulate the Premier on his initiative in leading the charge to make Ballarat the centre for information technology. We are proud to be doing it and we will do it well with the support of the government.

My colleague the honourable member for Morwell was educated in Ballarat at a wonderful school and at an equally wonderful teachers college. He will be pleased to know that that is now part of the university. We have a great education structure in our region although when we came into government in 1992 the schools and facilities were in a sorry mess. The glass in the windows of the school I attended at primary level were falling out because the putty was gone and no maintenance had been done for many years. The timber was rotting and the building looked shabby. It was distressing.

However, the government has seen fit to spend money on that school and many others. The following schools are being refurbished: Redan Primary School, Caledonian Primary School, Black Hill Primary School, Grevillia Park Primary School, Ballarat Secondary College, Ballarat High School, Sebastopol Secondary College and the School of Mines. Those are some of the many schools being upgraded and rehabilitated in our area let alone the rest of the state. The staff, students and parents are appreciative of the efforts that have been made to get the schools up to the standard they should be, a standard worthy of our state.

There have been many exciting developments in the private and state sectors. I look forward to Ballarat continuing to be a great education centre in the state. It will certainly be supported by the Kennett government in the future.

I must mention the employment initiatives and job creation programs being pursued with great dedication in our area. With the support of the Kennett government and the commonwealth government through DEET programs, those developments have been a great success. The employment figures for Victoria show that Ballarat and its surrounding area are leading the charge in re-employment.

Prior to the government's coming to office Ballarat was in desperate straits. Youth unemployment was a disaster. However, the number of jobs has increased by 19.6 per cent. It is tremendous to know that, with that increase in our area, Ballarat is leading the state and other rural areas. I am proud that Ballarat has taken up the challenge through such programs, some of which are achieving an 86 per cent strike rate on the completion of programs.

I congratulate the Central Highlands Employment Service on its adult and further education program under Chris Carrol, which is helping create jobs. The Brotherhood of St Laurence is doing a great job, as is the 40-plus group, which is a group of people over 40 who are out of work. That organisation, which is based in the old council building at Sebastopol is really booming. It is good to see those people taking up initiatives that will get things up and running and get them back in employment.

In conclusion, I am proud to be part of the Kennett team. I look forward to being part of it for a long time ahead serving Ballarat, the greater Ballarat area and beyond and utilising my skills and abilities in ensuring regional investment and the progress of this great state in the future.

Debate adjourned on motion of Ms MARPLE (Altona).

Debate adjourned until next day.

ELECTRICITY INDUSTRY (FURTHER AMENDMENT) BILL (No. 2)

Second reading

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

That this bill be now read a second time.

This bill paves the way for the continuation in the generation sector of the successful reform and privatisation of the dynamic group of companies which now comprise Victoria's electricity industry. This government continues in its commitment to encouraging competition, innovation, and the resulting benefits of a productive and richer economy.

There is now growing interstate and international endorsement of the competitive Victorian electricity industry model. Victoria welcomes recent developments in New South Wales which, if

implemented, will bring about structures compatible with those in place in Victoria, and will provide a sound basis for a competitive market that will benefit all consumers in south-eastern Australia. The New South Wales government has announced a restructuring of the 25 distribution entities into 6 entities, compatible with the 5 entities in Victoria. The Hilmer committee also has recommended to the New South Wales government that Pacific Power be disaggregated into 3 entities.

The recent 1995 world competitiveness report shows that those countries with the greatest levels of internal competition are achieving the highest levels of external competitiveness. Thus, the benefits of the reforms will not only flow directly to Victorian consumers through the regulatory regime established in Victoria but also pave the way for Victoria to play a pivotal role in the South-East Asian region as a manufacturing centre. The increasing efficiency and competitiveness in the Victorian electricity industry is an important foundation stone in securing Victoria's international competitiveness.

This bill follows the Electricity Industry (Amendment) Act 1995, which was passed in the last session of Parliament. That act contained a range of significant amendments to the Electricity Industry Act 1993 to continue structural and regulatory reforms in the electricity supply industry and to facilitate the privatisation of the distribution and generation companies.

The government has since announced a very successful first step in this program, with the completion of the sale of United Energy Ltd. That sale resulted in a capital sum of some \$1553 billion being paid to the government to be applied in large part to the reduction of state debt. Additionally, franchise fees totalling \$382 million will be paid to the state during the period to 2000. The successful sale of United Energy represents a strong market endorsement of the government's carefully planned reform program for the electricity supply industry implemented over the past two years.

The main purpose of the bill is to make provision for the further rationalisation of land titles in the Latrobe Valley held by the generation companies under the Electricity Industry Act 1993. The bill also makes a number of miscellaneous and consequential amendments to the Electricity Industry Act 1993, the State Electricity Commission Act 1958, the Office of the Regulator-General Act 1994 and a number of other acts.

The Electricity Industry (Amendment) Act 1995, in addition to introducing further structural and regulatory reforms, including the detailed cross-ownership rules to apply between distribution and generation companies, contains detailed provisions concerning the surrender and regrant of land in the Latrobe Valley required for the efficient operation of the Yallourn W power station and associated open-cut mine. This bill deals in a similar manner with the Latrobe Valley land required for the operation of the Loy Yang A power station and the Hazelwood power station.

Other provisions included in the bill provide for the appointment of a Deputy Administrator of the State Electricity Commission to assist in the efficient administration of the residual assets and liabilities which remain with the SEC. Amendments are also made to the State Electricity Commission Act 1958 to confer powers on the Chief Electrical Inspector to assist in the administration and enforcement of the electrical safety provisions of that act and provisions which replace the Tree Clearance Consultative Committee with a new Powerline Clearance Consultative Committee, with representatives to be appointed by the minister representing those government departments and community groups with particular interest in matters concerning powerline clearance codes and procedures.

Part 1 of the bill states the purpose and commencement dates. Part 2 contains further miscellaneous and consequential amendments to the Electricity Industry Act 1993. These include provision for the appointment of a deputy administrator under the act to act during a vacancy in the office of the administrator, or if the administrator is absent or unable to perform the functions of the administrator, as well as to exercise powers specified in the instrument of appointment or delegated under section 52 of the act. Provision is also made in proposed new section 163AA to enable additional charges to be imposed on the holders of licences under the act by order of the Governor in Council. Such orders may only be made while the licensees remain in public ownership. Part 2 also amends the act to authorise the transfer of licences issued under the act, subject to the consent of the Office of the Regulator-General, after seeking public comment on the application for approval of the transfer.

The cross-ownership provisions contained in part 13 of the act are amended in technical respects to clarify their operation and to provide that relevant interests in shares may be disregarded in determining the

application of the rules where the Treasurer is satisfied that to do so does not undermine the limitations contained in part 13.

Part 3 of the bill provides for amendments to the Electricity Industry Act 1993 under which specified land in the Latrobe Valley is surrendered to the Crown and may be regranted in the form of new Crown grants to Loy Yang Power Ltd, SEC, Generation Victoria, Hazelwood Power Corporation Limited, Powerworks Pty Ltd and the Central Gippsland Region Water Authority. The provisions contained in part 3 also provide for the closure of specified road and river reserves and other reservations.

Part 4 of the bill contains amendments to the State Electricity Commission Act 1958. It inserts a new part VA in that act which confers powers on the Chief Electrical Inspector that support the administration and enforcement by the Chief Electrical Inspector of the electrical safety provision contained in the act.

Part 5 also amends part VI of the State Electricity Commission Act to provide for a Power Line Clearance Consultative Committee to replace the Tree Clearance Consultative Committee, for the constitution and functions of the committee and also to provide for the adoption of a Code of Practice for Power Line Clearance in place of the Code of Practice for Tree Clearance. Part 5 of the bill contains amendments which correct certain title references and other details which were included in the Electricity Industry (Amendment) Act 1995.

Part 6 of the bill amends the National Parks Act 1975, the Alpine Resorts Act 1983 and the Forests Act 1958 to authorise the granting of leases and licences in a national park, alpine resort or reserved forest where land is used for the purposes of generation of electricity for supply or sale. Part 6 also amends the Water Act 1989 to provide that Authorities under the act must not exercise specified functions and powers under the act in a manner inconsistent with declared bulk water entitlements. Part 7 contains miscellaneous and consequential amendments to other acts. I commend the bill to the house.

Mr HAMILTON (Morwell) — I move:

That the debate be now adjourned.

I suggest that the debate be adjourned for two weeks, as that is the custom. It is hoped the

opposition will receive a briefing from the minister's office during this week otherwise it will be difficult to prepare to debate the bill in such a short time.

Mr COLEMAN (Minister for Natural Resources) — Obviously the request put by the honourable member for Morwell is one which can be accommodated. A briefing will be provided as soon as it can be arranged. I will ensure that arrangements will be made tomorrow morning to establish that process.

Motion agreed to and debate adjourned.

Debate adjourned until Tuesday, 24 October.

Remaining business postponed on motion of **Mr MACLELLAN (Minister for Planning)**.

ADJOURNMENT

Mr MACLELLAN (Minister for Planning) — I move:

That the house do now adjourn.

Buses: Brimbank

Mr SEITZ (Keilor) — I ask the Minister for Natural Resources to direct to the attention of the Minister for Roads and Ports in another place a matter concerning the City of Brimbank. The commissioners of Brimbank have lobbied for funding to build two roads within the city which will assist its development. The two roads are Kings Road and the Keilor-Melton Road.

I urge the minister to take serious note of the matter, given the federal and state government's petrol tax for roads around the state. I believe the minister has lobbied the federal government about the matter and has made the trip to Canberra for that purpose. I commend the commissioners for taking up the initiative and for pursuing the developmental process in the area, which is now part of the state seat of Keilor. It is a growth area that needs roads and infrastructure to be put in place to eliminate accidents and increasing traffic in suburban streets. People are used to travelling on major arterial roads, which the City of Brimbank does not have. It also does not have a road link nor a decent bus network that links the city together.

Being in its infancy the City of Brimbank requires some road work connection and public transport to make it feel as one unit. I urge the minister to listen

to the plea not only of the commissioners but also of the residents and business world within the City of Brimbank. With the opening of part of the Western Ring-road the development in the city has increased and Kings Road and Keilor-Melton Road need to be duplicated.

Funding from the state and federal governments is necessary because it cannot be done by ratepayers funds only. Therefore I urge the minister to look at the budget allocation and to consider seriously the submissions made by the City of Brimbank on behalf of the ratepayers and future ratepayers to develop that part of the city with proper planning so that the road infrastructure and expansion can develop. Further industry in that area will create employment, which is essential for the City of Brimbank.

Gladstone Park Young Citizens Group

Mr FINN (Tullamarine) — In the absence of the Minister responsible for Youth Affairs I direct to the attention of the Minister for Natural Resources a matter the minister would be aware of because I have raised it in the house on two or three occasions. I refer to the great work the Gladstone Park Young Citizens Group has been doing in that part of the world for young people. I have particularly referred to the work of Mr Laurie Clissold, who over a period of years has achieved an enormous amount for the young people in the Gladstone Park area. Unfortunately, and very sadly, a short time ago Mr Clissold passed away. As a result of that, we have seen the work that he has been doing come to almost a complete standstill.

It is my view, and also that of the Hume City Council as well as the youth officer, Mr Tony Ball, that it would be an enormous tragedy if we allowed the magnificent work of Mr Clissold achieved over such a long time to become unravelled as a result of his unfortunate passing.

I ask the minister to apply serious consideration towards our request for further funding to replace the work that Mr Clissold has done. He has prevented many of the major social problems among young people occurring in Gladstone Park, which we have seen occur in other parts of the north-west as well as throughout Melbourne and Australia.

I believe we could make no greater tribute to the memory of Laurie Clissold than to continue the work that he spent most of his life doing. The major

part of his latter years was spent almost entirely on working for the young people of Gladstone Park.

We are asking for a further \$15 000 a year over the next three years to provide a full-time youth worker to work with the young people of Gladstone Park to ensure that the magnificent job that Laurie Clissold did over the years is continued to ensure that the young people of Gladstone Park are given the opportunity that they deserve and need.

I ask the minister give serious consideration to the request, because it is an important issue not only for the local area but also throughout the state with regard to the future of our young people. As members of this government have said so often, we must work for the young people.

Housing: Newtown

Mr LEIGHTON (Preston) — I raise with the Minister for Planning for the attention of the Minister for Housing in another place the matter of a public housing property at 9 Chester Street, Newtown in Geelong. Will the minister ensure that the Department of Planning and Development makes a decision urgently about the future of the four-bedroom house, which has been used for 10 years as emergency accommodation for many families in crisis? The house has now been vacant for some 12 months and as a result has been vandalised.

While it was successful during its 10 years, it was causing concern to a number of neighbours in the street because 14 out of the 28 public houses were burgled. The house has reached its use-by date and it may be appropriate to sell it and use the proceeds to purchase another house. It is certainly not appropriate to have the house sitting vacant at the same time as there is a housing crisis in Geelong.

I have inspected the burnt-out hovels in Geelong where homeless men and children sleep at night. The public housing list is increasing, the demand for priority housing is unacceptably high and the government cannot house families in crisis.

I believe the mismanagement by the department in allowing the house to remain vacant for 12 months is inappropriate. The house should not be left idle. It is time the minister intervened and forced his department to make a decision because it is not appropriate to have homeless families while public housing in Geelong is sitting vacant for 12 months.

Mallacoota: lower lake

Mr TREASURE (Gippsland East) — I direct the attention of the Minister for Conservation and Environment to a situation in Mallacoota, in the extreme eastern end of my electorate. The bar at Mallacoota has been blocked with sand for at least two years and as a result the level of the lake has been rising steadily. Many problems have been caused by the rising water, including the condition of the water, because the lake cannot be constantly flushed with sea water. Recent fish kills have been blamed on a lack of oxygen in the water in the lower lake.

Because the lake level is estimated to be approximately 1 metre above its normal level it is inundating some of the lower jetties and making it difficult for local boat owners and tourists to use the jetties to go about their normal activities. The local abalone fishermen are unable to use the lake and its launching facilities and have to go elsewhere to launch their boats, which is difficult in certain weather conditions.

The farmers upstream on the Genoa and Wallagaraugh rivers are finding that the rising water levels are encroaching on farmland with the result that salinity is souring pastures and causing considerable problems. It is a major concern that local tourist operators are having their bookings for the coming holiday season cancelled because of the concern of holiday-makers who believe that the lake may not be in the best condition and they will not be able to access the open water of the sea from it.

Will the minister examine these matters and have his department report back to him? I have spoken with local departmental officers, consulted with the Port of Melbourne Authority in East Gippsland and the shire as well as local people. They are all of like mind, that it would be beneficial to have the lake open to the sea by shifting sand from the bar. Will the minister give serious consideration to the proposal?

Adult Migrant Education Service

Mr CARLI (Coburg) — The matter I raise for the attention of the Minister for Education, and in his absence the Minister for Conservation and Environment, concerns an industrial relations issue with the Adult Migrant Education Service (AMES) in the Brunswick area. Currently teachers are employed by the service in two completely different ways. About half are employed as members of the

teaching service under a federal award and the other half are employed as casual labour, although they have been working there for a number of years. The issue is one of parity and consistency of conditions for the same work. Half of them have worked there for years and are protected by federal awards but the other half are not. They can be sacked at the end of their contracts and re-employed soon after.

There is an inconsistency in their terms of employment and conditions. The Australian Education Union which covers AMES workers has prepared a draft federal award which it wants to serve and take to the tribunal. The problem is that the Victorian government and the Department of Education refuse to provide an appropriate person or group to begin negotiations with the union.

It is a question of the minister appointing the appropriate person to begin negotiations so the workers will have parity in their working conditions. Currently the casual staff are paid at a daily rate and have no sick leave, paid holidays or long service leave. Because the number of migrant arrivals in my electorate is constant, it is important that this service continue to be provided.

Will the minister examine the matter and nominate a person to begin negotiations on a federal award for the teaching staff of the Adult Migrant Education Service in the Brunswick office? No doubt the same conditions would apply to other officers who provide such services throughout Victoria. It is a matter that requires urgent attention.

Telecommunication towers: Mornington Peninsula

Mr COOPER (Mornington) — The matter I direct to the attention of the Minister for Planning concerns the Commonwealth Telecommunications Act, debate on which was guillotined in federal Parliament in 1991 by the Keating government. I refer to the enormous powers that act gives to the telecommunications carriers in Australia — that is, Telstra, Optus, and Vodafone — to enter, construct and maintain facilities on any land and to remove vegetation regardless of state or local government processes and laws. The facilities referred to include towers, powerlines and trenches for optical fibre.

The specific matter I direct to the minister's attention is what I refer to as the deathbed conversion of the federal member for Dunkley, Mr Bob Chynoweth, who has suddenly commented in local newspapers

on the Mornington Peninsula that he is opposed to the construction of these mobile phone towers. That would come as a shock to people on the Mornington Peninsula, because the towers have sprouted like mushrooms over the past three or four years since the act was passed by the government of which Mr Chynoweth is a member.

Suddenly, on what appears to be the eve of a federal election, Mr Chynoweth has had a deathbed conversion and has started to tell people on the Mornington Peninsula that he is opposed to this degradation of the natural habitat and environment and has called for a moratorium on the construction of mobile telephone towers.

I am aware that the federal Liberal-National party coalition has a very firm policy on the way these towers should be constructed. I am also aware that the Victorian government has some views on the matter. I should like the minister to inform the house whether he is aware of Mr Chynoweth's late conversion to the cause and whether anything can be done to bring Mr Chynoweth into line with the policies of the federal opposition and the Victorian government, because this matter has certainly caused much concern not only on the Mornington Peninsula but throughout Victoria.

I am sure the minister has some interesting views on the matter and I ask him to inform the house of them.

City Link: financing

Mr BATCHELOR (Thomastown) — I ask the Treasurer in light of the imminent collapse of the City Link project how much Victorian taxpayers will have to pay Transurban if the government fails to convert into a contract the heads of agreement that have been entered into between the Melbourne City Link Authority and Transurban. Already the contractual negotiations have been dragging on for weeks longer than was previously scheduled and it is clear from tonight's announcement that the City Link project is on the brink of collapse. This really represents a monumental bungle by the Kennett government for which Victorian taxpayers will have to pay very dearly in the year ahead.

It is clear the project is about to fall over. It represents the banks, financial institutions and markets walking away from the Treasurer. They have said the Treasurer is a failure.

Honourable members interjecting.

The SPEAKER — Order! The house cannot proceed with that level of interjection across the chamber. The honourable member for Thomastown, in silence.

Mr BATCHELOR — Thank you, Mr Speaker. I can understand why members of the government do not want to hear this information: they know the financial numbers for the City Link project do not add up. The figures cannot add up. The government ignored even the advice it received from Vicroads in the early stages when the project was first mooted. Vicroads said, 'Whatever you do, don't use tolls', but this government has persisted with the idea against that advice and the advice of the Auditor-General in New South Wales that road projects cannot be funded under BOOT.

The government's intransigence means that Victorian taxpayers will be placed at great financial risk. Not only that, it puts the lie to the image that the Treasurer has Victoria's finances in good solid hands because the financial markets and private investors are saying that this pet project of the Treasurer and the Premier is a failure. They do not want to have a thing to do with it and for those reasons have walked away from the project, as was announced by the government tonight. They know Victorians will not pay tolls. They know the project is a risk. They know the Treasurer has tried to enter into arrangements that would put at risk the road project and \$2 billion of taxpayers' money, and now we will be made a laughing-stock.

The SPEAKER — Order! The honourable member's time has now expired.

Internet

Mr E. R. SMITH (Glen Waverley) — The matter I direct to the attention of the Attorney-General concerns the ability of young people to pick up material such as pornography and information on the manufacture of bombs from the Internet. In the past few months in the Glen Waverley area the senior sergeant in charge of the CIB, Senior Sergeant Barry White, has been conducting a campaign throughout the community to make schools, parents and the young people themselves aware of the incredible dangers of this ability to quickly access information on and make bombs with the simplest materials and ingredients.

Honourable members would be shocked if they knew how easy the bombs are to make. I am sure some members are aware and I do not intend

tonight to put into *Hansard* some of the materials that are required to make these sorts of bombs.

Only the week before last a young boy who had made a bomb from materials he had learned about from Internet blew off his hand. That story was in most of the metropolitan newspapers. He obtained the information, got the materials together and set up the device. He walked to one side and tried to detonate the bomb. It did not go off so he went back to see where he had gone wrong. Of course, he touched the proper device and off it went, blowing off his hand.

The dangers are widely prevalent at present. Senior Sergeant White is conducting this campaign, and I advise the Minister for Police and Emergency Services, the police and others to encourage other members of the force to conduct similar campaigns.

However, the root problem does not lie there. It lies with the Internet and the extraordinary inability of governments to control what actually goes onto it. The main message we want to send at this stage is that parents and teachers have the responsibility to ensure that such material coming through the Internet is blocked and that children realise the inherent dangers before them and how, unknowingly, they can put their lives at risk.

All honourable members have a responsibility to ensure that information on these devices is banned and, if that is not possible, the dangers are directed to the attention of young people.

Windsor Secure Welfare Service

Ms GARBUTT (Bundoora) — The matter I raise for the attention of the Minister for Police and Emergency Services through the Minister for Natural Resources at the table concerns the fire precautions at the Windsor Secure Welfare Service in Prahran, which houses a number of young women. It is part of the child welfare protection service. There have been a series of fires at the premises, the last of which was reported in the *Age* of 18 September, when the fire brigade was called in. Significant damage was done to the recreation room.

The issue I raise concerns the availability of fire precautions at the service. I believe the fire precautions are inadequate. In fact, the government has been negligent because it has not installed adequate fire precautions there.

At the time of the fire the unit had no fire extinguishers, no sprinkler system and no internal fire hydrant with which to fight fires.

At least three fires have occurred recently. Reports have been made about exit doors being barricaded so that they were not able to be used as fire escapes and of fire extinguishers being removed and placed in a central office rather than being available throughout the unit. No emergency exit plans were in place until last Friday when they were posted around the doors. This dreadful situation has placed young women's lives at risk and it needs to be rectified immediately.

The local fire brigade inspected the unit and ordered improvements. I understand that inspections were undertaken on two occasions but improvements have not been made. The government is putting these young women's lives in danger because the unit is locked and the young women cannot escape. Immediate action should be taken to put precautions in place. Indeed, they should have been in place long before the fires occurred.

I ask the minister to outline when he will take action to protect the people who live and work in the unit before there is a tragedy of enormous proportions.

South Gippsland Water Authority: waste disposal

Mr RYAN (Gippsland South) — I direct the attention of the Minister for Natural Resources to an important initiative on industrial waste disposal being undertaken by the South Gippsland Water Authority for which I seek his support. The authority embraces a number of authorities across the south coast of Victoria, stretching from Yarram in the east to Korumburra in the west, under the chairmanship of Mr Llew Vale, who is doing a tremendous job.

This area of coastline contains some of Victoria's most magnificent agricultural country. It also houses some of our great industries such as the Murray Goulburn factory at Leongatha, the Bonlac factory and a multitude of other industrial producers that do much to assist the welfare not only of the region but also of the state generally.

The issue concerns the waste disposal from those various industrious enterprises. Industry has developed to the extent where its capacity to develop further is reaching a worrisome stage. Recently the authority undertook a study to examine

the prospect of establishing a world's best practice waste disposal system for the area with new ideas and initiatives.

The area is unique to Victoria: it is a relatively narrow coastal strip with a high water table, a lot of industrial development and coastal discharge that in some instances runs into marine parks.

At a recent meeting I attended in Forster, the authority agreed to undertake this important study. It will, of necessity, involve consultation with members of the minister's department and input of expertise from a variety of spheres to achieve the important outcomes the study seeks to provide. Will the minister assure the committee and the house that he will provide assistance, both personally and through his able departmental personnel.

Responses

Mr MACLELLAN (Minister for Planning) — The honourable member for Preston referred to a vacant Department of Planning and Development public house in the Newtown region of Geelong. It was his desire that the property either be disposed of or tenanted. I ask the honourable member to give me the address in Newtown as I was unable to get a note of what he said. I will be meeting with the secretary of the department and the Minister for Housing at 9.00 a.m. and I will ask that some action be taken to put the house in order, to make it secure and to determine its future use.

It is regrettable if it has been untenanted for the period, although I notice that the honourable member wants to take the popular view that the neighbours be massaged in the disposal of the house — in other words that it not be used for emergency housing again. I cannot guarantee that the honourable member will be successful in removing the emergency housing accommodation from that particular street or neighbourhood, but I will certainly take up the issue of its vacancy. I am curious about why an emergency house would remain vacant — and no doubt the honourable member is also — for that length of time. Perhaps it signifies some difficulty in identifying or placing people needing emergency accommodation. If the honourable member gives me the details I will take it up with the Minister for Housing tomorrow morning.

The honourable member for Mornington referred to the federal member for Dunkley, Mr Chynoweth, who in view of the impending federal election has

had a death-bed conversion on the question of telecommunication towers. Mr Chynoweth is a loyal and supportive member of the federal Labor government. It was the federal Labor government that guillotined the legislation to which the honourable member referred — in other words, the federal government forced the legislation through under a guillotine system with inadequate consideration by federal Parliament. The legislation gives telecommunication carriers the right to erect towers and bunched cables, enter property and to totally ignore local government, state planning rules and, indeed, environmental rules as well.

We have found an increasing response from the community, which is rightfully outraged about the lack of consultation about attaching these facilities to buildings such as the Aireys Inlet lighthouse — that was negotiated under angry shots from the local community — rather than within the structure so that it did not detract from the historic nature of the lighthouse. Obviously, sensing the heat and anger of the people on the Mornington Peninsula and Frankston regarding this matter, Mr Chynoweth has now deserted his party on the issue and tried to palm himself off as having an independent view on the matter.

When legislation was before the federal Parliament he supported it. He was on the advisory committee to the federal minister that reported about it. He was the one who says federal power should overwhelm the states, the local municipalities and communities and that these towers should be able to be put up wherever the telecommunication carriers wish to do so. An interesting element for the opposition in this Parliament is that Mr Chynoweth believes it should be done under a competitive system whereby they do not even share towers — each carrier can erect its own particular method of carriage.

The information thoughtfully provided to me by the honourable member for Mornington shows that Mr Chynoweth is calling into question the technology and methods being undertaken by his government. The word 'hypocrisy' is an unparliamentary expression and it cannot be used here about a member of another Parliament! One hesitates to use the word 'hypocritical'! All one can say, as the honourable member for Mornington said, is there has been a death-bed conversion, but death-bed conversions certainly do not guarantee paradise, but merely a shorter time at the halfway house!

ADJOURNMENT

Tuesday, 10 October 1995

ASSEMBLY

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I daresay that we can expect that the electors of Dunkley will be far too sensible, shrewd and understanding to fall for the line that Mr Chynoweth has a different view from the party he supports, from the government of which he is a member and of the parliamentary party he has been actively supporting for all his parliamentary career. Perhaps honourable members opposite might like to decide to desert too.

I have written to the Minister for Communication and the Arts, Mr Michael Lee, and asked him to consider proposals from this state by the Minister for Conservation and Environment, Mr Birrell, and me to try to bring a cooperative approach to this issue. It is urban blight at its worst. It is insensitive. I believe Mr Chynoweth has revealed the nature of the reaction to it that the weaker members of the Labor Party are now deserting the government and ratting as they get closer to the election. That should strengthen the resolve of local members that federal members are getting off the ship as the ship of state goes down.

Mr STOCKDALE (Treasurer) — The honourable member for Thomastown raised the matter of tonight's announcement about the City Link proposal. I will come back to his political schizophrenia, but let me just say that the government is acting in the best interests of the Victorian community. The government stands by the project and is concerned to proceed with it. It believes Transurban is also concerned to proceed with the project, but there are some important issues of risk allocation that are still to be resolved. The government has given notice to the other parties that it will allow 10 days for them to satisfy the government that agreement can be reached on all outstanding matters. At the end of that time the government will have to consider its options as to whether the project proceeds at all and, if so, the form or the business basis upon which it proceeds.

In seeking to get an appropriate risk allocation the government is simply acting in the interests of Victorian taxpayers, something completely foreign to the ALP when it was in government. The Labor Party likes to forget the fact that it actually commenced this project. The Honourable David White — although I must say that white is the colour of purity and perhaps we should call him David Yellow from now on —

Mr Batchelor — You messed it up completely.

Mr STOCKDALE — David White was the leading proponent of the City Link project.

Mr Batchelor interjected.

Mr STOCKDALE — We will know where to come if we want some how-to-vote cards printed, won't we?

Honourable members interjecting.

The SPEAKER — Order! It is late in the day and I expect the house to be on its best behaviour for the adjournment debate.

Mr STOCKDALE — The real problem for the honourable member for Thomastown is that he will now have at least 10 days of acute schizophrenia: he won't know whether he should be more gleeful if the project does go ahead or if it does not.

Mr Batchelor interjected.

Mr STOCKDALE — You are more than a little premature. It would be a great idea for you to restrain your impatience for another 10 days and see if the desire of all the parties to the agreement —

Mr Batchelor — On a point of order, Mr Speaker, the matter I raised with the Treasurer related to the costs of the project to Victorian taxpayers and the government if the government does not proceed with the City Link project. He should answer that question and not try to duck the issue.

The SPEAKER — Order! The rules pertaining to the answering of questions are not the same rules that apply during debate. It has been well held in this house that there is considerable freedom for ministers answering matters raised, not questions posed, with individual ministers. There is no point of order.

Mr STOCKDALE — One of the primary rules of debate in this house is that we shouldn't waste the time of the house with hypothetical issues. The matter raised by the honourable member is an entirely hypothetical issue. The government remains committed to the project. We will be pursuing all of the options, but we will not sacrifice the interests of the Victorian people as the Labor Party consistently did when it was in government. We will act to protect the interests of the people of Victoria. We are seeking a proper risk allocation to protect the interests of the people of Victoria. They can have a

great deal more confidence in this government than they had in its predecessor.

Mr COLEMAN (Minister for Natural Resources) — The honourable member for Gippsland East referred to the blockage of the bar on the lower lake as it enters the sea at Mallacoota. The bar has been blocked for almost two years. There was an unsuccessful attempt some time ago to try to clear a passage, such as mentioned by the honourable member this evening. There was some exchange of water through that passage but it closed over soon after it was opened.

The closure of the bar and the deterioration of the water in the lower lake is having a significant impact on the tourism industry in Mallacoota, so much so that during the most recent school holidays it was necessary to put into place some temporary regulations to govern fishing in the lower lake and in the bottom of the Genoa River to ensure that some species were sustained. Bag limits were put in place to ensure that that occurred.

As the honourable member has indicated, there have been considerable discussions between the Department of Conservation and Natural Resources, the Port of Melbourne Authority and the Shire of East Gippsland. As I understand it, about \$30 000 is required to open the bar again. It seems that the future of the Christmas holiday period, particularly accommodation, is an essential issue that needs to be addressed. On that basis there is general agreement that the bar should be opened and the water level dropped in a way that the surrounding vegetation, which is presently inundated, has sufficient time to draw off and does not pose a threat to life or create environmental problems to visitors to Mallacoota.

The honourable member was seeking some support from the Department of Conservation and Natural Resources, which it is willing to provide, providing

the other parties are in agreement and there is a general understanding of where and when the bar should most appropriately open. That is the critical issue. There is little purpose in opening the bar if the tides have the effect of closing it as soon as it opened. I encourage the local member to keep pursuing the matter. I know he has taken a very active interest in the issue to date in an attempt to coordinate an action that will lead to a resolution of the problem. The department will participate in that process to the point where it can get the bar opened.

The honourable member for South Gippsland referred to discharges, especially in the areas under the administration of the South Gippsland Region Water Authority. That authority currently has five ocean outfalls which are discharging under EPA licence. I commend the authority for taking the initiative to get a study dealing with waste disposal issues under way. As the honourable member said, it principally involves dairy wastes, which are difficult to treat. It is in an area where there are reasonably high water tables and the issues of pondage and some sort of evaporative process are difficult to deal with given the climatic conditions. The Water Bureau and the Department of Conservation and Natural Resources will make available the information they have and the personnel required to assist in the study to ensure the outcome is swift and addresses the issues.

The honourable members for Keilor, Tullamarine, Coburg, Bundoora and Mornington raised matters for the ministers for roads and ports, youth affairs, education, police and emergency services, and the Attorney-General respectively. I shall ensure that these matters are brought to their attention.

Motion agreed to.

House adjourned 10.31 p.m.

Wednesday, 11 October 1995

The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.05 a.m. and read the prayer.

PETITIONS

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

Geelong and District Hospital

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

The humble petition as the residents of the Portarlington District in the state of Victoria sheweth, condemn the state government for its cuts in funding to the Geelong and District Hospital for the year 1995 and the proposed cuts for 1996.

This process reduces the level and quality of care to the Geelong district citizens, as is their right to expect.

Your petitioners therefore pray that the Parliament of Victoria calls upon the Minister for Health, Mrs M. Tehan, MLA, to restore funding and ensure no further cuts be made which would reduce the level of nursing and support staff at the Geelong and District hospital.

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

By Mr Spry (456 signatures)

Rural obstetricians and gynaecologists

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

The humble petition of the undersigned citizens of the state of Victoria sheweth that there is a serious shortage of specialist obstetricians and gynaecologists in country Victoria.

Your petitioners therefore pray that the government investigate what support can be given to country areas to obtain the services of specialist obstetricians and gynaecologists.

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

By Mr Kilgour (643 signatures)

Laid on table.

PAPERS

Laid on table by Acting Clerk:

Melbourne Water Corporation — Report for the year 1994-95

Murray-Darling Basin Commission — Report for the year 1994-95

Victorian Institute of Marine Sciences — Report for the year 1994.

AUDITOR-GENERAL

Special report no. 36

The SPEAKER presented special report no. 36, The Changing Profile of State Education: School Reorganisations.

Laid on table.

Ordered to be printed.

DEPUTY OMBUDSMAN (POLICE COMPLAINTS)

Withdrawal of charges

The SPEAKER presented report on investigation of police withdrawal on 2 May, 1994 of charges laid against David Fox and Kenneth Richards, September 1995.

Laid on table.

Order to be printed.

GRIEVANCES

The SPEAKER — Order! The question is:

That grievances be noted.

Melbourne: air quality

Mr HAMILTON (Morwell) — I wish to grieve about the quality of Melbourne's air and the potential for some serious problems if strategies are not introduced by the government or if some policy is not undertaken to overcome the problem. About two weeks ago, exactly to the hour, I drove into Melbourne along the Hume Highway and saw the

brown haze. Having come from the Latrobe Valley, which has a reputation of having air pollution, it is absolutely amazing when you come into Melbourne, especially on a still winter's day, to see a brown haze over Melbourne.

A number of significant scientific studies have been carried out, but I refer to one by Dr Jonathan Streeton, headed 'Air pollution health effects and air-quality objectives in Victoria'. The study was produced in September 1990 and it highlights some of the potential impending and current problems with the quality of air in Melbourne.

Dr Streeton's document indicates that one of the major problems for air quality in Melbourne is the emissions from motor vehicles. It is rather appropriate today, the day after we have been informed that there are serious problems with the government's proposal for Melbourne's City Link project — a car-driven, vehicle-dependent project — that we should be talking about the pollution in Melbourne caused by emissions from motor vehicles.

Approximately 40 per cent of Melbourne's pollution comes directly from motor car emissions. Dennis Hearn of the Environment Protection Authority in an article in the *Clean Air* journal no. 2 of May this year indicated there were serious concerns with particulate emissions from both petrol and diesel engine vehicles. Predictions were made that if something was not done to control vehicle emissions, especially of particulates, which are the cause of the brown haze that lies over Melbourne, which is a disgrace, there would be serious consequences by the year 2000.

The article says that, given the current projections and conditions, unless something is done to control exhaust emissions, especially diesel engines, Victoria, and Melbourne in particular, will have emission levels that will be above World Health Organisation recommendations for the incidence of cancer in those particulates for 1995, and by the year 2005 the levels will be more than 100 times those recommended by the WHO.

It was pleasing to see the head of the EPA, Dr Robinson, raise this as a public concern in an article in the *Age* of 21 July. He indicated that unless strategies are put in place to better control emissions, especially from diesel engines, and to control the deterioration of the catalytic converters that have been introduced on most new cars, we will have serious problems, such as up to 1000 new cases

of cancer from particulates. One thousand may not seem much in comparison with the total population of Melbourne, but for anybody who contracts cancer it is an important problem. We are talking about something that is extremely serious and requires strategies to be put in place.

The Minister for Roads and Ports recently released an action plan paper that contained 35 recommendations. It examines the environmental impact of vehicle and road problems in the City of Melbourne. It is good to see that the government is realising there is a problem, but the 35 recommendations did not address the fundamental problem of too many cars in Melbourne. Already there is gridlock in the City Link program without having the City Link program. That program will do nothing to reduce the number of cars in Melbourne. Vicroads has indicated that by the time construction of the City Link project is completed it will already be clogged with vehicles. In the longer term, or even in the short term, the City Link project is doomed because it will not get rid of the fundamental problem that vehicles on our current freeway system around Melbourne are not going around Melbourne; they are going into the city.

The highest concentration of air toxins, those cancer-causing particles, is in the central business district of Melbourne. As one goes out of the city, the other areas at risk are the eastern suburbs because of Melbourne's air shed and the lack of dispersion of pollutants that have extremely long-term resident times of up to 70 hours for things like benzene, which is a known carcinogen, and polynuclear aromatic hydrocarbons, which attach themselves to the particulates from diesel fumes in particular. The strategies that have been introduced so far are the wrong strategies and solutions. There is evidence that the government has been prepared to spend a great deal of time and effort building more roads for more cars. It is Parkinson's law.

Mr Steggall interjected.

Mr HAMILTON — What the people want is important. The other great concern in the community has been the health problems caused by smoking. A determined government effort in Victoria, begun by the Hamer government and continued by the Cain and Kirner governments and to a lesser extent by the Kennett government, introduced the Quit program and reduced the incidence of smoking. Why? Not because it is unsociable but because it is a health hazard.

Vehicle emissions are becoming more and more a health hazard because of the high concentration of vehicles in the city. An education program must be introduced to address the problem. It must be run along the same lines as the antismoking program, because it requires community education and the provision of options so that people can recognise and respond to a community concern.

Melbourne is regarded as the most livable city in the world. I do not want it to end up like Mexico City, Los Angeles, Athens or any number of polluted cities around the world. We must introduce strategies to prevent what is happening in Melbourne. In Britain a royal commission said that because of vehicle emissions there should be no more freeways. Ben Elton, a noted author, wrote *Gridlock*. Although it may have been a novel it is based on the fact that cars are killing cities.

We would never think about building a new suburb or development without roads, but we in this state have not — and this applies to successive governments — thought about a heavy or fixed rail link of any sort. When planning a new suburb we should be planning to remove the need for people to travel in private vehicles by putting in fixed electrified rail vehicles to reduce the pollution from private vehicles and thereby maintain the quality of air in Melbourne.

There is an imperative on the government and successive governments to address this problem. We do not want to have Melbourne so polluted that it becomes a health hazard to every resident. We have an absolute laxity of environmental controls. Throughout the country controls on vehicles driven by diesel engines are absolutely abysmal. International and world-recognised emission control standards ought to be put on diesels as happens in European countries.

We also have abysmal controls over noise pollution, and I quote the old tongue twister, 'A noisy noise annoys an oyster'. Noise from the freeway traffic is literally driving some people insane, yet this government has chosen an arbitrary figure of 63 decibels as the level for noise control on freeways. It has exceeded that level dozens of times and it started off at the wrong point. The government needs to look at these environmental health hazards which are critical to the wellbeing and future of this city.

It is no good saying this is what is needed in 1995; we need to look forward, as Dennis Hearn of the

EPA is looking forward, and start producing some policies and strategies which will result in fewer cars in the city and less pollution and will encourage people to adopt alternative lifestyles.

In terms of fixed rail for public transport, all the government has done is to extend the Bundoora tramline, and even then it was not extended as far as was planned originally. Also, some of that money — and it was all federal money, by the way — was put into the City Circle project. It is a pretty poor record.

Plans need to be put in place for other fixed rail, for further electrification of our system as was done on the Dandenong-Cranbourne line, again by the federal government. The Victorian government ought to be taking federal money to the Department of Transport and using it for environmentally friendly and long-term positive results.

We are developing a dangerous trend by looking to subsidise road projects through tax exemptions by the federal government. That is not the way to go. At least the federal government, in a letter from Neil O'Keefe, the Parliamentary Secretary to the Minister for Transport, to the RACV, said, in effect, 'We are not going to subsidise City Link because it is not in our interests.'

Federal government tax subsidies to private companies are simply a way of spreading the payment and the pain over the rest of the community because a tax subsidy has to come from somewhere. If a private company gets a tax subsidy, we all pay for it, and that is not on. As a community, as a government and as an opposition we ought to look at long-term strategies so that Melbourne will remain the most livable city and will not be polluted with deaths from cancer by the year 2005.

Shadow Minister for Police and Emergency Services

Mr BILDSTIEN (Mildura) — I wish to grieve most sincerely about the appalling and irresponsible actions of the honourable member for Yan Yean in his capacity as spokesperson on police matters.

The honourable member wants to be the next Victorian minister responsible for police, yet the very people he purports to represent he treats with utter contempt. Some recent examples of his behaviour in my electorate are in using the police to grab a cheap headline, which I find absolutely reprehensible. There is no doubt that the honourable member for Yan Yean is a media junkie. He is

deliberately and disgracefully abusing the truth to get his ugly mug in the paper to try to impress his leader: never mind that he brings the loyal, dedicated and professional police officers in this state into disrepute along the way.

Mr Mildenhall — On a point of order, Mr Speaker, previously when these sorts of matters have been raised in this type of debate an instruction has been given that they be raised more appropriately in a substantive motion rather than through general business. I ask you to consider the subject matter of the speech by the honourable member for Mildura and make an appropriate ruling on it.

Mr Bildstien — On the point of order, Mr Speaker, I am actually coming to some examples of statements made by the honourable member for Yan Yean which have been rebutted by the superintendent of police and the district commander in my electorate. I have been on my feet for less than a minute, and if the honourable member gives me a little more opportunity I will get to the matters with which I wish to deal.

The SPEAKER — Order! The grievance debate is a fairly wide debate, but reflections against a member certainly are disorderly and are against the standing orders. However, that being the case, it does not mean that the Chair has to intervene when a vigorous debate takes place. I am listening carefully to what the honourable member is saying, and if he transgresses the standing orders of the house I will pull him up immediately.

Mr BILDSTIEN — I was absolutely astounded to pick up the local Mildura newspaper dated 7 July and see a headline booming out at me, 'Crime officer abandoned and forced to beg'. I will read the first three or four paragraphs of that story:

A funding crisis had forced the Mallee district crime prevention officer, and others throughout the state, to work from home and beg private businesses for support to carry out their duties.

This is according to shadow police minister, Andre Haermeyer, who said the crime prevention officers had been abandoned by the Kennett government.

'They have been left without cars, computers, telephones and are paying their own costs, while some still don't have uniforms', Mr Haermeyer said.

'All police districts have similar problems' he said.

'And I would expect the funding crisis has also affected the Mallee police district'.

I find that comment rather amusing. He has made these allegations which have resulted in the headline, 'Crime officer abandoned and forced to beg' when he did not really know what he was talking about. That was the bottom line.

I doubt whether the honourable member for Yan Yean has ever even been into the Mallee or knows where Mildura is.

On the same day, 7 July, a letter in response to that allegation was written under the hand of the superintendent of police in the Mallee district, District Commander Vin Williams. He was just as staggered by these grossly untrue allegations as I was and prepared an immediate response for the local newspaper. I quote from that letter of the police superintendent in response to the honourable member for Yan Yean:

I was somewhat amused and disappointed to read the inaccurate article in the *Sunraysia Daily* (July 7) headed, 'Crime officer abandoned and forced to beg'.

The Mallee district crime prevention officer is under my control and I can assure you the references to that officer in the article are not true. He does not work from home, he does have unlimited access to vehicles and computers, he does have a telephone and a uniform, he does not pay his own costs and he does not beg (or approach) private businesses for support to carry out his duties.

It is unfortunate that on this occasion you departed from your usual practice of checking the veracity of such claims. A fine example of sensationalism and irresponsible reporting which only serves to mislead the local communities.

My disappointment was further exacerbated by the fact that this letter was not published in the local newspaper until 12 July, and of course it was buried on page 8 in the letters column where not everybody who would have seen the initial claims could have followed up the response. It makes me very angry that the honourable member for Yan Yean wilfully misleads the media and local communities.

The SPEAKER — Order! Now the honourable member for Mildura is transgressing the standing

orders. Reflections of that nature against an honourable member are disorderly.

Mr BILDSTIEN — There is no doubt that the honourable member's thirst for publicity is insatiable. He will do anything to boost his own ego. We know that the honourable member for Albert Park, as the Minister for Health reminds us, is loose with the truth and flexible with the facts, but he could be wearing L-plates if he were standing alongside the honourable member for Yan Yean.

I was heartened to pick up the local newspaper on 7 October and see the headline booming out at me, 'Region crime lowest in Victoria'. On the one hand the honourable member for Yan Yean has been making outrageous and outlandish allegations about police officers being underresourced and not being able to do their jobs and yet this story tells us that the Mildura region has the lowest crime rate in Victoria at this stage of the financial year. The trend for Mildura reveals that minor assaults, residential burglaries, theft of motor cars and thefts from motor cars have decreased compared with the same period in 1994. Minor assaults were down by 37 per cent; residential burglaries were down by 15 per cent; theft from motor cars were down by 34 per cent; and theft of motor cars was down by 52 per cent. The level of crime in the region is still unacceptable and we have to do what we can to combat that, but it shows that the honourable member for Yan Yean is well out of order.

One has only to look at the statistics provided by the Victoria Police Force to find that under the Kennett government the crime rate in Victoria has dropped 11 per cent in the past three years, and the clear-up rates are the highest for the past 18 years. When you examine the national crime statistics prepared by the Australian Bureau of Statistics you will see that in the past couple of years, based on crime rates per 100 000, Victoria has been the safest state on the mainland.

The government has a policy of boosting the operational strength of police and improving the level of public safety throughout the state. The actions of the honourable member for Yan Yean are a disgrace and he is a pitiful reflection on his party and his leader. He is a sobering reminder for all Victorians that the opposition benches are so bereft of talent that that man has been given responsibility for a shadow portfolio.

Agriculture: opposition policies

The honourable member for Altona is another opposition member who has been shooting her mouth off with a never-mind-the-facts approach. In my local newspaper on 15 September the honourable member called for the Minister for Agriculture to resign because she said he had lost the plot and that he had done nothing for country Victorians. What an absolute joke coming from a member in a safe seat who did not even survive half of her first term because she was dumped! The ALP has not re-endorsed the woman! What a joke for her to suggest that the minister has not delivered when she was unceremoniously dumped before she had reached the half-way mark of her first time in Parliament. Moreover, the honourable member for Altona was given the big flick at a time when the ALP has been making a hullabaloo about getting more women into Parliament. It has a woman on the front bench in Parliament but it dumped her! It is staggering!

I suppose the ALP frontbenchers are finding they cannot get press coverage in the city and so they are venturing out into country areas in search of those elusive headlines. It does not matter how much rhetoric the ALP shadow ministers go on with, they will not persuade country people that a future Labor government will not treat rural Victorians any differently from the way they were treated by the ALP in the past. The ALP treated them with absolute contempt. They are not mug punters! They know what the Labor government dished up in the past and what they would get in the future. You only have to look at what the former Labor government did to recurrent funding for the agriculture department. It cut it back 30 per cent in real terms when every other department had received increases of approximately 40 per cent.

In three years the Kennett government has injected an extra \$50 million of new money into the agriculture department, most of it into capital works and research and development programs. Contrast that with what happened in New South Wales, which has just had a Labor government installed. It has cut \$35 million from the agriculture budget. Is that the sort of record you and your colleagues are proud of? Are you happy to promote the federal government?

The SPEAKER — Order! The honourable member for Mildura will address the Chair.

Mr BILDSTIEN — Is the honourable member for Williamstown happy to promote the new environmental policies which require farmers to lodge \$100 fees and apply to two government departments to work their own land. He, like the honourable members for Altona and Yan Yean, is travelling around country Victoria trying to build up his profile and the profiles of hack ALP candidates who believe they have half a chance in certain electorates. Country people have heard it all before!

Mr Bracks interjected.

The SPEAKER — Order! I advise the honourable member for Williamstown that he must come to order.

Mr BILDSTIEN — The government's record on support for rural Victoria will stand the test at the next election. We have just begun a program called Rural 2001. Each month up to five senior ministers will take part in visits to rural Victoria — that is one quarter of the cabinet — and members of local communities can put submissions to ministers on their individual portfolio issues and also discuss a broad range of matters affecting them. I know this is appreciated and I know the time, effort and support of the Minister for Agriculture for country Victoria is appreciated. So, too, is his indication that he will be continuing after the next election to maintain his position as the Minister for Agriculture for the next four years.

Office of Building: subcontractors

Mr LEIGHTON (Preston) — I grieve for subcontractors their families and their employees in the building and construction industry. When a builder goes under financially, it is these small businesses that suffer because much of the work is tendered out from the successful builder or the head builder to a series of subcontractors. If the head builder goes under the subcontractors do not get paid despite already having performed the work, providing much of the labour and materials. The only legal claim subcontractors can make is back on the head builder. However, if the head builder has gone bankrupt, it is like getting blood out of a stone for subcontractors to get their money! Subcontractors have no claim on the client because they do not have a contractual relationship with him or her. Their only claim is on the head builder. This is particularly a problem on public sector works. The guaranteeing of these payments by the head builder to the subcontractor is known as security of

payments. It is a vexed and longstanding problem in the building and construction industry.

My concern is that the Kennett government has failed to take any action on the matter despite the fact that there have been a number of financial collapses on public sector projects such as schools, leisure centres and hospitals.

One such financial collapse occurred late in 1992 when DS and C Developments Pty Ltd went under owing approximately \$2 million to a number of subcontractors on a range of state government projects, particularly in public housing. As a result of that company going under work stalled on a number of important projects, including one in my electorate where the project was nearly completed. Unfortunately it sat at that stage for two years and was vandalised. I thought the government would have learnt from the DS and C Developments collapse that it could no longer say that security of payments is not a problem and that no action is required. The government refused to take any action or intervene in the case.

More recently there has been the collapse of Reid Wood Builders Pty Ltd on a whole range of jobs, some of which are in the public sector. They include the Freemasons Hospital in St Kilda Road; the TAFE college construction in Horsham; Carlton apartments at 199 Cardigan Street; 600 Geelong Road, Brooklyn; a laboratory in Werribee; the South Morang Primary School; Emmy Monash Homes, corner of Dandenong and Hawthorn roads, Caulfield; a factory in Shamrock Street, Abbotsford; 6, 8 and 10 Weir Street, Tooronga; Maroondah Hospital, Ringwood; 12 Holland Court, Flemington; 360 Little Collins Street, Melbourne; Arpad; and Flete and Morehouse streets. Reid Wood has defaulted on a wide range of projects and the subcontractors have been caught.

There is one specific project that I shall refer to in my contribution today — the collapse of Reid Wood Builders on the Wimmera College of TAFE at Horsham. The Kennett government sat and watched while Reid Wood went under financially in July. The government sat and watched while work has been stalled on the Horsham TAFE project from July up until today. The government sat and watched while costs for the Horsham TAFE project have blown out from what should have been a \$640 000 job to the point that subcontractors are now owed approximately \$1.7 million.

In this case the government's culpability is much more than simply sitting idly by and watching because in part, as I will demonstrate, the government was actually responsible for Reid Wood Builders collapsing financially. It was also responsible for making payments to Reid Wood on the basis of false statutory declarations that Reid Wood submitted. Reid Wood Builders successfully obtained the tender for the Wimmera College of TAFE, Horsham, in January of this year. It has been alleged to me that only two selected tenderers were invited to tender and that it was known the other builder was incapable of doing the job. Not only was it a waste of time and money for the other company to tender and for the department to consider the tender, but in fact there was no real tendering. Reid Wood then awarded the contract to Frama Construction Pty Ltd. Frama was to do the structural work on the Horsham TAFE college, including excavation and concrete work.

Work commenced on 23 January 1995. It has also been alleged to me that Reid Wood was allowed to start the work in January without the bank guarantees being put in place until March. Work on the site was carried out between 23 January and 8 February. However, there were some major disasters: in particular, the design technique failed because it was based on a concrete slab being poured on top of cardboard. Every time it rained the cardboard got wet and expanded. The concrete that had been poured, including steel reinforcing, had to be pulled out and done again. In some parts of the site the concrete had to be poured twice and on other parts of the site three times.

The problem was that the government's Office of Building provided a faulty design technique that was never going to work. After three unsuccessful attempts work stopped between 8 February and 20 March while they went back to the drawing board and came up with a new design. During that time the subcontractor, Frama, had men and material on site and had additional expense because of the second and third concrete pours. Work then recommenced after 20 March.

It should be clearly understood that the government instructed Reid Wood to do the variation work or extra work as a result of the design technique. I have copies of the government's site instructions nos 46 and 55 to Reid Wood instructing the company to do the work. I also have a copy of an instruction from Reid Wood Builders to Frama instructing it as a subcontractor to do the work.

The problem began when Reid Wood Builders went back to the government to ask for money for the variations, which were the result of the government's faulty design work. These variations cost \$374 000. When Reid Wood asked for the extra money the government refused to pay Reid Wood and said, 'It is your problem; you are on your own'. That is when Reid Wood first got into trouble with progress payments to subcontractors.

When a client — in this case, the government — pays progress payments to the head builder, it requires from the head builder statutory declarations each month stating that the head builder has been passing on the progress payments to the subcontractors. This was very important in this case because Reid Wood got into trouble. Reid Wood failed to make the May progress payments to its subcontractor, Frama Construction. Despite the fact that it failed to do that Reid Wood still received its June payment from the government. Reid Wood put in a false statutory declaration to the government saying that it had made the May payment to Frama. In fact it had not made the May payment, but the government still gave Reid Wood its June payment. On 11 July Reid Wood paid one \$50 000 cheque to Frama, which was okay; but a week later, on 18 and 19 July, it issued two cheques to Frama for a total of \$96 000. These cheques bounced, but Reid Wood still got its June payment from the government on 21 July.

It is important to note that Reid Wood, it is alleged to me, received its payment for June on 21 July, but it should have received it on 5 August, 35 days after the end of the month. That delay of 35 days is required to check that the work is satisfactory and the subcontractors have been paid. In addition to Reid Wood having submitted false statutory declarations to the government, the government had been alerted in writing by Frama on 13 July that it was not getting paid. So there was a letter from a subcontractor screaming that it was not getting paid. The government received a false statutory declaration but it kept issuing the cheques to Reid Wood. Frama Construction on 13 July faxed a letter to Mr Mike Milesi of the Office of Building alerting the office to the fact that it was not getting paid. Frama Construction then met with Mr Milesi on 21 July and outlined how the cheques had bounced and it was not getting paid. Mr Milesi informed the company that he had issued the June payment to Reid Wood on 20 July. Frama requested that payment on that cheque be halted. Mr Milesi refused. Work then collapsed on the site, and on 25 July Reid Wood went into liquidation. Frama is

now owed \$1 287 000 and other subcontractors are owed up to \$250 000.

In summary the government tendered to Reid Wood Builders Pty Ltd to carry out a job on the Horsham TAFE. The government botched the design it gave to Reid Wood resulting in it costing an extra \$374 000. The government refused to pay Reid Wood the extra amount, despite having instructed it to do the work. Reid Wood issued a false statutory declaration to the government saying it had paid Frama Construction Pty Ltd. On the basis of that statutory declaration, which the government did not check despite having a letter from Frama Construction saying it was not getting paid, the government went ahead on 20 July and issued Reid Wood with the next monthly payment.

It is no wonder that work on this important site in Horsham has been stalled since mid-July. It is an important project to the local community and one that needs to be recommenced immediately. It is also important that the Minister for Housing intervene because his own department has botched the project up until now and caused hardship to the subcontractors — who are small business people — their families and their employees.

It is ironic that October is small business month and yet the government is interested only in the big end of town. Through its Minister for Housing the government must intervene immediately to get this job going again. I understand tenders close today but that will not solve the problem because there still needs to be negotiation, especially with Frama Construction, which has had men and materials on site all this time. In fact if Frama Construction withdrew its materials the site would literally physically collapse.

The government needs to show some flexibility in negotiating with Frama Construction and the other subcontractors for the loss that has occurred as a result of the government's botching the project. It is also important that the government acts more generally to provide for security of payments between builders and subcontractors. If the government will not take action on this matter the next Labor government certainly will. We will provide for security of payments to subcontractors in the building industry. This government now has had a number of tragic cases but it still insists that security of payments in the building industry is not a problem. Meanwhile its own projects collapse.

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

ALP: political advertising

Mr DAVIS (Essendon) — This morning I grieve for the lack of truth and accuracy in material distributed by the ALP and its stooges in the Essendon electorate. It is no wonder the Democrats in the federal arena are calling for legislation to enforce truth in political advertising. A rag newsletter called 'Essendon News' circulated by ALP branches in my area and paid for by the ALP is full of distortions and half truths. Curiously enough when the last edition was delivered during the school holidays it was accompanied by a leaflet from the Australian Education Union (AEU) and was letterboxed by the same people who letterboxed the ALP newsletter.

The Australian Education Union leaflet was authorised by Karen Moran of the AEU. It was written by Geoff Lazarus of the same organisation and a Ms Libby O'Connor of the AEU. Ms O'Connor has also been sending press releases to local newspapers. It seems to me the reason this is coming from Ms O'Connor is that the President of the AEU, Peter Lord, has issued a unity ticket for the forthcoming elections and he has given the old guard of the Victorian Secondary Teachers Association the flick, so Ms O'Connor has upped her profile. The *Age* had an article to that effect on 3 October:

A factional fight and cries of betrayal have erupted in the newly amalgamated Australian Education Union as it prepares for its inaugural elections this month.

Three months after a merger of the former secondary teachers' union, the VSTA, and the dominant primary union, the FTUV, the VSTA's former president, Ms Mary Bluett, says primary teachers are orchestrating a takeover.

Ms Bluett, the AEU's state vice-president, said there was an understanding that the secondary teachers would get fair representation at the statewide level.

The former FTUV leaders' ticket is headed by the AEU's state president (and former FTUV president), Mr Peter Lord. Under the Lord ticket the former VSTA members would get none of the four statewide positions and one of two subordinate posts for the secondary sector, Ms Bluett said.

Mr Lord rejected the takeover claims, saying no understanding existed beyond the interim merger period, which ended with the elections.

Ms Bluett has sent a letter to all secondary schools saying the Lord ticket wanted to 'clean out' the VSTA.

The Lord ticket includes the FTUV's former deputy president, Ms Jude Cazaly, to challenge Ms Bluett, and one former VSTA member, Ms Libby O'Connor. Ms Bluett will oppose Ms O'Connor for the post of head of the secondary sector, and Ms Cazaly for the vice-presidency.

That is one of the reasons why some of this distortion and nonsense is coming from the AEU in my electorate. The leaflet from the AEU, which sings the praises of the ALP candidate for Essendon, contains other lies and distortions such as:

The local Liberal member of Parliament for Essendon, Mr Davis, failed to provide any real assistance for our children's schooling problems.

Mr Davis doesn't appear to care about or understand our children's schooling problems.

I shall put the record straight. I spent a little time on Monday night going through the figures to see what has happened in schools in Essendon and surrounding areas where my constituents' children attend. The amounts of money that have been put into local schools by the Kennett government since 1993 are absolutely staggering.

Ascot Vale Primary School, a fine school which has sent me many letters of commendation for my efforts, received \$6500 for implementation of Schools of the Future; \$30 000 for a staff and administration upgrade; \$199 000 for a multipurpose building and library in December 1994; \$318 000 for major maintenance in January 1995; and \$300 000, which is an estimate of the cost of acquisition of land for site extension, in July 1995. In fact a property next door to the school was acquired at an estimated cost of \$300 000.

Ascot Vale Special School received \$8448 for a staff administration upgrade. Ascot Vale West Primary School in December 1994 received staff accommodation funding of \$42 886. Buckley Park Secondary College — which is not strictly in my electorate but is right on the border and about half of the population of that school comes from Essendon — received \$61 000 in January 1995 to

convert its heating from oil to gas. It also received \$693 000 in May 1995 for major maintenance.

The list goes on. Debney Park Secondary College, which is strictly in the electorate of the honourable member for Melbourne, but nonetheless attended by children from the southern end of my electorate, had its facilities upgraded by \$100 000 in 1994 and in April 1995 received \$1.6 million for capital works and maintenance. In December 1993 Essendon Primary School received \$160 000 for maintenance and repairs and a library, and in December 1994, staff and accommodation funding of \$4800.

In May the Essendon North Primary School, which is a fine school I had the privilege of attending a couple of weeks ago for its 75th anniversary, received \$20 000 for a staff upgrade. On Monday I had the pleasure of attending the launch of its Classrooms of the Future program. Essendon North Primary School is one of four primary schools in Victoria that will be navigator schools for Classrooms of the Future. It has three classrooms full of computers, including notebook computers for the children and notebook computers and lap-tops for the staff. I had the honour of speaking with the Premier at the Apollo Parkways Primary School where he was launching the project with the Minister for Education. We spoke on a video phone; we sat there with the students and spoke with people from the other schools. We managed to see the member for Ballarat West, who was at Buninyong Primary School, another of the navigator schools.

Classrooms of the Future is a marvellous program which will put all schools in touch with the world via the Internet. They will be able to carry out joint projects not only in Victoria but throughout the world, and Essendon North Primary School has been selected to be a showcase for the program, together with the other three navigator schools. This will be a trial program to enable other teachers and students to learn how to use the new technology.

Essendon-Keilor College, an amalgamated college, in 1993 received \$270 000 for a library extension. In 1994 it received \$670 000 for major maintenance at the Niddrie campus, and in January 1995 it received \$112 000 to upgrade the existing fire service at the Keilor East campus. In February 1995 the college received \$20 000 for upgrading of communications facilities at all campuses, and in May 1995 it received \$8667 for a staff administration upgrade at the Niddrie campus.

The Kangan Institute of TAFE, which was previously known as the Broadmeadows College of TAFE, in April 1995 received \$500 000 to upgrade the car park at the Essendon campus, and in 1995 it received \$150 000 for refurbishing of the Moreland campus. Moonee Ponds Central School, another fine school — one of the few remaining central schools in Victoria — in August 1993 received \$8600 to implement the Schools of the Future program. In May 1994 it received \$420 000 for maintenance and heating.

Moonee Ponds West Primary School in May 1995 received \$488 000 for major maintenance. Strathmore Primary School, which recently had its 60th anniversary, in October 1994 received \$60 000 for urgent drainage repairs. The principal told me that every time it rained water would course under the buildings and flood the playground area. That situation has been arrested at a cost of \$60 000, and in May 1995 \$10 000 was provided for upgrading of staff administration.

Strathmore Secondary College in August 1993 received \$13 000 to implement the Schools of the Future program. In December 1994 it received \$200 000 for upgrading and provision of new portable classrooms, and in May 1995, \$10 000 for staff administration upgrade.

The Victoria University of Technology, of which I am proud to be a council member representing the Parliament, in January 1994, through the efforts of the honourable member for Tullamarine, my friend and colleague Bernie Finn, received \$5 million to set up a new campus at Sunbury. In May 1995 another \$5 million was provided for continuing development at St Albans, and in June 1995 a further \$100 000 was provided to extend the campus area by the purchase of land at Sunbury.

What do these amounts total? If you ignore the funding for the Victoria University of Technology, the amount is \$6 663 901; if you include the VUT funding it is \$16 763 901. That is the funding that the government and I, as the member for the area, have achieved for the schools of Essendon and surrounding districts. The opposition has put about scurrilous garbage saying that the honourable member for Essendon does not care and does not achieve outcomes for his schools. That is a complete and utter lie.

I will continue to work in this area, and there is still much work to be done. We will achieve it; it is happening. As I said before, I have received many

letters from people — principals, students and parents — commending me on my work in the area. On Monday at morning assembly the principal of the Essendon North Primary School told the parents what was going to take place at the school with the implementation of the Classrooms of the Future program, and there was unprecedented clapping and cheering from the parents who were present. One of the parents came to my office on Tuesday morning to say how delighted she was about the program and to thank me for my efforts. She said her daughter had come home from school that night over the moon about the improvements at the school.

The Classrooms of the Future and Schools of the Future projects were promised by the government at the last election. It promised to drag education away from unions and put it into the hands of principals and parents, the local community, and to place the emphasis of education on the students, not unions. The sooner the unions stop screaming, kicking and resisting, the better off the students will be.

From time to time I bring out the coalition's policies from the last election campaign and look at them and give them ticks. Most of the boxes in the education policy sections have ticks so far, so that means we have actually done what we said we would do. I believe that education in Essendon is in great shape, and I assure the house that I will keep working extremely hard to continue on that track.

City Link: financing

Mr BATCHELOR (Thomastown) — I join the grievance debate today to express concern about the imminent collapse of the City Link project, and in doing so demand the full disclosure from the government of all the relevant documents pertaining to this sad and sorry exercise.

Mr Bracks — Fiasco!

Mr BATCHELOR — That's right; as the member for Williamstown just said, it is an absolute fiasco. It is a billion-dollar fiasco by the government, and accordingly we require that Parliament and the people of Victoria have all the facts and figures so we will know what is going on. In particular we demand a full disclosure of the project brief, both sets of cost-benefit analyses, the contract and the traffic modelling that has been undertaken by the Melbourne City Link Authority and the tenderers in relation to this project. They are the particular documents we want, but we demand that all documents be made available.

This is necessary because of the way the government has sought to make this announcement. Last night we heard probably one of the most important announcements that the government has made being relayed to the people of Victoria in the dead of night when Parliament was sitting, but away from the Parliament: not by the Premier, who proudly made the original announcement, but by the hapless Minister for Roads and Ports. And a pathetic performance it was. It is clear that this minister is being hung out to dry. He is being set up by the government to be the scapegoat for this debacle, this bungle, which will cost Victorian taxpayers millions of dollars. He is being made the scapegoat for yet another blunder — a monumental blunder — by the Kennett-Stockdale leadership team.

We have so many of these monuments to the Premier's ego collapsing when the financial analysis was undertaken. The government should bear full responsibility for this matter; but no, it is seeking to set up two great lies. The Dr Goebbels machine has been working overtime and it is saying two things: firstly, banks are to blame; and, secondly, the government is being economically responsible. Both are absolute lies and ought to be rejected by everyone who hears them. They are being perpetrated to disguise the real culprits in this economic debacle — that is, the Premier and the Treasurer. They are the ones who need to accept full responsibility for the debacle we now have.

It should not come as a surprise to the government that the City Link project is falling over. We have examples of this government receiving specific advice about tolls. All that advice warned the government that if it chose tolls as a method of financing private road infrastructure projects it would get into difficulty. I shall list six examples of the government's having received prior warning that if it persisted with its shonky financial arrangements — its funny-money schemes — it would fall into trouble, and that is exactly what has happened.

I shall start with the Vicroads warning which was, as the Minister for Roads and Ports said this morning on radio, given during the period of the Labor administration. However, it was also given to the Kennett government during its period of administration. I refer to a document dated Thursday, 4 November 1993, expressing Vicroads view and advice about the funding methods for private infrastructure projects. It raised concerns and, under a heading, 'Revenue stream' states:

Direct tolling has been generally identified as not being viable due to high levels of traffic diversion onto other routes which would occur as the result of having to pay the toll and the availability and proximity of the other routes.

Nothing could be clearer. Here we have the government's own specialist department, which has responsibility for traffic management and which understands the most important features and responses of motorists, advising the current Kennett government that tolls will not work and that there will be massive problems with avoidance.

The second piece of evidence that the government was warned comes from the Treasury itself. In a submission dated October 1993, the Treasury made a submission to the Industry Commission. It spoke about private infrastructure and how it should be developed. The submission makes it quite clear from the point of view of Treasury that tolls would be an unacceptable and risky method of financing a private road. The submission states:

In a city like Melbourne, with few natural barriers creating control and collection points, direct tolling of vehicles may be problematic.

This is the Treasurer and his department giving this advice. It is not an internal document addressed to the Minister for Roads and Ports; it is addressed to the Industry Commission and provides the advice that tolls will be problematic on the national stage.

What is the response of people at the national level to this morning's news that the whole project is about to fall over? They are quite clearly amazed and bewildered that the Treasurer could not accept his own advice.

The third warning to the government comes from the New South Wales Auditor-General who, in an interim report dated December 1994 and in a final report dated January 1995, clearly indicates that the use of tolls for private infrastructure projects is dubious. This information was made available to the government and to the Parliament in a parliamentary contribution I made at the end of December 1994. The Auditor-General of New South Wales, in his final report says on page 42:

In summary, private ownership of urban tollways could lead to a higher toll than public ownership, because the public owner can better manage critical traffic risks. Private ownership might also reduce the chances of an optimum public transport network.

Further on page 43 the New South Wales Auditor-General says:

It suggests that it need not be in the state's interest and it recommends that the government, with respect to future projects, carefully examine the relative economic effects of private versus public ownership of urban tollways (and the effects of different revenue raising mechanisms). That is what the New South Wales Auditor-General reported in late 1994 early 1995.

I refer to the fourth area, the Victorian motorists' lobby — that is, the RACV. In April it carried out some complicated survey work to find out the threshold of pain to motorists from tolls. It aimed to find the monetary level tolls could reach before motorists chose not to use the freeways. The RACV found that the levels of tolls subsequently proposed for the City Link project would drive most motorists off the tollways. The opposition has taken the RACV formula and applied it to Vicroads own projections of traffic levels. It found that when the freeways are finished in the year 2000, 102 000 car trips per day would be diverted from the South Eastern Arterial if the government imposed tolls at the levels it suggested. The opposition applied the RACV formula to the government's own projection for the Tullamarine Freeway and found that 82 300 car trips per day would divert from the Tullamarine Freeway if tolls at those levels were implemented.

The opposition knows the fifth area of advice the government received — an area it has kept secret but which the Minister for Roads and Ports confirmed in the other place on 31 May this year — is the cost-benefit studies conducted for the City Link project. A review was undertaken of the first cost-benefit analysis to factor in the impact of the tolls, and that was done by a second group of consultants. What the minister failed to admit, but what the opposition knows, is that the outcome of the review found that the economic benefit to Victoria would be zero or negative as a result of this project being funded by the tolls.

So there is irrefutable evidence, within its own secret files, that the government and the Minister for Roads and Ports knew the project was not going to work and never was going to work. Of course, sixthly, if the government needed any further warning or explanation it needed only to look at what happened in Queensland's last state election where tolls on private roads were a major issue that almost saw the defeat of the Labor government. Thankfully the Labor government in Queensland has seen the error of its ways. It got rid of its tollway proposals

because it knew what the outcome in Queensland would be. It knew that unless it was prepared to get rid of them it would face electoral peril, as does the Victorian government.

The government has known for a long time that this would be a debacle and tolls would be a failure. The government has acted with gross irresponsibility in allowing the negotiations to get to such a point that it is now shifting the blame, trying to find scapegoats and victims. This is unacceptable.

The banks have told the government that the project is a financial risk. The government wants the banks to do something with depositors' funds that is too risky. We understand why the banks do not want to put their depositors' funds at risk, because they understand and accept that if the tollway system is implemented and they are forced to put their money on the table they will more than likely lose large amounts of it. The banks have a primary responsibility to the millions of Victorians who put their money into bank accounts. Banks have a responsibility not to squander money on the folly of building architectural monuments to pander to the egos of the Premier and the Treasurer of the state.

Banks are saying that the project is too risky. We have been saying for many months that the project will not succeed. It cannot succeed. The government must come to its senses and acknowledge it has failed. This state is in for a very uncertain financial future. The call has been made on the Minister for Roads and Ports to resign. Unless he resigns by the end of the day there will be other targets within the government of whom it will be demanded that they place their heads on the chopping block and take full responsibility for this debacle that has beset Victoria.

Frankston Cultural Centre: access

Mr McLELLAN (Frankston East) — I grieve today for the disabled in the community and, in particular, for the disabled in the Frankston community. In May of this year the \$16 million Frankston Cultural Centre was opened in a blaze of glory with the Prime Minister attending. There were approximately 500 to 600 guests but, unfortunately, although it is a new building, the centre discriminates against people with disabilities, particularly people in wheelchairs. The building was designed in the Year of the Disabled but has a number of flaws. It can accommodate some 800 people.

An advisory board was set up to design the building, but the powers that be decided to ignore the advisory body and went ahead and built the complex, which discriminates against the disabled. Matters came to a head the day after the complex was opened, when an article in the *Frankston Standard* reported:

Frankston mother Chris Lally, confined to a wheelchair after a series of failed back operations, says the council is guilty of discrimination ...

Ms Lally said the two sets of doors at the theatre entrance were impossible to open from a wheelchair and a small wheelchair ramp at the side of the building was dangerous and inadequate.

'Someone had to open the doors for me, but when I went up to the ticket window to get my ticket a woman said I should have rung first to tell them I was coming, so they could remove seats from the theatre to fit me in,' Ms Lally said.

'I was totally humiliated. I had to wait while they took out two seats — in front of other patrons — to fit me in. It was all done very conspicuously and it was severely embarrassing'.

Wheelchairs cannot gain access to the dress circle because a lift from the car park stops at the foyer level.

A second lift, intended to reach the dress circle, was deleted from the original plans to cut costs.

'Obviously they don't think we're good enough to sit in the dress circle', Ms Lally said.

'We're just another part of the community, but when you get hit with these sorts of barriers it makes you feel like a second-class citizen'.

She said handrails in the disabled toilets were also poorly designed and would not suit some people.

These sort of things shouldn't happen in 1995 in a brand-new building', she said.

Disability advisory committee member Doreen Kay said the group had made a series of recommendations to the council on the design of the cultural centre, some of which had been ignored or changed in an effort to cut costs.

A council source last week said officers had failed to properly consider the needs of disabled people when presented with the architect's plans.

The source said the 10cm step all the way along the front of the theatre entrance — a barrier to the wheelchairs — was 'one small example'.

'If it wasn't there then access for everyone would be the same', the source said.

Ms Lally said other professional theatres had permanent areas for people in wheelchairs, electric sliding doors and other aids to make access for everyone 'equal'.

'I would have thought in a brand-new building there wouldn't be any trouble — but I couldn't even get in the front door', she said.

Ms Lally went to the theatre to see her 14-year-old daughter perform.

Another article that appeared a week later, on 20 May, states:

On May 20, I joined in the opening celebrations in Playne Street during which I went on a tour of the library and centre.

As a person using a wheelchair I was immediately struck by the narrow doorways throughout the building. Most of these doorways have a lip of up to 5cm or more; one door even had a makeshift warning of 'Mind the step'.

At the time I remarked on the apparent lack of thought the architects had for people using wheelchairs.

I consider such oversights unacceptable in a building designed for public use and enjoyment.

I agree strongly with Ms Lally about feeling like a second-class citizen.

Why was the front entrance not made completely level? Having to use a 'special' ramp is a mockery.

Why, after spending \$16 million, could not a few thousand dollars have been allocated to providing a lift to the dress circle?

Finally, I take particular offence at cultural centre manager Robin Batt's comment that 99.9 per cent of theatre patrons are aware of 'ring first' as normal procedure. Not once in my yearly subscription and attendance to Melbourne Theatre Company productions did I have to 'ring first'.

Even after the Year of the Disabled and raised public awareness, we still have to be 'fitted in' ...

I have a program from the Frankston Cultural Centre and on the back of it, it states:

Disabled Access: Access for the disabled is available. Please call 9784 1060 in advance for assistance.

It is a mockery when one has to ring first to get access to a public building. Recently the theatre was booked out and anybody who was in a wheelchair could not get accommodation in the theatre because two seats had to be removed, which meant that a patron could not see her child's performance because the wheelchair would take that extra seat. If three people in wheelchairs turn up it would mean that three patrons would miss out in seeing the performance. It is nonsense to say that all people are equal. The federal Disability Discrimination Act states:

Objects

3. The objects of this act are:

- (a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of:
 - (i) work, accommodation, education, access to premises, clubs and sport; ...
- (b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and
- (c) to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.

Clearly, that act passed by the federal government in 1992 was totally ignored by the Frankston City Council. The Equal Opportunity Act says similar things and refers to what is prohibited. Section 6 at page 10 states:

The following are the attributes for the basis on which discrimination is prohibited in the areas of activity set out in Part 3 —

- (a) age;
- (b) impairment;
- (c) industrial activity ...

And so on. Clearly, impairment is mentioned there. In November 1994 — the building in question was

not opened until May 1995 — the federal building code was passed such that any new building had to give access to disabled people through the front door of any public building and not around the side or through the car park.

The council officers and those approving the building must have known that at the time because during that period only a shell had been constructed and there was time to change it. The front steps had not been constructed, the front door had not been fitted and there was ample time for the builders to alter in a minor way at least one of the electronic opening doors and for a ramp to be put in at the front.

As it stands at present the front entrance has a 125 millimetre step up which is impossible for a person in a wheelchair to negotiate. Once in the front door you are in a time warp because there is a second door to open with no room to manoeuvre a wheelchair. It is physically impossible for most people to move the door any way because it is a heavy plate glass door which is manually operated. The people who approved these plans should be condemned for ignoring the advice of their own committee.

Recently I attended the National Tennis Centre to watch the final of the schools rock eisteddfod. That setup makes access for wheelchairs very easy with a lift from the car park to the first floor where there is an elevator into a section of the tennis centre with provision for about 20 wheelchairs between rows of seats. Wheelchairs can be wheeled onto a platform and that is where the person stays. There is no removing of seats, no need to make a special booking and no need for special attendants to take you there. It is so simple.

Other public buildings around the town, particularly new ones — and the tennis centre is not a new one — had the vision and foresight during construction to provide access for disabled people. The Melbourne Theatre Company is another one. You do not have to ring up and book with them if you are in a wheelchair, you just turn up, and that is how it should be.

There is clearly a problem with the new arts centre, and the commissioners are left to deal with it. I understand that in the recent budget certain moneys have been allocated in an attempt to rectify the situation. I do not know how this will be done because some of it will be quite costly, particularly the electronic front doors. They may have to put a

door alongside those already existing because there is no way anyone in a wheelchair could open them. It may be possible for people with partial use of their legs to hold the door open and get through but for people with absolutely no use of their legs whatsoever it would be physically impossible.

It is an absolute disgrace in this day and age to think that we as members of the public, and particularly as members of Parliament who should be so aware of equality for people with disabilities, have allowed this to occur. It is a blight on our local government and it will be a blight on anyone who does not provide access for disabled people in the future. People are no different from anyone else simply because they are confined to sitting down for the rest of their lives.

Recently at Karingal Hub shopping centre there was another example of how a situation such as this can get out of hand. Some construction work was being done and the wheelchair ramps for access to the footpaths around the hub had been taken away. It was only a matter of talking to the management and a temporary solution was found immediately with an apology that it would not happen again. That is how it should be; it was simply an oversight, and once it was drawn to their attention it was fixed.

Is this the case with the Frankston council? Not on your nelly! All those council officials want to do is run away from it. I fail to understand how the situation developed. The new centre is a beautiful building, and how anyone could design and approve it as they did is beyond me. The councillors did not have a lot of input into the actual design, but they had some into whether it should be built in the first place. There was quite a heated debate over it and some councillors objected to the cost and building of the arts centre. It was constructed, but I am not sure whether the councillors actually saw the plans. I am not prepared to say that the councillors had anything to do with the way it was finally designed and built, but the officers, officials and highly paid people on that council certainly did. They ignored the advice of their own advisory committee and everyone else concerned including the federal Disability Discrimination Act and the Equal Opportunity Act. We should ensure that these things do not happen in the future.

Maternal and child health service

Ms GARBUTT (Bundoora) — I wish to grieve about the mismanagement of our maternal and child health service by this government. It has been

recognised as world-best practice. It has a wonderful reputation across Australia and it has served generations of women and children. However, we are seeing its gradual destruction and inevitable crumbling across the state. At the heart of the problem, of course, was the government's introduction of its so-called, misnamed Healthy Futures program. That has led to major problems.

The Healthy Futures program introduced the infamous 10 key visits — that is the total number of visits funded by the government. It allows local government to reduce its contribution so that it supplies only those 10 visits and becomes, in effect, a glorified baby-weighing service.

All the other services such as the relationship aspects and the trust built up between mothers and nurses cannot be established when there are only 10 visits spread over three and a half months. It completely ignores the needs of mothers and in fact has taken the 'maternal' out of maternal and child health service. It allows local government to reduce its service, and that has been happening in the 18 months since the Healthy Futures program was introduced.

I refer to a survey conducted by the maternal and child health consumer group which found that 42 per cent of parents surveyed had reduced or changed access to the service. That came about mainly because appointments had been introduced to many of the services but also because a number of centres had been closed and services centralised. In fact, 5 per cent have been limited to only the 10 visits designated by the Healthy Futures program and 35 per cent of parents said they had been prevented from using the service because they could not get an appointment or because the nurse was on holidays and no replacement was available.

That statewide survey is a map of how the service has been reduced and how parents are feeling the reduced access to the service following the introduction of this so-called, misnamed, Healthy Futures program.

Recently, I carried out a survey of municipalities to see what they have been doing with their maternal and child health centres because I have been receiving complaints about centres being closed. Some have already been closed and others are under threat. They are often subject to review, which is one of the hallmarks of the government's first step in closing something!

Across the 39 municipalities I contacted, a total of 47 centres have closed or are to close. I did not contact every municipality in Victoria and so I imagine I would have found that around 100 centres have closed or are to close if I had been able to survey the whole state.

It is not only that centres have closed or are under threat but also their hours have been cut, the number of nurses and their availability has been reduced, and visits by appointment only are being introduced at a lot of the centres. Access to the service is being reduced in a number of ways. Free access is no longer available to mothers when they or their babies need it.

A number of municipalities have closed or are about to close centres. Ballarat City Council proposes closing nine of its centres, although one of the local members stepped in to save one centre. But he forgot the rest! In Banyule City Council, which covers a large part of my electorate, four centres have closed or are to be closed and nurses from three of those centres have been relocated into chemist shops. That is a most inappropriate action by the local council! Greater Geelong City Council has closed 12 centres, ranging from Clifton Springs to Belmont. Many of the areas have large population growth with increasing birth rates. Stonnington City Council has closed four centres; Whitehorse City Council, two centres; Hobsons Bay City Council four centres; and Greater Dandenong City Council four centres. Darebin City Council closed one centre at Alphington, but after protests by mothers, I understand they have won the battle and the centre is to be reopened. One wonders why the council did not listen to the users in the first place.

Great outcries have been heard from a number of groups of parents, mainly mothers, across the state. In Ballarat the mothers got together and formed a group to protest about the closure of their centres, but it was not only about the closure of centres but also about the budgets being cut. In the Ballarat area, for example, they have talked about a one-off capital saving of \$88 500 and a recurrent annual saving of \$33 000. That is the way the massive attack has been justified on maternal and child health services in Ballarat where they propose to close nine centres. There will be progressive closures over three stages with the Brownhill, Buninyong and Latrobe Street centres to be closed in the next few months. The local member protested about the closure of the Buninyong centre, but why did he not protest about the others at Brownhill, Latrobe Street, Alfredton, Delacombe, Rowan View, Wendouree West and so

on? Mothers at those centres will be just as inconvenienced and they will have reduced access. If they do not have cars, they will find it difficult to get to the more central centres. It is said that these people will have only an extra 1.5 kilometres to travel, but when a mother is pushing a pram and tugging along a toddler that is a lot of extra distance to cover, especially if she has already walked 1.5 kilometres to get to a centre that is closed. For a mother to have to walk 3 kilometres in each direction would be impossible if she was pushing a pram and accompanied by a toddler. That will mean mothers will not visit the centre as often as they may need to.

Although there are no centres closing in the Knox City Council area, \$110 000 will be cut from the council budget and four staff will have to go. Some centres will have reduced hours and they will have only a limited relief budget. So when nurses are on holidays the centres will close for weeks at a time. Under the appointment-only system, mothers report that they are discouraged from visiting the centres. Mothers are being made to feel unwelcome and they report that they have to wait a long time for their appointments.

The combined children's services group says the former hours should be reinstated. They have protesting strongly, as they should, because of the enormous cuts to the service and therefore the enormous cuts in accessibility. This is occurring across the state.

In the Colac-Otway Shire Council area, one service has closed and another has had its hours halved. Mothers in the area have protested and they have demanded that their concerns be taken into account. In Nagambie, a centre has had one half day cut and its service has been reduced to one and a half days, and it could be reduced further. Mothers are organising themselves to resist this move. Mothers in the Stonnington City Council area have protested about cuts, closures of centres and reports that waiting lists have blown out. It is difficult for mothers to see the nurses and they are feeling the strain and stress because they have to wait. The service that used to support them is unable to be accessed easily.

Compulsory competitive tendering is another concern. Groups of parents are protesting about the plans by local government that have been developed without consultation or input. They are not certain about what will be contracted out and whether that will include much more than the minimum glorified

baby-weighing service of the Healthy Futures program or whether it will be something that resembles the excellent service they used to have. Mothers are demanding a say in the process and that the services not be contracted out.

The maternal and child health consumer group has written to the commissioners demanding that the service not be contracted out and pointing out some of the difficulties. Some of the questions they are asking the commissioners to consider are:

How can you attach competitive dollars to something as complex and personal as a service for mothers and babies?

How do you adequately describe and write down some of the sensitive and highly personal things the service does in a tender contract?

How do you adequately recognise and retain the very important psycho-social functions of the service in a tendering process?

They point out the whole range of human relationships which are the fundamental basis of the service but which cannot be written into a contract.

A further attack on services for parents, mothers and babies is to be found at the Queen Elizabeth Centre. This centre in Carlton provides specialist child and family services for mothers, babies and children up to five years of age. It is an early parenting centre. It provides acute medical, paediatric and psychiatric care and special maternal and child health nursing services. It provides a range of specialist services for those with problems with families, with babies or children or with mothers. It provides a range of specialist services when there are problems with the family that are not covered by the ordinary maternal and child health areas. It is one of only three centres in Victoria. The others include the Tweddle Child and Family Health Service in Footscray and the O'Connell Family Centre in Canterbury.

This service has been told it must close its campus in Carlton and relocate to a southern region despite the fact that 41.7 per cent of its admissions come from the northern and eastern suburbs in the northern region and only 28 per cent come from the southern region. Obviously, it is a political decision to shift this service from an area of need to an area that is also a marginal seat.

The northern suburbs will no longer have access to the service despite the fact that, based on health and

local government regions, it currently provides 41.7 per cent of admissions, has a long waiting list and is not able to admit all people requesting the service. The service turned away 452 people in the period from 1 July 1993 to 31 December 1994, so in 18 months about 450 people were unable to use the service. Many of those people had significant problems that required attention, the major ones being sleep, feeding and respite-care problems.

The government has made a political decision to shift the whole service into a marginal seat and leave the northern suburbs with no other service. I have no problems with the establishment of new services in areas of need, but it should not occur at the expense of existing services, especially when there are high levels of demand, long waiting lists and non-admissions.

The government's mismanagement of these services for mothers, babies and young children goes on and on and it is getting worse. The government is very good at cutting services but not at running them. It has mismanaged the whole service. We are now witnessing the destruction of what was an excellent range of services for mothers. All that will remain will be a very patchy, second-rate service which is really a glorified baby-weighing service, not the full, comprehensive service that was provided to my mother and to her mother across the generations.

These services are being downgraded and destroyed by the misguided decisions of this government, which are putting additional pressure on families at a time when they are most vulnerable.

Ambulance services: staffing

Mr McARTHUR (Monbulk) — I grieve today about a deliberate and calculated attempt to undermine public confidence in the ambulance service across the metropolitan area, something which has been done in a very callous and cynical fashion. As I said, I believe it is a calculated campaign carried out by a rogue union at the behest of the Trades Hall Council.

I refer the house to some articles running in local newspapers in my area last week. One in the *Yarra Ranges Post* newspaper of 5 October under the heading, 'Ambulance staffing in east crisis' states:

Ambulance cover in Melbourne's outer-eastern suburbs, including the Yarra Valley and Dandenongs, has been described as 'extremely fragile', placing lives at risk.

Who is making this claim? Nobody other than the Ambulance Employees Australia, Victorian division, and in particular the acting secretary, Mr Rod Morris. The union goes on to say in the article that no union bans are in place on members working overtime, that the staffing crisis was caused because the Metropolitan Ambulance Service does not have enough staff and can't fill its rosters. The union claims that because of that the lives of the public are being placed at risk.

The article was of considerable concern to me when I read it. I don't think the lives of people in the outer east, the Yarra Valley or anywhere in Victoria should be put at risk by a substandard ambulance service. I made a number of calls to check on the information contained in the article and to find out whether the claims of the ambulance union were accurate or whether, as the MAS spokesman said later in the article, the problems the MAS is currently facing in some areas are the result of the effect of union bans.

I have been advised there is no staffing crisis in the outer east and that there is no crisis right across the metropolitan system. In fact, a substantial number of new ambulance and MICA officers have been appointed in recent times. Ten new ambulance units have been commissioned this year and an additional 21 ambulance officers, including four paramedics, have been recruited since 1 July. Thirteen trainees are currently undertaking the training program that the MAS requires for recruits before they are put out on the road. We have gone from zero to 18 clinical support officers in the term of this government, something the previous government never considered at all.

In my area we now have an additional ambulance based at the CFA station at Montrose, which provides far better cover for the people of Kilsyth, Montrose and up into the Dandenongs towards Kalorama and Mount Dandenong. From the information I gained when I made those calls it was clear to me that there is no staffing crisis in the local area and the general public can be assured that the ambulance service is well staffed and is providing an efficient and effective program.

By and large, the ambulance officers I have dealt with over the years have been extremely dedicated and committed to providing the best possible service to their clients whenever they are needed, whether it be an emergency service as a result of heart attack or car accident or a standard pick-up and transfer to hospital treatment of some kind. I have nothing but

admiration for the dedicated efforts of the individuals involved in the service.

I have had two opportunities in the past 18 months to observe the ambulance service at work outside my office. Dorset Road is a very busy road and on two occasions pedestrians have been knocked down not far from my front door. In both cases the ambulance and MICA units attended in a very short time. They provided the assessment and emergency assistance required, treated the people and, where required, transported them to hospital effectively. That included getting across the notorious Dorset and Boronia roads intersection, which has a 300-second traffic cycle lights time, so if you get caught at the intersection during peak periods you could take 10 minutes to get across the intersection. On both occasions the ambulance was there within 3 or 4 minutes. I am confident my constituents can safely rely on their local ambulance service. I am also confident that that is the case generally across the system.

I return to the claim made by Rod Morris in the article that there are no union bans on members working overtime and quote from a bulletin from the Ambulance Employees Australia, Victorian division, signed by Rod Morris and headed, 'Direction to members'. I will paraphrase some of the preamble. Negotiations between the AEAV and the Department of Health and Community Services have broken down because the government representatives will not agree to claims made by the AEAV. The bulletin then states:

The following industrial actions are to be added to the existing 10 industrial actions that are already in place.

MAS

Commencing 0700 hours on Wednesday, 4 October 1995.

No ambulance officer or MICA paramedic is to accept or work shifts in excess of their normal rostered hours.

What does that mean? It means you are not to work overtime. No overtime work to replace somebody who calls in sick.

MICA paramedics are not to operate on paramedic response units.

These are the single-staffed station wagons which respond on a one-up clinical-support-officer basis to emergency calls. The vehicles are equipped with

paramedic equipment and the officers trained to paramedic level can intubate patients and provide assistance rapidly.

In fact in both cases where pedestrians were knocked down outside my office, clinical support officers in a station wagon responded to the calls and were the first on hand to deliver emergency assistance. The next point is:

No team is to change its roster in any manner.

In other words if a team calls in sick, is delayed for any reason or has a breakdown, no other team is allowed to change its roster to fill the gap. That is an outrageous ban.

There is to be no unnecessary radio traffic including arrival, clearing and availability times. Officers will respond to radio calls for assistance.

How generous of the union. If the Metropolitan Ambulance Service puts out a call for assistance the union will allow an officer to respond. That is absolutely marvellous!

Emergency calls are only to be taken via telephone or vehicle radio. Unreliable pagers and selcall radios are banned for the taking of calls for potentially lifesaving cases.

The normal procedure for ambulance officers is to advise the dispatch centre: when they are on their way to a job; when they arrive at the job; when they have loaded the patient into the vehicle and are proceeding to a hospital; when they arrive at the hospital and have unloaded the patient and when they are clear and ready for the next job. At all times the dispatch centre is aware of the status of that unit and its potential availability.

When an emergency call comes in and the dispatch centre contacts a unit or units to respond, the normal procedure is to send a pulse message via the selcall radio system. That is the pulse system that simply notifies units that they are required for jobs. Units then get further details either via their pagers or their vehicle radios. The union ban that is in place at the moment effectively means that ambulance officers who abide by that ban are cutting out two of the three modern systems for communication between them and their dispatch centres.

Mr Rod Morris, the acting — and I emphasise the word 'acting' — secretary of this rogue union says this is to benefit communications. I think he would

like to benefit communications by returning them to the Dark Ages. Perhaps he would like message sticks or smoke signals to go to his officers in the future. The ban is outrageous. It is counterproductive, it is public vandalism, and it puts public lives at risk. As the honourable member for Tullamarine interjects, it is sabotage.

I expect the opposition spokesperson for police and emergency services to support the government on this matter. He would be well placed if he said to the union that it has a responsibility to accept and receive communications, the most modern and the most effective methods of communication in order to provide emergency services for the public. Instead of that he trots out and parrots the tired old Trades Hall Council line.

Some 8 or 10 years ago, Rod Morris, the acting secretary of the Ambulance Employees Australia — Victoria Division, was very critical of the then existing communications system and he actually advocated the implementation of a computer-aided dispatch system. We now have a computer-aided dispatch system, but his reaction is that he does not want it; he does not want administration knowing where ambulance officers are at all times, knowing when they are available to provide emergency services to the public if somebody has a heart attack or is run over on the road. It seems Mr Morris believes that might provide a better service to the public and he certainly would not want that from the AEAV's point of view.

Many of the individual ambulance officers are defying the union bans, and thank the Lord they are. These people are dedicated and committed to the service they provide to the public and they realise that their duty to safeguard public health and safety is greater than their allegiance to this rogue union. A flier that is doing the rounds of some union branches at the moment states:

The union has to be nice and support or prop up those who are weak, but I don't. Just look around. Are your workmates scabs? Are they preventing you from getting a pay rise? Are you a scab? Do you break bans 'cause you don't have the balls? Well, maybe it's time we started to seek out our scabs and put pressure on any in your branch. If we don't, we might as well forget a pay rise and go back to begging for our jobs.

That is the sort of scurrilous rubbish that is going around the ambulance officers from the union bosses. That is the nonsense that is being waged in this campaign. It is nothing more than a campaign to

undermine public confidence in the ambulance service in the metropolitan area. It is nothing more than a campaign to destroy the computer-aided dispatch system and the automatic vehicle location system that are currently being operated successfully by Intergraph.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member's time has expired.

Emergency services: communications system

Mr HAERMMEYER (Yan Yean) — The matter about which I grieve is the direction the Kennett government is taking in relation to police, ambulance and emergency service communications. I make it clear once again, because I suspect the government has deliberate reasons for misrepresenting the opposition's position on this, that the opposition supports the concept of a joint emergency services communications system for all our emergency services, as recommended by the Public Bodies Review Committee. However, the point the opposition makes is that the government has bungled the process and missed an exciting opportunity for Victoria. It has left Victoria in a rather dangerous situation. The government has bungled and mismanaged the ambulance service communications and has now gone on to bungle and mismanage the communications system provided to it by the Bureau of Emergency Services Telecommunications.

I add there is just a strong smell of corruption about the way the tender process was handled by the Metropolitan Ambulance Service. It has all the hallmarks of yet another corrupt Kennett government deal. What the government is doing in this area places the lives and safety of the Victorian community and the lives and safety of our emergency services workers, our police officers, fire officers and SES workers at enormous risk. The roles of the ministers for police and emergency services and health can be described at best as grossly incompetent and culpably negligent.

To date the problem has mainly focused on the ambulance service, and there is little doubt that the ambulance communication system has been an absolute shambles since Intergraph took over and since the Kennett government allowed the former head of the Metropolitan Ambulance Service, Mr Jack Firman, to have his way in awarding the contract to the Intergraph corporation to build, own and operate the computer-aided dispatch, automatic

vehicle location and geographic information system for the Metropolitan Ambulance Service.

Intergraph's inability to deliver a functioning system to the Metropolitan Ambulance Service has created a real problem for other emergency services. Intergraph has now also taken over the communications room for the Victoria Police. Mind you, at this stage it has not taken over any of the serious technical responsibilities such as automatic vehicle location — it still can't seem to get that going in the ambulance service — geographic information systems or mobile data terminals. Intergraph is simply running a dispatch system — that is, the old D24 function. That should be fairly simple to do, however, I am hearing from real police officers — not the imaginary police officers such as those to which the Minister for Police and Emergency Services referred to in question time yesterday — serious complaints about the system. This is what the police have to say about it.

Firstly, the communications centre is understaffed. Police officers are complaining that when they call into the communications centre for further information they are told to hold the line and they are kept waiting on the radio for 3, 4 or more minutes while the staff in the communications room deal with other calls. That suggests to me a serious understaffing of the communications centre.

Secondly, the police officers in the field indicate that the computer does not appear to prioritise jobs. Perhaps it has a prioritisation function, but officers in the field are saying that that function is not working. The old D24 system used to prioritise calls and dispatch them in order of priority. Police officers are now being given calls for non-urgent work while urgent calls are backlogged in the system. That is totally unacceptable. For example, when a house has been burgled, the crime has already been committed and it really does not matter whether the police arrive in 5 minutes or an hour. Once the burglary has taken place and the burglars are well and truly gone, it does not matter. In some instances calls regarding burgled houses are being attended to in advance of violent, domestic disputes which are in progress. It is a bizarre situation for a dispatch system to bring that about.

Thirdly, I am told there is only one operator for each channel. In certain emergencies more than one officer is required to coordinate an operation. The capacity for multiple operators on every channel is necessary in certain situations.

Fourthly, 000 calls to the police are being directed to local police stations. For many years a large amount of money has been spent educating the public to make their calls to the police via D24 and that D24 would take responsibility for dispatching police units. People are doing that and are being told to ring their local police stations.

One instance I have been told of relates to a fire brigade unit — one of the minister's own emergency services units — attending a car that was on fire. When the fire unit required police attendance it called 000 and reached the communications room and it was told to report the matter to the local police station. That is a bizarre situation.

Fifthly, D24 has always kept tapes of incoming calls. The police have always used those tapes when interviewing suspects and people associated with their investigations. They are an extremely important tool in police investigations, and it is essential for police to have access to the tapes so they can carry out their jobs as well as possible. However, the tapes are no longer being made available to the police.

That is a scandalous situation and raises a couple of questions: firstly, who holds and owns the tapes? Is it Intergraph or is it the police? If it is Intergraph, I have serious concerns about that. Secondly, why are the tapes and/or the transcripts of those tapes not available to police officers?

I can only surmise that it has something to do with Intergraph covering up its bungles. Its bungles have certainly been exposed within the ambulance service because for a time the two systems were running side by side. The old system was able to expose how Intergraph was not functioning in the new, supposedly automated system. As I said, I can only surmise that the tapes are not being made available because they may expose Intergraph's bungles when dispatching police vehicles. The police are very concerned about this matter; they regard it as an occupational health and safety issue because it places their lives at risk and reduces the effectiveness of the police force.

Unlike the ambulance system, the police system does not have the control mechanism of the old communications system working side by side with the new system to expose the bungles. The bungles will be exposed only when there is an inquiry into yet another serious incident. The police are reluctant to speak about the matter publicly given the way the government treats anyone who speaks out against it.

As I said earlier, I regard the whole process as being fairly corrupt and I believe an immediate inquiry is needed into, firstly, the tender process for the Metropolitan Ambulance Service and BEST and, secondly, the performance of Intergraph to date. This is about emergency service response; it is about life and death and it is too important for the government to resort to scapegoats and political cover-ups.

The Metropolitan Ambulance Service tender was corrupt, and I have evidence that the service instructed one of its evaluation teams to change the tender specifications to suit Intergraph. I have a memo from Mr Don Cameron, manager of systems support, instructing the manager of information systems at the Metropolitan Ambulance Service to re-evaluate the Intergraph tender on the basis that certain criteria should be removed as issues or should be devalued:

As a result of various business decisions regarding the proposed CAD system, the second pass evaluation criteria developed by team three needs to reflect the following issues:

1. System design disaster recovery provision assessment is to accommodate the hot site option only.
2. Maintenance and support assessment is to incorporate a second line 1-hour support component only.

These are important backup measures the ambulance communication system needs in case the system falls over. We are talking about life and death. The memo continues:

3. It is not an assessment requirement to maintain spare components on site at Doncaster.

What if the system breaks down?

4. It is not an assessment requirement for the source code to be positioned on site at Doncaster.

What if the thing falls apart? You need to be able to fix the problem on site and not have to wait half an hour for Intergraph to come from wherever it has to come from to fix it.

5. The off-site ascrow —

that relates to the crash of the system and software security —

is not an assessment issue.

Can the above issues be attended to and presented in tabular format?

Those five categories are the five categories on which Intergraph performed most poorly in its tender for the communications system for the Metropolitan Ambulance Service.

One of the evaluation teams that had scored Intergraph as last was told, 'Let's take some of these important criteria out and perhaps Intergraph will look better then'. The same evaluation team was told not to go near the prototype Intergraph communication system that had been provided to the MAS for evaluation purposes because it did not work when they tried to use it. The members of the team were told by Mr Cameron that they could play with any of the other systems that had been put there for evaluation purposes but that they were to leave the Intergraph system alone.

A totally corrupt process is taking place. The government has created a situation where BEST is locked into Intergraph because it was told by the government that Intergraph had to receive the contract. We have a company that cannot even deliver a functioning system to the ambulance service suddenly receiving a contract 10 times bigger for the Bureau of Emergency Services Telecommunications system.

Yesterday, I heard the Minister for Police and Emergency Services comment about what he claims to be the favourable response of police to the Intergraph system, but that is not what it is telling me. I have a form headed 'Observation report for BEST CAD implementation'. Police were asked to fax in and inform the bureau and Intergraph, I assume, what they thought of the system. If the minister seriously believes the system is functioning and that the police association supports it I invite the minister to make those documents publicly available so we can all see what the police really think. It should not be somebody who rings up a radio station claiming to be a police officer at the instigation of the minister's office because we want to see what police are really saying.

These documents should be made available publicly to show that this system is an enormous sham. The government had a great opportunity to get something good for the state's emergency services and to lead the world. What has it done? Because of some shonky deal between Jack Firman and Intergraph the government is now locked into this company that has not been able to get a system of this size and complexity running successfully anywhere in the world.

Honourable members interjecting.

Mr HAERMMEYER — I just showed you! We have got the memo and it says the criteria had to be changed! The government also changed the tender specifications in the process. It was originally a build-and-own tender, but because Intergraph submitted a tender for build, own and operate everybody else was forced to change their tenders accordingly. Those companies were not given an equal chance, and an inquiry into this scandal is necessary.

Commonwealth-state funding

Mr FINN (Tullamarine) — This afternoon I wish to grieve for the treatment of Victoria and Victorians by the federal government. Most Victorians would be fully justified in describing Paul Keating as the Prime Minister of Sydney. He does not seem to know nor does his government know that Melbourne exists.

The Prime Minister of this country has expressed in the past his disdain and contempt for all things Melbourne. He did not even attend Melbourne's grand final a couple of weeks ago when we all know damn well that he attended Sydney's rugby league grand final a week before. That was something! It was special! It was something that the Prime Minister actually cares about.

We are only Melbourne and so far as he is concerned we are right down the scale. The thing that disturbs me as much as anything else is that the Prime Minister does not even bother to hide his contempt for Melbourne. We know he does not like us because it is obvious. We know he holds Melbourne in low esteem, so I suggest to him it might be time that he tried to stop proving exactly that because he has already made his point.

This afternoon I raise three areas where the federal government has treated Victoria badly. The first one is road funding, which is an area that opposition members should closely listen to because it might explain the difficulties the previous government and this government have had in providing the road services that Victorians need.

Earlier I heard the honourable member for Thomastown talk about various aspects of road funding. That was basically a lot of tripe. It is about time that he and his opposition colleagues faced the facts about these matters. It is about time they faced up to the realities of life, even if it be just one. Last

year the Victorian motorist paid the federal government \$2.63 billion in petrol taxes. That went out of everybody's wallet straight into the federal Treasury in Canberra. What did we get back? Out of that \$2.63 billion we got back a miserable, lousy \$238.6 million — not \$238.6 billion!

This year it gets even better because the federal government has cut Victoria's funding back by almost \$10 million to \$228 million. We have this extraordinary situation where the federal government is ripping off the Victorian motorist to the tune of \$2.63 billion every year. I point out that last year it returned \$238.6 million and this year some \$228 million. Given the unfortunate economic circumstances this country finds itself in at the moment as a result of the policies of the Hawke and Keating governments, one can only assume that the trend will continue whereby the federal government will continue to skim more off the top and return even less to the people of this state.

It is rather interesting that during the last year of the Fraser government in 1982 some 62 per cent of Victorians' petrol taxes were returned. We are now in the third year — it seems like the third millennium! — of the Keating government and we are now down to less than 10 per cent. That is pretty disgraceful.

It should be of interest for motorists to know that every time they spend a dollar on petrol at the petrol bowser the other 50 per cent of that dollar is going straight into Canberra's federal Treasury to fund whatever funny little scheme the Prime Minister is trying to win the next election with this week. It makes it even more infuriating when one considers that in the last federal budget Sydney was given \$260 million for one freeway. That is around about \$32 million more than this entire state received this year. That is just outrageous. How can it possibly be justified, except in the mind of a man who wants to put Victoria and Melbourne down; who is so Sydney orientated and so Sydney biased that we can wipe him forever?

Yesterday in this house we heard the honourable member for Richmond, the Deputy Leader of the Opposition, quoting a number of biblical passages, which astonished me at the time. He told us that we must render unto Caesar that which is Caesar's. Given that the Prime Minister of this country seems to like the idea of being an emperor I suggest to him that it might be about time that Caesar renders something back because the federal Labor government has been ripping off Victorian motorists

for far too long. It must stop because it is not fair, it is not right and it is blatantly anti-Victorian. I will continue to voice my concerns about it for as long as I have this voice at the next federal election when the Howard government comes to power in Canberra. One hopes that under a Howard federal government we will receive a bit of justice.

It is worth pointing out to honourable members that if the federal government were to give back — and the City Link project is receiving a bit of notice — just 50 per cent of what the federal government takes out of the Victorian motorist's pocket we would see the entire City Link project incurring no tolls and there would be no need for a private consortium. In a little over 12 months the government would be able to pay it off in one go.

When people talk about tolls on freeways and so forth it is not this government's toll; it is the Keating toll. If the Prime Minister and the government of this country had the decency and the honesty to give back to Victorians what they give in taxes there would be no need for the tolls and there would be no need for any outside interest at all. We would be able to pay it off just like that. That is not something that interests the people in Canberra, because it would benefit Victorians. That is the last thing they would want.

Melbourne Airport: privatisation

I turn to airport privatisation, a subject that is close to my heart and even closer to the hearts of those I represent in my electorate. The so-called Claytons privatisation of the airports in Australia has to be one of the greatest botch-ups in this nation in decades. It is epitomised by the conflict we saw on the very day the federal Minister for Transport, Laurie Brereton, announced that the federal government would privatise airports. The very day he did that his parliamentary secretary, Mr Neil O'Keefe, said, 'No, we won't; that is not something the Labor Party will be involved in'. From day one there was a conflict between the minister and his parliamentary secretary. They do not seem to have the faintest idea what to do in this area. There is no doubt that Melbourne has the best airport in Australia. Even opposition members would agree with me on that.

Mr Haermeyer interjected.

Mr FINN — The honourable member for Yan Yean says that it was built by Canberra. Indeed it was. Recently I attended a celebration for the

25th birthday of Melbourne Airport. The Prime Minister who opened the airport, Sir John Gorton, a former Liberal Prime Minister, attended the anniversary ceremony. It was an honour for me to meet the man responsible for the building of the airport.

Although Melbourne has the best airport in Australia we are being strangled by Sydney control. It is as simple as that. The management of Melbourne Airport, John Taylor and his team, have done a magnificent job given the circumstances under which they have had to work. They have a tremendous facility, but have both their arms and legs tied by the Federal Airports Corporation board, which cannot see beyond Sydney airport.

It is an extraordinary situation because we know, and everybody in the country knows, that Sydney airport is one of the great disasters of our time. It is a joke! Anybody who has travelled there recently would be aware of that. The FAC board, together with the federal government, is 100 per cent Sydney orientated. So far as they are concerned, Melbourne does not exist.

The Minister for Industry and Employment has pointed out on a number of occasions that there is an answer to the Sydney airport problem: it is called Melbourne, because we have the facilities to handle the planes. Melbourne Airport is underutilised, but the Sydney control by the federal government and the FAC will not let us realise our full potential. It is a disgrace that Melbourne Airport is not being allowed to flourish and do as well as it should.

If everything were equal, Melbourne would be the gateway to Australia. The upgrading of the airport that privatisation will bring and the new ownership will create approximately 20 000 job opportunities. Currently 10 000 people work at the airport and with privatisation there will be a tripling of the work force. The north-western suburbs, which have felt the brunt of Labor's recession, will benefit to the tune of 20 000 jobs.

However, the federal government, the federal Minister for Transport and Mr Neil O'Keefe are holding up the project. They are the ones who are saying, 'We don't give a damn about Melbourne Airport'. They are the ones who are saying to 20 000 people in the north-western suburbs of Melbourne, 'You will not get a job as long as we are in government'. It is fortunate that they will not be there for much longer. Melbourne Airport is long

overdue to receive its chance to flourish, grow, be promoted and become the gateway to Australia.

Melbourne Airport does not have to do much to improve on Sydney. Over the past 15 years the federal government has kicked Melbourne to death. The Victorian government is trying desperately to bring it back to life. I say to the federal government, 'Please give us a go in the last few months you are there; Victoria and Victorians deserve a go because we are a great state and will become greater'. When the federal government is defeated at the next election it will be a giant step in the right direction.

Representative democracy

Mr MILDENHALL (Footscray) — I grieve today about the commitment of the government to the principles of democracy. The lack of domestic commitment to democracy has become one of the badges of this government, as demonstrated by its absolute contempt for local government and the telling statements by Mr Brideson in another place and the Premier that perhaps the continuation of the lack of democracy in local government would be a desirable and practical state of affairs, and the fact that these matters are decided in a democratic way by straw polls at business breakfasts.

The reduction in scope, the winding down of freedom of information and attacks on the independence of the judiciary are components of the secretive and autocratic style of this government. Not many Victorians would be aware that the government has intervened in a High Court of Australia case to argue against the principle of one vote, one value. That is an extraordinary step to take and is consistent with previous actions the government has taken, but would offend the beliefs, values and understanding of every Victorian.

One is tempted to ask: what is the bottom line of a commitment to democracy by this government? What does the government believe in when it will not fall in behind a principle of one vote, one value? The West Australian opposition, in the eyes of this government, had the temerity to mount a case for representative democracy for one vote, one value and to take it to the High Court to seek support.

It wanted to end the last outrageous gerrymander left in Australia, one that would make Bjelke-Petersen blush and one this government tried to protect. It is a structural gerrymander. It is explicit and extraordinarily undemocratic.

In Western Australia the Legislative Assembly is divided into two zones — metropolitan and non-metropolitan. The statute there requires that the average metropolitan electorate is to be 188 per cent of the size of a non-metropolitan or a country electorate. In other words, it is a requirement that a country vote be worth almost twice as much as a city vote. The average size of metropolitan electorates in 1993 was 22 000 voters. In non-metropolitan electorates it was 11 700 voters.

An example of this principle is the electorates of Wanneroo and Ashburton. In 1993 Wanneroo had 26 580 voters and Ashburton had 9315. That is a 291 per cent variation. As a result of further growth in Wanneroo and diminution in Ashburton the number of enrolled voters there is now 35 529 and in Ashburton it is 8587, which is a 414 per cent variation.

It is an extraordinary perversion of the principle of representative democracy. It is a departure from the principle of one vote, one value. Not even the regime of Bjelke-Petersen had that level of variation between electorates.

In the Legislative Council 26 per cent of electors elect half of the 34 councillors and 74 per cent elect the other half. The quotient for the particular regions shows an extraordinary variation. The council is divided into six regions in which the seats are located, and the quotient in 1993 for a north metropolitan region seat was 34 161 voters, but for the mining and pastoral region it was 9097 voters.

To elect a member of the Legislative Council from the northern metropolitan region requires 376 per cent of the votes required to elect one member of the mining and pastoral region. This is a distortion of the principle on which Australian governments are based, yet the government is spending Victorian taxpayers' money to intervene to try to preserve the system.

The Victorian government sent a three-person team to Canberra for three days of the case to support this system, and that is an absolute disgrace. We estimate that at least \$30 000 worth of legal work was done to enable the Victorian government to intervene in that case and argue that the system ought to be preserved.

The Victorian case consisted of two planks: one was the old states' rights argument. Is there any limit to that argument? Is there anything this government believes it cannot do and still fit within the context

of an Australian federation and an Australian commonwealth? That is the first part of the argument: we are a state in our own right; we do anything we like.

An example is when the Premier stood up here 18 months ago and said, 'Just because a referendum might carry the vote for a republic for the rest of Australia does not mean we have to do it. We will do anything we like. We don't need democracy here'.

Honourable members interjecting.

The SPEAKER — Order! I advise a number of members on my right that they are interjecting out of their places. Interjections are disorderly, and interjecting out of your place is a heinous crime and you must desist.

Mr MILDENHALL — The other plank of the argument was that there is no reference point. The Victorian government could not find a reference point for uniformity of electorates so the Western Australian system, where anything goes, will do. That is an amazing plank on which to run because the Victorian act requires a maximum variation of 10 per cent. The government supported that line; it was passed with bipartisan support on the grounds of one vote, one value, but now they go to Canberra and say, 'We do not support that. Ten per cent is not what we believe in'.

Mr Kennett — What are you on about?

Mr MILDENHALL — What is wrong with the 10 per cent maximum variation?

Mr Kennett — You're hopeless!

Mr MILDENHALL — It is 414 per cent in Western Australia and you are using taxpayers' money to defend that extraordinary gerrymander.

Mr Kennett — What are you talking about?

Mr MILDENHALL — You are planning one here with the redistribution. Wipe out 12 seats! The Victorian government's case is extraordinary given that the international benchmark is 10 per cent. It is also appalling given the Fitzgerald inquiry's main recommendation on the political system, which was to entrench that right of one vote, one value.

In that climate of a distorted, gerrymandered political system, corruption flourishes. That was one of the main themes of the Fitzgerald inquiry. It led to

three successive Bjelke-Petersen governments being elected on less than 40 per cent of the vote in Queensland, and it is on that basis that the West Australian position must be viewed as Neanderthal.

We are going back through the eons of time in electoral systems. Even the Queensland and Tasmanian governments have seen fit to introduce a one vote, one value system in their electoral commissions. But the West Australian system is a dinosaur, and the Victorian taxpayers are being asked to support it via the highly paid legal team turning up in Canberra to support the West Australian government in the High Court.

Of course this government has not made its participation public. Even the West Australian government has copped an enormous amount of criticism for trying to retain this extraordinary gerrymander. It is a gerrymander with a 400 per cent variation between seats.

It begs the question: what is this government up to, when you get this sort of extraordinary argument? What is happening? The Premier has often said, 'We're going to have a redistribution and wipe out 12 seats'. We have always assumed that was to keep the backbench in line. It was said to intimidate, instil fear and to make sure the backbench were kept on a tight lead so they did not cause trouble. Given the government's public abandonment of its commitment to a 10 per cent variation and its commitment to one vote, one value, the possibility of a gerrymander looms large in Victoria. On 22 July 1993 the Premier said:

We're going to be in government for a long, long time ... and if not, we will legislate to ensure it.

What form of legislation would this commitment take? One possibility is that the government has gone to Canberra and said, 'We do not believe in one vote, one value any more. We support the Western Australian system where anything goes'. In that state there is a 376 per cent variation in the upper house and an approximate 400 per cent variation in the lower house. Is that the form the legislation will take?

I call on the Premier and the Attorney-General to do two things. Firstly, they must justify the obscene expenditure of up to \$40 000 on legal work when they argued in Canberra that the one vote, one value system does not matter any more and cannot be manifested in an electoral system. That view is a repudiation of fair electoral commission process.

Secondly, I call on them to categorically rule out the possibility of the introduction of a Western Australian-style gerrymander in this state.

It is appalling that the government could contemplate moving away from its commitment to the democratic principle of one vote, one value. The Victorian community expects more from its government. It expects a fundamental commitment to basic democracy; a representative democracy where people have equal rights to elect the government and all votes are equal. A gerrymander should not exist in this day and age.

Ambulance services: response times

Mr LEIGH (Mordialloc) — I grieve about the ambulance service. A headline in the *Herald Sun* states, 'Ambulance service rotten'. Mr Rodney Morris was reported in that article as having said:

... the ambulance service had an average response time of more than 11 minutes, which was unacceptable by international standards.

Another experienced officer, Michael Edwards, was reported in the article as having said:

The service was 'rotten from the top downwards' and was a substandard emergency medical service.

He said the service had serious shortcomings. That article is dated 18 August 1992, which was prior to the last state election! Mr Morris, who is now the acting secretary of the union, gave me information that led to the coronial inquiry into the death of nine people under the Labor administration. Mr Michael Edwards was the officer who gave me the ambulance officer's diary. An article in the *Herald Sun* of 19 August, 1992 contains an edited extract from a tape recording of a man's approach to the ambulance service. The date was 10 April 1991 and the time was 5.45 p.m. The article states:

Operator: 'Can I help you?'

Mr Douglas: 'I've put two calls through for a guy on the corner of Dandenong and Glenferrie roads and the ambulance took a time to get here and the guy is dead. I want to know why ...'

Operator: 'Who are you?'

Mr Douglas: 'I'm the publican. I called the ambulance.'

Operator: 'It got there as quick as it could, mate.'

Mr Douglas: 'Well, the guy's dead.'

Operator: 'Well, we all have to, you know, to put it bluntly, we all have to die some time. Thousands of people die every day, you know, and we can't save them all. What I'm saying is it got there as soon as it did ... if you want to follow it further that's fine.'

Mr Douglas: 'Who would I take it up with?'

Operator: 'You just write to the ambulance service.'

Douglas: 'It's a ... poor show.'

Operator: 'No, it's not ... it's exactly like you in your business, sir, OK, bye bye.'

That occurred under a Labor government. After my approach to the then minister, the officer was disciplined. These are the people Mr Morris seeks to accept. These are the people who are running this marvellous business that the shadow Minister for Health has talked about. My information is that the honourable member for Albert Park and other ALP members have been promised large financial contributions for the next election provided they can do the job for the ambulance service union.

Mr Loney — On a point of order, Mr Speaker, the honourable member is reflecting on the motives of a member of this house. He is clearly in breach of standing orders and I ask you to direct this to his attention.

Mr LEIGH — On the point of order, Mr Speaker, I refer to the fact that Australian Labor Party members have received a commitment that a large sum of money is to be paid to them if they can help the ambulance union.

The SPEAKER — Order! I have heard sufficient on the point of order. I do not uphold the point of order because it does not attack the character of the member.

Mr LEIGH — Thank you, Mr Speaker. My involvement with the ambulance service and its problems goes back some time. Mr Edwards was right when he approached me with the ambulance officer's diary because the service was rotten to the core. Mr Morris is the acting general secretary and he wants to be the boss. This rogue union leader is trying to ensure that he is the next boss of the union.

Honourable members on both sides of the house know that I get a lot of Labor Party people giving

me information on a regular basis to the point that a number of times internal inquiries have been held by the Labor Party about how I get these details. Mr Morris and other people in the service are promising to campaign and provide funds for the ALP at the next state election and that is why the Leader of the Opposition and Mr Thwaites — —

The SPEAKER — Order! The honourable member will refer to members by their correct titles.

Mr LEIGH — The fact is that Mr Morris and his colleagues did enormous damage to the former Labor government when they had the opportunity by providing me with information on many occasions. I did not take up some of the information because I did not think it was accurate and/or constructive in the interests of the service. The ambulance officer's diary was useful. It resulted in the then Attorney-General, Mr Kennan, launching a coroner's inquiry into the deaths of the nine people, which demonstrated that the former government took me seriously when I made those allegations in this place.

The honourable member for Albert Park is using this for his own advantage. I do not blame him for doing that as a member of the opposition, but the saboteurs of the system, who are outdoing the French saboteurs during the Second World War, are doing this because they believe they have a right to control the system. Mr Morris wants one central ambulance service that is controlled by him so that he can be the comrade in charge!

The government has a responsibility to ensure that an efficient ambulance service is provided. At times the government is not always right, but in this instance it has come to the point where it has no choice but to take on Mr Morris and the others who are using the system for their own advantage. They do not want it to be competitive. I say to the Leader of the Opposition: take some responsibility — people are frightened to call the ambulance service because they believe they will not get the appropriate service.

Sitting suspended 1.00 p.m. until 2.04 p.m.

Question agreed to.

DISTINGUISHED VISITORS

The SPEAKER — Order! I advise the house that from time to time the Speaker is subjected to tremendous pressure from both sides of the house,

and today my arm has been twisted to that extent. I make this announcement with the clear indication to the house that I am not establishing a precedent, and I instruct the Clerks that the precedent is not to be put into that particular book.

I welcome to the Speaker's gallery the Norm Smith medallist Mr Greg Williams from the Carlton Football Club. He is accompanied by Mr Stephen Gough.

QUESTIONS WITHOUT NOTICE

City Link: financing

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to Vicroads' advice which warned against the use of tolls on the City Link project and said tolls would not be viable due to the high levels of traffic diversion on to other routes which would occur as a result of motorists having to pay the toll. Why did the government ignore this warning and choose a method of financing the City Link project which Vicroads said was clearly not viable?

Honourable members interjecting.

The SPEAKER — Order! Members of the opposition know full well the rules of this house. I ask them to put those documents away.

Mr STOCKDALE (Treasurer) — Governments are elected to govern and governments make decisions and take responsibility for them. The government stands behind — —

Honourable members interjecting.

Mr STOCKDALE — What a scandal for Victoria that we have members of the opposition who think there is some bad news for Victoria. What is their reaction? Unmitigated glee! Any bad news for Victoria is good news — —

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. Question time cannot proceed with a barrage of interjections.

Mr STOCKDALE — Before we came into power to resuscitate Victoria, this mob had it down on its back, flat on its back, and at the first opportunity

that opposition members think they have something to gain they are in here kicking Victoria again. This question and the behaviour of the opposition over the past 24 hours illustrates a level of hypocrisy that even I had not expected of the Labor Party. On 9 August 1989 under the heading — —

Mr Brumby — What date was that? When was that?

Mr STOCKDALE — On 9 August 1989 — —

Mr Brumby — Back to the 1950s!

The SPEAKER — Order! I remind honourable members that they are wasting their own question time.

Mr STOCKDALE — Even though the Labor Party doesn't like remembering the 1980s, it is useful to remind it now and then. Under the heading 'New directions in transport' the Labor government published this statement:

The Western Bypass road, connecting the Docklands with the Tullamarine Freeway, is to be funded and built by the private sector, transport minister Jim Kennan announced today.

Remember him? You don't like the 1980s. We will get to the 1990s.

The bypass will be financed, constructed and operated by a private sector group.

It will operate as a toll road, using high-tech collection methods.

Honourable members interjecting.

Mr STOCKDALE — That is the 1980s. The Leader of the Opposition does not like the 1980s so let's go to the 1990s. A media release of 22 May 1992 headed 'White announces first step for Western and Southern bypasses' states:

Private sector proposals are being invited for the funding, construction and operation of the Western and Southern bypasses — Melbourne's biggest road projects — the Victorian government announced today.

Mr Batchelor — On a point of order, Mr Speaker, according to standing order 127 the Treasurer is debating the question.

Honourable members interjecting.

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The SPEAKER — Order! Any honourable member has the right to raise a point of order with the Chair. The Chair can rule only if he hears the point of order.

Mr Batchelor — The question directed to the Treasurer was why his government rejected Vicroads' advice that tolls would be a failure. Can he answer that question?

The SPEAKER — Order! I uphold the point of order and ask the Treasurer to come back to the question.

Mr STOCKDALE — This report is relevant because it shows the real truth: that there is bipartisan support for this project as a toll road.

Honourable members interjecting.

The SPEAKER — Order! If opposition members want the Treasurer to continue answering the question, they should put those pieces of paper away and cease interjecting. The Treasurer should conclude his answer.

Mr STOCKDALE — I am just passing as rapidly as one can pass along the new freeway to further encourage private sector proposals. Mr White said:

... the government is prepared to consider support for traffic management, development rights and financial aspects of the proposals. A range of funding options is possible, including direct or indirect tolls.

On 18 September 1992 the Labor Party government short-listed — —

Honourable members interjecting.

Mr STOCKDALE — They don't like it, Mr Speaker, do they?

Honourable members interjecting.

The SPEAKER — Order! I have already ruled on the point of order raised by the honourable member for Thomastown and I ask the Treasurer to come back to the question.

Mr STOCKDALE — On 18 September 1992 the Labor Party short-listed Transurban — —

Honourable members interjecting.

Mr STOCKDALE — You don't like it when it is your responsibility, do you?

The SPEAKER — Order! I ask the Treasurer to follow the directions of the Chair and answer the question.

Mr STOCKDALE — The Labor Party short-listed Transurban and Chart Roads and this government is working diligently to bring this project — —

Mr Brumby interjected.

Mr STOCKDALE — I really look forward to question time every day. It does not matter what sort of disastrous morning you have had, you come in here and within a few minutes this sort of behaviour lifts your confidence, gets the backbench up on its feet and really drives the government's enthusiasm for the day. You walk out at the end of question time ready to fix up a few more Labor Party bungalows and get on with running this great state.

The SPEAKER — Order! I ask the Treasurer to conclude his answer.

Mr STOCKDALE — I think the Leader of the Opposition should be known as Tonic. He is really great for confidence. The best thing he can do for public confidence is to stay on that side of the table, because imagine the impact he would have if he were over here!

The government stands behind this project. We are acting to protect the interests of the Victorian taxpayers, a concept that is completely foreign to the Labor Party. If a proper risk-sharing formula is developed within the next 10 days, the project will proceed. The government is putting all parties on notice that it will not abandon the interests of Victorian taxpayers and if it cannot achieve a satisfactory risk formula it is prepared to examine all options, including not proceeding with the project.

I remain confident that one or other of the consortia and their backers will triumph over the carping negativism of the Labor Party and Victorians will enjoy the benefits of this reform. Thank you for your question.

Exports: state performance

Mr LUPTON (Knox) — Will the Minister for Industry and Employment inform the house of

recent developments in Victoria's export performance?

Mr GUDE (Minister for Industry and Employment) — I thank the honourable member for his question because, unlike most members opposite, he has a genuine interest in the development and growth of this state and in particular its export performance. In September 1993, when I announced the government's industry statement, I said we would establish a pilot scheme to be known as the export manager program. That program was designed to assist small and medium-sized enterprises — emerging exporters — to develop their markets through the employment of dedicated, full-time, first-time export managers. Each successful applicant receives a grant of 50 per cent of the export manager's salary in the first year and 20 per cent in the second year, up to a ceiling of \$50 000.

The program has exceeded our best expectations. In the first year of operation 20 companies increased their export sales by \$92.5 million, up from \$67.5 million in 1992 to \$160 million in 1993-94. The even better news is that the export figure for 1994-95 is more than \$250 million. The export figure was only \$67.5 million when the program started just two years previously.

An honourable member interjected.

Mr GUDE — An honourable member interjects about that performance and suggests the government might take some of the credit. I think perhaps we might take some of the credit because Victoria's total exports are now worth \$12.4 billion. They have grown by 30 per cent since the government came to office compared with 20 per cent for the rest of Australia. We have done very well, indeed. When one discounts the value of mineral resources that are driving the export performance of states like Western Australia and Queensland, one can see how good Victoria's performance is. In the performance of elaborately transformed manufactures — that is, the value-adding end of export — the figure for Victoria has grown by a massive 119 per cent in the same period. All that has been achieved for a modest state investment of \$800 000, and we are reaping the benefits of millions of dollars in exports every year.

Not only does that mean wealth creation in those organisations, but also lasting, long-term, sustainable jobs for Victorians as these markets are

successfully penetrated by our quality emerging exporters.

The pilot program was so successful the government has now decided to extend it to some 60 companies a year. I am pleased to advise the house that I have today approved 30 more export managers for Victorian companies. That means 30 more companies will be given the opportunity to grow and prosper in the best business state led by the best state government.

City Link: financing

Mr BRUMBY (Leader of the Opposition) — I refer to a 1993 Treasury submission to the Industry Commission which warned against the use of tolls on roads in Melbourne describing them as problematic because of the capacity for widespread avoidance by using existing roads. Why did the Treasurer ignore his own department's warnings against tolls and the financing of projects in the way proposed for City Link?

Mr STOCKDALE (Treasurer) — The mess the Labor Party left behind in Victoria meant there was no realistic prospect of funding that important project as a capital works project. That was recognised by the Labor Party when in government.

Mr Brumby interjected.

Mr STOCKDALE — You know everything, don't you!

The SPEAKER — Order! The Leader of the Opposition has posed his question. He may not continue with a barrage of supplementary questions. The Treasurer will be heard in silence.

Mr STOCKDALE — That mess meant the only viable way of conducting the project was to do so via a toll or other private-infrastructure-funded proposal. The Labor Party proposed that; that is how those press releases resulted. But since the Leader of the Opposition was appointed, the Labor Party has had no vision and no commitment, offering no prospects for the future; there has just been negative, carping criticism. The Leader of the Opposition flicked the interests of Victorians like a Greg Williams handpass. The only good thing about the attitude of the leader — —

Mr Brumby interjected.

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Mr STOCKDALE — Just put the camera on him; let the people of Victoria see how he behaves.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order and I ask the Leader of the Opposition to remain silent.

Mr STOCKDALE — I have to apologise. The Minister for Agriculture has reminded me that my metaphor was not appropriate; Greg Williams's handpasses hit their mark, unlike those of the Leader of the Opposition.

The only good thing about the behaviour of opposition members in the past 24 hours is that it again demonstrates they do not stand for anything; they have no commitment to Victoria; and they have no vision for the future. They will not even stick to the policies they supported in government. They have no consistency — just hypocrisy. In contradistinction to the policies being pursued even by Labor governments in other states and in the federal Parliament, the performance of opposition members has shown that they are unfit for office, and their behaviour guarantees that they will not get there.

Smoke detectors

Mr McLELLAN (Frankston East) — Will the Minister for Planning inform the house of the government's recent initiatives regarding smoke alarms in Victorian homes?

Mr Haermeyer interjected.

Mr MACLELLAN (Minister for Planning) — I ask that the honourable member for Yan Yean not mock the subject because these initiatives have the support of the opposition. I would think no member of the house would want to raise any spectre for those families that have suffered a tragedy as a result of a fire. I am dealing with the serious question of the installation of smoke alarms.

Mr Micallef interjected.

Mr MACLELLAN — Perhaps the honourable member for Springvale has a problem with that.

Mr Micallef — You will have us in tears in a minute.

The SPEAKER — Order! The honourable member for Springvale will remain silent.

Mr MACLELLAN — I suppose the smoke has got in his eyes! A new building regulation is proposed that will require the installation, as a minimum, of battery-operated smoke detectors.

Mr Leigh interjected.

The SPEAKER — Order! The outburst by the honourable member for Mordialloc is unsatisfactory. I ask him to come to order.

Mr MACLELLAN — The government recommends that home owners and those who have rental properties have hard-wired smoke detectors installed to ensure, firstly, the longer life of smoke alarms and, secondly, that they do not require constant maintenance with batteries having to be replaced.

It is positive that the opposition has supported the initiative, which is a first for Australia. The government is setting out to deal with increasingly hard safety issues, as in the case of swimming pool safety. Through building regulations the government is now dealing with the equally difficult task of ensuring the retrofitting of housing, especially rental housing, with smoke detectors by the year 1998.

The selected mechanism is that on change of ownership, tenancy or, as a last resort, by the year 1998, smoke detectors will be fitted in at least all domestic premises in Victoria. That will set a standard for Australia. I hope the government gets the cooperation of the industry in ensuring an effective scheme by which this can be done.

I commend my colleague the Minister for Housing on his agreement to undertake the installation of smoke detectors in state public housing. Such initiatives are a great step forward in ensuring the safety of both owners and occupiers across the state.

City Link: commercial risk

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to statements on City Link by the Minister for Roads and Ports that, firstly, 'the public purse will not be underwriting this scheme'; and, secondly, 'the successful consortium is to take all the commercial risk'. How does the Premier reconcile those statements with his comments on radio 3AW this morning when he said that the project 'involved

all parties sharing some risk' and that the government would make up for any loss caused by government decisions that had a demonstrable effect on the project?

Mr KENNETT (Premier) — I thank the Leader of the Opposition for asking me a question. I understand that while I was away he was not at work, and since I have been back he obviously has not been at work. As the Treasurer said, the only time the Leader of the Opposition reacts is when he perceives something to have gone wrong within society. Whether the subject is the ambulance service or this project, he is a reactionary leader showing no leadership at all. It is not hard to understand the processes —

Mr Micallef — We have not had anything like an answer.

Mr KENNETT — It is not hard to understand the processes —

Mr Micallef — It is when we have to look at you.

The SPEAKER — Order! I have had cause to speak to the honourable member for Springvale on two occasions now. I will not speak to him a third time. If he continues to interject, I will take action against him.

Mr Micallef — Over to you, Kennett.

The SPEAKER — Order!

Mr KENNETT — It is not hard to understand the logic behind a project of this size if a little thought is given to it. The Leader of the Opposition should know, as the Treasurer has indicated, that the project was started by his predecessors. There were two bidders left in the process at the change of the —

Mr Brumby interjected.

Mr KENNETT — I thought the Leader of the Opposition asked me a question. He can have the answer. If he is not interested in the answer, I will sit down.

Two bidders were left in the tendering process. One was Transfield, which formed a consortium called Transurban, and the other was Chart Roads. They were the same consortia the government, on coming to office, felt obligated to allow to compete for the job, given that they had spent so much money in the process.

Mr Brumby interjected.

Mr KENNETT — You are not interested, fair enough.

Honourable members interjecting.

The SPEAKER — Order! There is 6 minutes to go in question time, but if the noise continues I will leave the chair and come back in 7 minutes.

Mr Brumby interjected.

The SPEAKER — Order!

Mr Brumby interjected.

The SPEAKER — Order! The Leader of the Opposition will heed the Chair.

Gippsland: health services

Mr RYAN (Gippsland South) — Will the Minister for Health advise the house of the government's plans to improve hospital and health care for the people of the Latrobe Valley and the whole of Gippsland?

Mrs TEHAN (Minister for Health) — I thank the honourable member for his question and his ongoing interest in the provision of quality health care services in the Latrobe Valley and the Gippsland region. This morning the government announced an outstanding development for the people of the Gippsland region — that is, a brand new state-of-the-art hospital will be built within the next two and a half years with a completion date at the end of 1997.

The hospital will provide the very best in facilities and technology. It will provide many opportunities for the people of Gippsland and the Latrobe Valley because the Gippsland region has not had the advantage of an outstanding country-based hospital that has been apparent in other parts of Victoria. Hospitals in the Gippsland region have also not had the opportunity of university involvement or strong private sector involvement.

The government has announced today the opportunity to build, as I said, a state-of-the-art hospital which will provide a full range of services, including expanded services in psychiatric care, services for the aged, paediatric, medical and surgical services and 24-hour services. The hospital will be built and operated by the private sector. It

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will provide a full range of services to the general public of the Latrobe Valley and specialist services for the whole of Gippsland. The government is looking at the model that has been established in Victoria over many years — that is, hospitals such as St Vincent's Hospital which is a privately owned hospital operated by the Sisters of Charity. However, for many years that hospital has provided general public health services for the people of Victoria.

Of more recent days the hospital at Werribee, the Mercy Werribee Hospital, commissioned by the former Labor government, is a similar example of a privately built hospital and a privately operated hospital serving the public sector. Both those examples have worked extremely well. The government is confident that this privately owned and operated hospital with its alliances with Monash University will be successful and that specialists will now be attracted to the new hospital.

The new hospital will stop the flow of patients out of the Gippsland region into the metropolitan area because medical services will be provided at the new hospital. Registrations of capacity or capability will be called for on Saturday at the end of this week. The government will look at those registrations of capability and a tendering system for contracts will be let over the next four or five months. It is anticipated that the contractors will then be in a position to start building in about the middle of next year. An advisory committee will be set up to work with the new hospital to represent the needs of the community.

The new hospital is an outstanding announcement for the Gippsland area, and I am sorry the honourable member for Albert Park is not here to hear it. I noted that he happened to be in the area today and that he used a forged invitation in an effort to get into the function. Had he rung me and showed any interest I would have been delighted to ask him to attend the function where I made the significant announcement, but he was skulking around trying to wheedle his way in using a forged invitation. The people, doctors and hospital board in Gippsland are delighted with the announcement, and I am sorry the honourable member for Albert Park is not here to share it with us.

City Link: commercial risk

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to the press release on City Link

issued by the Minister for Roads and Ports last night which states:

The public purse will not be underwriting this scheme.

If that is the case, why did the government issue Governor in Council orders on 7 September this year giving the Treasurer the power to make guarantees in respect of the City Link project and also indemnifying Transurban for any expenses, losses, damages, costs or liabilities incurred by the consortium?

Mr STOCKDALE (Treasurer) — Even the Leader of the Opposition would have to admit that this is an extremely large project and that inevitably commercial relationships are complex. He seeks to oversimplify them, and that is understandable since the parties — —

Mr Brumby interjected.

Mr STOCKDALE — What a great pity we can't have a camera just committed to him so that the people of Victoria — —

Honourable members interjecting.

Mr STOCKDALE — It would be immensely valuable if the people of Victoria could see the behaviour of their Leader of the Opposition. What a petulant child he is.

As the Premier has explained, any project of this kind involves a sharing of risks. The government has made it clear repeatedly in relation to private sector development that it is not prepared to take the commercial risk. However, there are certainly risks that are inevitably better managed by the state. As I explained to the Public Accounts and Estimates Committee when it — —

Mr Micallef interjected.

The SPEAKER — Order! The honourable member for Springvale will remain silent.

Mr STOCKDALE — Inevitably there are some responsibilities that are better managed by the state where trying to shift those to the private sector would raise a risk of the taxpayer actually having to meet a higher cost than would be — —

An Honourable Member — Name one!

Mr STOCKDALE — For example, changes in state law where the state Parliament makes the law and you cannot expect the proponent to bear the risk of the Parliament changing the law. A sharing of the risk is involved and nothing in the quotes previously referred to, in last night's press release or in any statement by the Minister for Roads and Ports alters that fact, nor was anything said by the minister intended to convey an impression different from the fact that the government is not assuming the commercial risks of the operation of the business being granted a concession here but that a sharing of risks is negotiated.

If the Leader of the Opposition understood anything at all about the subject matter he has embarked upon in the past 24 hours he would understand that it is about disagreement and about the sharing of risk. He seems to have launched into this with his usual enthusiasm and reckless disregard for the facts without pausing for a moment to reflect on the commercial realities of the situation.

Honourable members interjecting.

Mr STOCKDALE — Let's just look at that. The Leader of the Opposition has made a proposal which would fund a one-lane, one-way freeway right around Melbourne. That would be a great boon for the people of Victoria! Alternatively we could have a two-lane project with a bridge that ended halfway across the river! The Leader of the Opposition has nothing to offer the people of Victoria. The only saving grace is that the people of Victoria know this and are registering their opinion every time the pollsters come around and ask them.

DOMESTIC BUILDING CONTRACTS AND TRIBUNAL BILL

Introduction and first reading

Mrs WADE (Attorney-General) introduced a bill to regulate domestic building contracts and to establish a Domestic Building Disputes Tribunal and to amend the House Contracts Guarantee Act 1987 and the Building Act 1993 and for other purposes.

Read first time.

TRUSTEE AND TRUSTEE COMPANIES (AMENDMENT) BILL

Introduction and first reading

Mrs WADE (Attorney-General) introduced a bill to amend the Trustee Act 1958 and the Trustee Companies Act 1984 and for other purposes.

Read first time.

FISHERIES BILL (No. 2)

Introduction and first reading

Mr COLEMAN (Minister for Natural Resources) introduced a bill to reform the law relating to Victorian fisheries, to repeal the Fisheries Act 1968 and to make consequential amendments to certain other acts and for other purposes.

Read first time.

LAND REVOCATIONS (AND OTHER MATTERS) BILL

Introduction and first reading

Mr COLEMAN (Minister for Natural Resources) introduced a bill to revoke certain revocations over land and Crown grants in relation to certain land, to re-reserve certain areas of land, to amend the Kew and Heidelberg Lands Act 1933 and the Ballarat (Sovereign Hill) Land Act 1970, to repeal the Ballarat (Sovereign Hill) Land Act 1973 and for other purposes.

Read first time.

ZOOLOGICAL PARKS AND GARDENS BILL

Introduction and first reading

Mr COLEMAN (Minister for Natural Resources) introduced a bill to establish the Zoological Parks and Gardens Board and define its functions, to provide for the management and administration of zoological parks and gardens, to repeal the Zoological Parks and Gardens Act 1967, to amend the Borrowing and Investment Powers Act 1987 and the Conservation, Forests and Lands Act 1987, to make consequential amendments to other acts and for other purposes.

Read first time.

GAS INDUSTRY (EXTENSION OF SUPPLY) BILL

Introduction and first reading

Mr COLEMAN (Minister for Natural Resources) introduced a bill to amend the Gas Industry Act 1994 and for other purposes.

Read first time.

APPROPRIATION (1995-96, No. 1) BILL

Second reading

Debate resumed from 10 October; motion of Mr STOCKDALE (Treasurer).

Mr BATCHELOR (Thomastown) — During question time today we witnessed an unprecedented event when the Premier of the state ducked for cover when being called to account in answering questions about the most important issue facing this state today, the imminent collapse of the City Link project, a project with a value approaching \$2 billion. When the Premier is asked a question he ducks for cover, scampers out of the house and will not come back into the chamber to make what he is responsible for known to Parliament. It is an absolute disgrace!

It mirrors the other tragic events we saw that began last night and continued today. In the dark of last evening away from the Parliament the Minister for Roads and Ports was sent out to do the dirty work on behalf of the Premier because the Premier squibbed it. When there is good news the Premier is centre stage, pushing the Minister for Roads and Ports to one side, making all the good-news stories: comparing himself to the monumental aspects of the City Link project and claiming all the credit for it. But when it is about to fall into a deep hole, sent to the bottom of the bay, the Premier is nowhere to be seen. He continued that line today.

I turn to the role of the Minister for Roads and Ports and the Treasurer. The two members have to be seen as the Laurel and Hardy of Victorian politics. Last night before a press conference we saw the Stan Laurel of Victorian Parliament, the Treasurer, saying to the Minister for Roads and Ports, 'What a fine old mess you've got me into!'.

The SPEAKER — Order! The Chair has given the honourable member for Thomastown some latitude.

I ask him in future to refer to honourable members by their correct titles.

Mr BATCHELOR — This whole episode is a tragic event in the life of the Victorian Parliament and is costing Victorians millions of dollars. In my appropriation contribution I shall examine the sequence of events that has unfolded overnight to show what people have said on behalf of the government and compare that with what the Minister for Roads and Ports has been told to do. On the one hand he has been given a press release by the Dr Goebbels machine and told to make an explanation, but on the other hand, the Premier this morning is moving away from that and the Treasurer has also for some time been saying something completely different.

The Minister for Roads and Ports last night made it very clear in the press release that the public purse will not be underwriting this scheme. He said:

Transurban's backers must accept the necessary risk if Transurban is to proceed with the construction of the City Link.

That is what the Minister for Roads and Ports was told to say last night, which he dutifully did. The news release also states:

Roads and ports minister, Mr Bill Baxter, said the final signing of contracts had not occurred because the banks and underwriters behind the Transurban consortium had been seeking to transfer risk to the public sector.

He said the government would not back away from its policy of not accepting commercial risk being carried by the public sector.

Also in the press release the minister said that the government would hold discussions with Chart Roads to see if it were interested in picking up the project, clearly in the expectation that Transurban would not be able to continue with it.

A number of points in the press release are significant because the minister repeated the essential nub of what he was told to say on radio this morning. Speaking on the Peter Couchman program this morning on 3LO, the minister said:

It is now as we get into the very fine print in the concession deed that there's been some attempt by the banks to transfer risk on to the taxpayer.

Further in the interview he said:

... we're seeing it is our role on behalf of the taxpayers of Victoria to make sure that in a contract that's going to last for 34 years that we are not going to have visited back upon the taxpayers of Victoria any risk that ought properly be borne by the consortia and their financial backers.

One can see from the minister's contribution on the Peter Couchman program that he was continuing the line he was given to peddle on behalf of the government. Later in the interview the minister said:

... we've made it very clear right from the word go that if this was to be a genuine BOOT scheme — build, operate, own, transfer scheme — that it had to be that the commercial sector, the bidder plus its financial backers, were carrying the commercial risk and if it wasn't going to be that, why were we doing it in the first place? Why weren't we just getting Vicroads to build it? We weren't doing that because that would have meant borrowing money ...

Right up to just before the 9 o'clock news this morning the Minister for Roads and Ports was carrying the party line, delivering the message as he was supposed to do. At the same time on the other leading Melbourne commercial radio station, 3AW, the Premier was painting a completely different picture.

Bearing in mind what the Minister for Roads and Ports said on radio station 3LO, it is important to set the scene and examine what the Treasurer said before the Public Accounts and Estimates Committee on 27 September this year. I was there, and the Treasurer made it apparent to all who were present that the government was negotiating with Transurban around the question of risk.

At that hearing the Treasurer made it clear that what was going on behind the scenes, away from the limelight, was negotiation about risk sharing. The nub of the whole debacle is that on the one hand the Minister for Roads and Ports trots out his public line, but for a long time prior to that the person in charge of the financial arrangements for this project, the Treasurer of Victoria, was overseeing negotiations where there was some argy-bargy, some toing-and-froing about the sharing of risk for the project. The Treasurer said on 27 September:

We expect them to be finalised —
that is, the formal contract negotiations —

within the next couple of weeks. As far as I'm aware we have not given any guarantee at the moment but as is common in projects of this kind the sharing of risk between the government and the taxpayer on the one hand and the private sector proponents on the other is a matter of hot negotiation and there will be certain risks that it is better for the government to bear, so that for example there might be uncertainty in which we are advised that if we leave the uncertainty on some issue the private sector is likely to overcompensate in order to protect itself and the taxpayer would actually be better off if we assume that risk ...

In this statement from the Treasurer very significant points are being made and they absolutely contradict what the Minister for Roads and Ports was saying in his press conference in the dead of night last night or on radio this morning. It is quite clear that the minister did not know what was going on. It is a case of gross incompetence, and there have been numerous calls for the minister to resign.

Although I have not heard the news of today I suspect he has not had the courage to do that, but that is what he ought to do. Unless he does so today we will be calling for not only his resignation but for the resignation of the person who has been orchestrating this financial debacle currently facing Victoria and that is, of course, the Treasurer.

The Treasurer was saying that negotiations between the government, in effect, and Transurban were under way. He was saying that they were hot negotiations and that the negotiations were being carried back and forth concerning the allocation of risk — we'll take some, you'll take some. You can just see them in negotiations: 'You take that aspect and we'll take this one'. Despite the ability to carry out negotiations away from the public glare, in private and in secrecy, they were still unable to reach a mutually satisfactory outcome.

What would be the consequence of the financial outcomes so far as Victorian motorists were concerned if Transurban were to carry what it regards as an unfair financial or commercial burden in this project? The Treasurer says that it would be likely to overcompensate to protect its financial interest. I stress that that is his word: 'overcompensate'. What does he mean by that? He means charging higher tolls; slugging the Victorian taxpayers even more for the use of roads.

One has to bear in mind that these roads include the existing South Eastern Arterial, the existing Tullamarine Freeway and the existing West Gate

Freeway. The linkages between the two are the only new components of the City Link project. Much of the existing roadway is already there and Transurban knows that people will be angry and hostile if they are asked to pay tolls on existing roads. The RACV has conducted its own market research and identified these thresholds of pain and the corresponding monetary amounts. It has clearly indicated that there are levels at which massive numbers of people will refuse to use the tollways and will divert into the side streets.

In trying to come to grips with this conflict between the Minister for Roads and Ports on the one hand and the Treasurer and Premier on the other it is worth reviewing what the Premier said on radio this morning at the very same time as the Minister for Roads and Ports was talking on another radio station. It is really illuminating. I want to quote a number of statements from the Premier today because they address the crucial split within the government that has emerged from its attempts to explain the debacle which now characterises the City Link project. The Premier said on radio this morning:

... you asked the question. It was. We put together a tender document which said that we needed a BOOT scheme which was going to involve all parties sharing some risk. What has developed is we've had the ... awarding of the preferred tenderer status, we've had a memorandum of understanding, all signed on the basis that it be a BOOT scheme, and it's only in the last few weeks that we've found that the banks, and I don't mean necessarily the consortia parties, but the banks have said hang on...

This is the Premier admitting that during these negotiations the government has suddenly hit this rock, this obstacle preventing the reaching of some agreement as to what the correct allocation of risk ought to be.

The explanations given by the Premier and the Treasurer are at odds with the explanation given by the Minister for Roads and Ports. When you understand that these negotiations have been going on for some time you must look to the waves, the ebbs and flows, of those negotiations. They have changed over time as the negotiating parties have travelled to and fro and at various times the government has sought to provide legislative mechanisms of some comfort to the Transurban consortium.

I now refer to the gazetting on 24 August of an order which linked the City Link project with another act

of this Parliament. The City Link project was to be a nominated project under the Project Development and Construction Management Act 1994. I am not aware of that act being used before. It was specifically put in place to cater for the development and building of large infrastructure projects such as City Link. On 24 August, the government gazetted the City Link project under the act. This indicated that the Minister for Roads and Ports would be the responsible minister for the project.

The act gives the government enormous wide-reaching powers. It can do virtually anything it likes under the act in terms of construction, compensation and acquiring homes and factories. It provides unlimited and unprecedented powers. Honourable members will not be surprised that an act that provides for development projects has wide-ranging powers. However, buried away in the act is section 27, which allows the Treasurer to execute guarantees in respect of a particular project. The nomination of the City Link project comes within the terms of the Project Development and Construction Act and allows the Treasurer to give guarantees, grant indemnities and do a number of other things. Section 27(1)(a) allows the Treasurer to execute and guarantee in favour of a person or a body in respect to an agreement or contract being related to a nominated project — which we now know the City Link project is. The Treasurer can give any guarantee he likes to any individual, to a bank, to Transurban or to some other foreign financial institutions. He has been given the powers and the negotiating tools to do that.

He has also been given powers to execute an indemnity or covenant in favour of a person or body in respect of any loss, damage, cost or liability incurred in relation to the nominated project. He can not only give guarantees but also can provide indemnity against any loss that may occur relating to the City Link project. Section 27(3) also provides that section 30 of the Borrowing and Investment Powers Act also applies to this guarantee. I will come back to the guarantees that apply under the Borrowing and Investment Powers Act which also apply to the nominated project, City Link.

If those powers did not grant enough concessions in the negotiating phase, the government had to come back again to give a clearer indication to the public and to the consortium of what it had in mind. On 7 September orders in council were published in the *Government Gazette* which again revealed an interesting insight into the toing and froing of

negotiations between Transurban and the government. An order dated 29 August states:

The Governor in Council under section 8 of the Project Development and Construction Management Act ... specifies the provision, listed below, which is to apply in relation to the nominated project, being the Melbourne City Link project:

- (a) section 27 of part 3 of the act is to apply in relation to the nominated project.

Clearly the government obtained legal advice that said the original nomination under the Project Development and Construction Management Act was not sufficient and a second order in council needed to be gazetted in relation to the City Link project, which the government proceeded to do on 7 September.

To understand the impact of those two orders, you need to go to section 30 of the Borrowing and Investment Powers Act because, as a result of those two orders, it applies to the City Link project. Section 30 says:

If the Treasurer so determines, a guarantee, indemnity or covenant under this Part may include interest charges and expenses chargeable by the creditor ...

Honourable members can see that during the negotiations, not only did Transurban and its financiers want a guarantee, they wanted to be covered for charges, interest charges and expenses. In section 30(6) of the Borrowing and Investment Powers Act the gem is laid out before us. It provides the Treasurer with the legislative mechanisms to pay over the money. Subsection 6 states:

Such sums as may from time to time become due and payable by the Treasurer under a guarantee, indemnity or covenant under this Part shall be paid out of the Consolidated Fund which is hereby to the necessary extent appropriated accordingly.

We have a mechanism for the Treasurer to pay the money required should these negotiations be concluded. We can only speculate on what happened in the negotiations. We demand an explanation from the government about this because negotiations took place for longer than was suggested or predicted and for much longer than the government was prepared to tolerate. During these negotiations, which were going backwards and forwards and were driving the Premier crazy — you could hear that in the comments he made on 3AW this morning — the government was arming itself

with these additional powers to give guarantees, to cover losses, to pay interest charges and to provide a mechanical way of emptying out the consolidated fund into the coffers of Transurban.

The government has been caught out overnight. It thought that by making an announcement away from Parliament during the dead of night it would be able to get away with it. But clearly below the surface its plans for handling the media announcement and its attempt to trick and obfuscate have struck below-the-surface tensions and divisions between the Minister for Roads and Ports on the one hand and the Premier and Treasurer on the other. They sent a boy to do a man's job, and he failed! He has been hung out to dry. He has been found wanting. It is his ministerial career that is in jeopardy because he has not got a clue about what is going on.

It is clear from what the Premier and the Treasurer said today that the government has been negotiating the sharing of the risks for this project. The banks have said to the government, 'The way you have structured this project is so hopeless that unless you give us these guarantees it will fall over. We are not prepared to put our depositors' money on the line if we are likely to lose it in a hare-brain City Link scheme under the financial arrangement that you insist on as the basis for the project'.

The Minister for Roads and Ports hasn't got a clue about what has been happening in this area. It is clear from the comments made by the Premier and the Treasurer that they have some other agenda — that they have been pushing different matters and have kept the poor old Minister for Roads and Ports absolutely in the dark. At the beginning of my contribution I likened this to an episode from Laurel and Hardy: 'What a fine old mess you've got me into!'. That is exactly what has happened. The Minister for Roads and Ports will have to carry the can for this, and as each hour unfolds it gets much more complicated. It gets murkier by the minute. If the position of the Minister for Roads and Ports wasn't untenable before, surely it is now.

On 2 September this year, before all of this became public, I wrote to the Auditor-General and asked him to carry out an inquiry into the contract and into whether and on what basis this government had assessed the financial benefits to accrue to the Victorian community. As I pointed out earlier today, all around Australia people have been advising this government and other governments that tolls are a failure. I listed six areas where the government had

received prior advice. There is now a seventh and more will come out as the days go by. As they do, they will be brought to the attention of the Parliament. In May this year, when talking about the use of BOOT schemes to build road projects, the Economic Planning and Advisory Council said:

Indeed unless the risk profile matches the form of provision, private sector involvement may represent a false economy ...

The emphasis in some states on private toll roads may therefore be misplaced.

The most senior economic advisory body in Australia said: 'You are stupid if you take on tolls as a way of funding major road infrastructure'. What has this government done? Like the other six early warnings that the government ignored, it has ignored the advice of EPAC. The government stands condemned for its inability to manage this project.

Mr HYAMS (Dromana) — What an amusing experience to listen to the shadow Minister for Public Transport speak for half an hour on a subject about which he clearly knows nothing. It is really a disappointment. But if he had spoken on the appropriation bill it would also have been on a subject about which he knows nothing — so it was fifty-fifty either way. When he talks about the City Link project it is clearly a case of a little knowledge being worse than no knowledge at all. Sometime between yesterday's announcement by the government on the City Link project and the appropriation speech this afternoon, the shadow minister had a few briefing papers shoved into his hands and had a fast learning curve on the subject of private investment in public infrastructure. I must say it is a subject that requires a lot more study.

The shadow minister should remember some of the speeches Labor Party members made when in government. The former government was planning to proceed with certain projects, not only in the transport field but elsewhere, by using private investment — a mechanism for developing infrastructure not only in Australia but around the world and an imperative if communities are to develop infrastructure for which governments can no longer afford to pay.

It is also worth remembering that the Treasurer made the most valid point of all when he said the reason this government needed to look for private investment in public infrastructure is that the cupboard was bare when we got there. There was no

money left; there were huge debts. We had no ability to borrow on the top commercial and financial bases. So the logical and obvious next best step is to go to the private sector for infrastructure development in this country. If we don't, the cost of production in Australia will drop further and further behind. Australia's competitiveness, especially Victoria's in this case, will fall further and further behind not only in export industries but also in the substitution of imports — an equally important yet neglected area. I congratulate the government on working hard on this project, and I treat with some contempt the wild and woolly comments of the shadow Minister for Public Transport, who plainly does not have a decent grip on this subject matter or on this project.

It is a great pleasure for me to contribute to the debate on the 1995-96 budget. I congratulate the Treasurer on his fine achievements in the first three years of this government. This budget, which I understand is about his seventh major financial statement to this Parliament, is an important statement on the progress in the financial and other areas of the government. I congratulate him on its clarity, the transparency he is introducing into government accounts and the integrity which has been brought back into financial reporting in this state. It enables all sorts of interested parties and commentators to read the accounts, understand what this government is doing and, most importantly, have confidence that there are no under-the-table or sleight-of-hand tricks taking place. What you see is what you get. This is a fine set of accounts, an excellent progress report and one of which this government can be very proud.

The appropriation bill is important, firstly, as a set of interim accounts. It is a short-term statement of the financial and other affairs of the state. Secondly, it is important because it is yet another important stone in the foundation of Victoria's long-term future. As the Premier has said on numerous occasions, the government has a long-term perspective in its administration, unlike any of its predecessors and unlike most other governments around this country. But you cannot plan for the distant future if today's building blocks are not sound, strong and totally reliable. That is what this budget is all about. That is what this Treasurer is all about, and that is a crucial objective of this first Kennett government. That, I have to say, is the key explanation of the 1995-96 appropriation bill.

As a short-term progress report, what does this bill tell us? What does the statement tell us? What does

the Treasurer's speech inform us about? How should we interpret this financial statement? The signals this statement sends are vital to Victorians, the financial markets, business people and investors. Fortunately, the signals sent by the budget tell us that the Victorian government is in line with, or in many cases ahead of, the targets it set itself three years ago. It is making great progress in restoring the state's finances. It is restructuring and it is improving service delivery in Victoria.

The government is tackling the problems of infrastructure investment as well as the horrendous debt levels left behind by its Labor predecessors; and perhaps, most importantly, it is now restoring the confidence and pride of ordinary Victorians in this state, which we have not seen for so long. The budget tells ordinary Victorians, investors and business people they can now have confidence in Victoria, knowing there is continuity in government, predictability in decision making and a certainty about approaches to the tasks and challenges of bringing Victoria into the 21st century.

The bill, unspectacular as it is, is a tremendous success, but I should like to look in more detail at some of the short-term achievements that have been announced. The Treasurer's first job on taking office was to start cleaning up the horrendous financial and economic mess left behind by the Kirner Labor government. What a terrible mess that was. To begin with the state had an unsustainable and ever-expanding current account deficit heading well towards \$2 billion a year or more. It was a deficit that was already serious and getting much worse. It was totally unsustainable without drastic action and the restoration of some sound business-like principles of financial management.

The capital account was more or less decimated and there were serious capital losses. We saw the State Bank, Tricontinental, VEDC and Pyramid disasters. We also saw black holes in the capital accounts of this state. The new Minister for Education found that maintenance amounts had not been spent on school buildings right across Victoria. There were numerous other instances where the capital account had been routed to pay for recurrent expenditure and where Victoria's accounts had been totally prostituted and effectively destroyed as any kind of meaningful record of the state's financial position.

Along with the collapse of the capital account the escalating debt was way in excess of \$30 billion. It was accompanied, as announced by the Victorian Commission of Audit, by more than \$30 billion of

unfunded liabilities, specifically superannuation but others, too. That was an almost unbearable debt burden. The annual interest cost brought the state to a financial crisis and, worst of all, on the day he came to office the Treasurer inherited a state economy absolutely bereft of confidence or pride.

Any business person wanting to invest in Australia took one look at Victoria and went elsewhere because of the record of the previous 10 years. Any sensible economist was frightened of outlaying even \$1. Worse still — and what is not reported or so well recognised — established Victorian businesses were looking elsewhere. Some had already looked and had left the state because the prospects in Victoria were so poor. The prospect of another term of Labor would have left this state without sound investors, without any confidence and certainly without any pride.

That was the context within which the Treasurer had to set his first financial management plans. All the more reason why this third budget is such a triumph. It was even taken off the front pages of Victoria's newspapers by an unprecedented fall of snow on the day it was released. That such a fine statement was not newsworthy showed that the management of Victoria's finances is viewed as being predictable, strong and consistent, and that is an achievement for the government.

Most importantly the budget tells us that Victoria has now achieved a sustainable current account surplus and, in the year just finished, a surplus on the overall budget account as well. That is the first time that has happened since around 1961. Looking ahead, although we have an overall budget deficit arising from financial transactions in the pipeline, which were inherited from the previous Labor government and which are not able to be removed, the current account surplus will continue into the 1995-96 financial year. The good news is that the current account is in surplus, debt is being reduced all the time and, as we head towards the end of this century, we will see the debt burden falling further. Although in absolute terms it might be around the same level for some time, it is anticipated that debt will fall from 31 per cent of GSP in June 1992 to less than 22 per cent of GSP by June 1999. Along with those falls in debt we have seen other tremendous improvements — that is, reductions in the level of unfunded superannuation liabilities.

The Treasurer has pointed out correctly that the Victorian economy is really improving. The growth

in gross state product is up from minus 2.4 per cent in 1991-92 to roughly 4.75 per cent in 1994-95 and is likely to be 3.5 per cent in the year ahead. Business investment is up by 45 per cent, output per employee is up, total employment in the state is up and the unemployment rate has declined from around 12.6 per cent to 8.6 per cent. What a fine achievement that is when all the opposition could tell us was that a decline in the number of public servants would increase unemployment. What a lot of nonsense.

I will not spend time discussing the fine initiatives on the recurrent and capital accounts because they are well recorded both in the budget and in the autumn statement. However, funds have been allocated for an area in which I am especially interested: mandatory reporting and child protection programs, an extremely important and worthwhile area of state administration. Money is also allocated to acute-care hospitals, vocational training, industry initiative programs and municipal library grants on a one-off basis. The government's multimedia initiative attracts a small amount of \$3 million, but it establishes a precedent and a principle that the government is moving into the 21st century with 21st century technology and 21st century thinking, which is more important. On the capital side we see money for transport, education and health projects and numerous other capital allocations, including \$10.5 million for arts-related projects and \$9 million for the official buildings heritage program.

In endorsing the far-sightedness of the government, I point out as I have done before that the government has allocated some \$80 million to departmental initiatives in micro-economic reform. That money has been set aside and will be allocated to those parts of the public sector that put forward new technology proposals that will pay for themselves and return positive dividends in productivity. I sincerely hope the government continues to pursue such fine, modern technology initiatives because, as well as working harder and cutting expenses, Victorians have to continue to be mindful of costs and learn how to squeeze more juice out of the dollar. We have to be smarter in the way we work and use technology to increase productivity. The government's initiatives lead the way.

There have been no new taxes or tax increases; the state deficit levy has been removed; stamp duty has been cut; and there is a reduced reliance on land tax. If honourable members listened to some of our opponents, they could be mistaken for believing that

Victoria is out of the mire and that we can now relax and start spending surpluses as though there were no tomorrow. After all, that is what the Labor Party did in the 1980s. That is not the way the coalition runs the finances of the state, and certainly not in these circumstances. Victoria is still a long way from being out of the trouble Labor put us in.

Victorian debt levels are way too high. The burden of paying interest is too great. Interest payments take from the government's resources and affect its ability to provide the quality services it wants to provide, especially to the needy in the community. Our inheritance has left us to pay interest on debt and pay for the unfunded liabilities, reducing our ability to allocate funds to those sections of the community that most need help. The crying hearts of Labor talk about this government having no heart. It is doing more for the battler, for the down-and-out person, the person who needs real help, than the Labor Party ever did, because this government is providing a sustainable, healthier, more robust economy with a surplus on the current account that will be available to fund the provision of services by state government. That is a source of some pride.

I have listened to the comments of opposition members with a mixture of amusement and great regret. As a progress report on the short-term actions of the government the budget has to be seen as a success, but it is not only a short-term document. The Treasurer and the Premier are not merely implementing short-term measures but, as we have heard the Premier say many times, laying the groundwork through to the year 2001 and for the 50 years that come thereafter.

Honourable members interjecting.

Mr HYAMS — I hear opposition members say that that is nonsense; it is not. Honourable members would be aware that in 1995 we are celebrating the 50th anniversary of the end of the Second World War. Only 50 years ago the economies of Germany and Japan were in ruins. They did not start from quite as far behind as this government did because they did not start with quite the same debt. However, their economies were in tatters. Do honourable members think their economic miracles were performed overnight? Of course that is not the case. Those countries got there by consistent hard work and by applying medium-term to long-term plans — not just spending whenever there was a minor surplus. While members of the opposition and a few others in Australia might sneer at

countries such as Germany, Japan and perhaps Singapore, they should look with a degree of envy and certainly admiration at the way those countries have pulled themselves up. They have no natural resources; they have achieved what they have through the sheer hard work and the personal sacrifice of their people. Victoria can learn much from that.

In the years leading to the end of the century the building blocks, the foundations that will enable Victoria to go forward, are being put in place. Australia has the tremendous advantages of natural resources and an enthusiastic, educated, skilled and intelligent population that, given the right environment, will go forward and make Australia one of the leading countries in the world, which of course it should be given our opportunities. What does the Treasurer have in mind in the medium term to get us through to the turn of century? Further reductions in expenditure of \$500 million will come principally from productivity improvements. Sustainable operating surpluses will be sufficient to cover depreciation. Opposition members may ask what on earth 'sufficient to cover depreciation' means. It means that in its accounts the state will be allocating annual and day-to-day capital expenses. Surpluses will be recorded after depreciation because depreciation will be registered as a cost, as it should be.

The government is taking further responsible measures in its financial management. It has pledged to devote all proceeds of privatisation to the reduction of debt, all the while maintaining the 1.5 per cent productivity dividend on the discretionary spending base. The budget is merely a continuation of the pattern set at the end of 1992. It is predictable, certain and provides continuity for all Victorians, whether they be private individuals or businesses. The reform of core government operations will facilitate greater efficiency in government and create an environment in which the private sector and others will be able to operate more efficiently and effectively, achieving better results.

It should not be forgotten that the goal of the government in education, health, law and order and all other areas of state responsibility is, among other things, to deliver first-class, quality services to the people who most need them. But we should not relax. The Treasurer and the executive should not step aside from their path. It is comforting, as evidenced by the Treasurer's statements, that the government is resolute in not giving way to special

interest groups that would have it either spend money on vested interests or reduce taxes to favour special sections of the community. Those important interests will have to be considered, but sadly that will have to be in the second and third phases of the Kennett government. Such interests will have to wait while Victoria addresses its debt and interest bill; while the need to improve our infrastructure investment rates is addressed; while we are barely covering depreciation on the government's capital stock; and while taxation rates are still too high, putting the state's economy at a competitive disadvantage when compared to other state economies.

A whole raft of reforms across the state still need to be completed. One should remember through all the government's restructure and reforms that this economy is still dependent on the manufacturing sector, which has been dependent on tariff levels that are now being reduced. The restructure and reform process is happening; it is ongoing; it will never stop. Victoria has to keep on its current path. The long-term prospects of this state will be protected by the measures the government is taking today and by its success to date.

As mentioned in the Treasurer's speech, the measures will be put in place between now and the end of the century. It is important for the long term that the government continues to focus on the excessive debt levels, to improve on its levels of investment in infrastructure, and to focus on reform and restructure and improving its delivery of quality services. It is also important that the government reduces state taxation wherever possible.

This is a good budget that achieves exactly what it set out to do. The government's major reforms, specifically in the financial area, are energetically preparing the state so that Victoria will be ready to deal with the modern world in the next century. The government has put down sound foundations for that second phase. The Premier has referred to the years 2001 to 2050, and this is yet another financial statement preparing the way.

I shall end where I began by saying that this budget achieves what it intended to do. It is consistent with the government's objectives and it is a pleasure to be able to contribute to debate on it. I again congratulate the Treasurer for his performance to date in the financial management of this state.

Ms MARPLE (Altona) — During my contribution on the Appropriation (1995-96, No. 1) Bill I shall explore the position people in rural Victoria find themselves in under this government. I will draw particular attention to the disgraceful and underhand manner in which the Minister for Agriculture has handled the privatisation of Victoria's vet labs in rural Victoria.

I shall also take some time to challenge the honourable member for Mornington's contribution on the use of illegal drugs in our community. I will touch briefly on the role compulsory competitive tendering has had in rural Victoria. There is no doubt that this government is good at sacking and at cutting back but woeful at looking after and managing rural Victoria. Today and yesterday the government has shown how dreadful it is at handling large projects such as the City Link project, but I will concentrate on rural Victoria. The government's cuts and its woeful management have been shown up by individual ministers such as the Minister for Agriculture. I also draw attention to the Deputy Premier.

It would be unparliamentary to say government ministers have lied to their constituents, but they have certainly twisted the truth in what they have said, as well as what they have done to their constituents in rural Victoria and to the professional people who have worked so hard and diligently in our regional labs for many years. This budget has become known as the budget that hides more than it tells.

The Treasurer himself admitted he wanted it to be a boring budget, one reason being that he wanted to lull people into complacency about the position Victoria is in. He particularly wanted the media not to question the government or challenge it but to take it on face value and not ask too many probing questions. Thank goodness that some people question the government through the media and in other quarters as well.

Many people, especially in rural Victoria, are asking why they have to take the brunt of the government's actions after so many years of supporting the Tories. Why are they being treated with such disdain? I have already mentioned the way two ministers have treated country people. They are National Party members of Parliament, and it has been shown that under a coalition government they care little for people and contribute little to our rural towns and regions. They have treated the professional people who worked in what were our vet labs with

contempt, and that is deplorable. The two ministers have been prepared to oversee the decline of rural Victoria so long as they kept their positions and their white cars and are smiled on by the Premier, which is most important.

I shall reflect upon some of the disdain that has been shown in broad terms. Over the past three years the coalition government's true agenda for country Victoria has been exposed. The harsh and purely mechanical approach that National and Liberal members have taken to everything from education to health shows that they do not understand country communities at all. They do not offer people who live in country Victoria any sense of pride. National Party members have failed country Victoria most of all. They have been captured by the spoils of office; they are treated as a joke by the Liberals and by country constituents. Let me share a joke told to me. I know, Mr Acting Speaker, you are the expert on jokes — your reputation is well known — but this is one I can tell you in the house!

When I was in rural Victoria I was asked by a member of the Victorian Farmers Federation, 'What is the difference between the Minister for Agriculture and a strainer pot'? I do not expect you all to know the answer, but the answer given by the VFF member and former National Party member was, 'One is very useful'. They left it to me to guess which one! The reality is that members of the Liberal and National parties are more comfortable in Spring Street, the casino or the stock exchange than they are in country Victoria. Their mates, who do so well under Kennett, are not the hardworking country people that we all know so well. They are not your farmers; they are Uncle Ron and company and they are smiled upon.

The government has forgotten the needs of regional Victorians, the survival and prosperity of local communities, education and health, people's right to employment with decent wages and conditions, and democracy and equal opportunity. Anyone who travels around rural Victoria will be met with headlines such as, 'Local school to close'. The house has just heard the Minister for Health tell us about a wonderful, new private hospital, but she did not tell us about how many public beds have been lost and how many public hospitals will be closed. Teachers are leaving towns, rail lines are being terminated, and our power bills are increasing. Then there is the unemployment, and I will touch on that issue later.

If government members took the trouble of moving around Victoria, as I do quite often, they would be

aware of what I am talking about. In each town I visit, in town after town, people quietly talk to me about what they see happening. They see decline. In fact, they say, 'This town is closing down'. The government has forgotten that the great strength of rural Victoria is its people. What is not mentioned in the budget speech is the human toll, the misery the government has forced on the people of rural Victoria. The performance of the Kennett government over the past three years has destroyed the myth that the National and Liberal parties are the defenders of the bush. Government members have taken the perks of office such as the white cars, but they drive straight down to Spring Street and conveniently forget the people who put them there. Instead of rewarding country Victorians for their loyalty the Kennett government has imposed more hardship on them than it has on metropolitan Melbourne families. We know that metropolitan people have been hard hit by the government, but not as hard as rural Victorians.

I turn to education. For every school closed in Melbourne country Victoria has lost four. Retention rates in non-metropolitan schools have declined from a peak in 1992 of 76.8 per cent to 70.6 per cent in 1994. Schoolchildren who are dropping out of or leaving school are dropping out of their futures. Does the government care? Of course not. It has not conducted one study into low retention rates and has done nothing to arrest this trend. If one examines what has happened to country Victorian schools and education one has to call it child neglect.

I turn next to health. For every metropolitan hospital that has lost funding a country hospital has been closed. The Minister for Health referred to that during question time today. In the rush to impose the new health agenda, the Kennett government failed to build into the case-mix program appropriate reinvestment in small rural hospitals. The people who say they care about the bush gave no consideration to country hospitals and their special needs. The government failed to consult with rural people, the nurses, the doctors and the hospital boards. The government sees them only as economic blips in its effort to impose economic rationalisation theories; it has not taken human needs into account.

What of employment? The most depressing aspect of the Kennett government's anti-country agenda is its impact on country towns. For example, in Bendigo and Castlemaine alone some 1300 public sector jobs have been lost. That is a considerable amount for a rural area and takes away a great deal of economic growth from the area. In local

government compulsory competitive tendering is costing jobs and services in country Victoria. About 300 jobs in East Gippsland have been lost. That is not a good record, and we heard nothing about that from the honourable member for East Gippsland when he made his contribution.

The budget does not refer to unemployment figures. Unemployment rates in regional Victoria are higher than they are in Melbourne. The economics editor of the *Age*, Tim Colebatch, in an article of 4 October says:

For Victorians, those three years have been a time of above-average unemployment and below-average job growth.

Bureau of Statistics' labour force figures show that Victoria's job growth has lagged far behind the other states. On average:

Every month for the past two years, Victorians have had 45 000 fewer jobs than they would have, had the state matched the average growth in other states.

Most important, Victorian workers between them have had 44 000 fewer full-time jobs every month since late 1993 than they would have, had the state merely kept up with the rest of Australia.

Since September 1992, full-time job growth in the rest of Australia has been 50 per cent stronger than in Victoria.

A record to skite about? Hardly.

I turn to the rural racing industry. Those of us who have lived in rural Victoria know how important the racing industry is to regional areas. I am fortunate to have been part of a racing family and understand what the racing industry means in terms of employment in rural Victoria. Because of this government's policies up to 20 racing tracks across rural Victoria are facing closure. That reflects the fact that the Kennett government is interested only in the big players. Recently it was mentioned in the media that Lloyd Williams is a member of the Victoria Racing Club. Because of that he has a conflict of interest with Crown Casino. The VRC did not object to an increase in the number of tables at the casino, which one would expect because it is in competition with the casino.

The other great problem in rural Victoria is the population drain. I have spoken in this place before about the CWA and its survey of poverty in rural

communities and the great concern about young people leaving rural Victoria. Does the budget speech say anything about that? No.

Another area of concern to rural Victoria is the threatened privatisation of Landcare. We know that the delivery of Landcare services is yet another example of the way the Kennett government is destroying the bonds of community in Victoria, this time in a way that could devastate the environment.

Landcare was set up by Labor as a partnership between the government and land-holders to maintain, improve and invest in Victoria's environment for future generations. Privatisation would sever that partnership. In effect, the Kennett government is saying that it is prepared to define its obligations to vital environmental issues like salinity in terms of a contract with a private provider.

I do not believe the future viability of farming should be sold off for the lowest possible price. If anything, we should be doing more to solve the problems of land degradation, not contracting out the program for short-term savings. One must also understand that the Department of Conservation and Natural Resources has been greatly depleted under this government. That means we do not have independent, well-informed, well-educated people who can help the process of Landcare; instead the government is bringing Landcare close to collapse with the loss of those well-informed people.

This brings me to the vet labs in regional Victoria. I have spoken often in this house of my concern about the contracts drawn up for the vet labs, which have had a significant impact on rural Victorians. Last year the labs were sold out in a backroom deal by the Kennett government under the auspices of the Minister for Agriculture. They were sold out to a company that was brought together by the mates of the National Party. At the time I expressed concern because the company had no experience in either pathology or business dealings. We had great worries about the future of that service in rural Victoria.

Sure enough, by 9 August 1995 it was reported in the *Weekly Times* that the government had made contingency plans to bail out the labs — in other words, they are going without the rent; they are propping up a company that was supposed to be the saviour, although the minister actually said in the house that we would see increasing employment of up to 200 people. The Benalla lab is down to one

person, and I think it might be the same in Bendigo as well.

Why would that be so? It is because the Minister for Agriculture told the people in the labs who were working for the Department of Agriculture that if they went over to the private company and anything happened to it, the government would look after them. The government said, 'You will still have your status as public servants and you will be able to move back. We will not give you anything because you are leaving and there will be no handshake or anything like that. You will simply go over to work for this company and we will look after you.' These were professional people. They had given good service to the community, especially the farming community.

I notice the Premier has come into the Chamber. He has a joke, knocks someone over, all that sort of thing, but his Deputy Premier —

Mr Bildstien interjected.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member for Mildura is out of his place and is disorderly.

Ms MARPLE — And what do you see now when you go to the labs? People who are devastated, people who have invested in their country town. They are shattered because they were deceived. They were actually lied to by your Minister for Agriculture and by your Deputy Premier, who turned his back on his constituents in Benalla.

Mr Bildstien interjected.

Ms MARPLE — It is absolutely disgraceful, and they need to take responsibility for what they have done to those people. They have ruined their lives. They have turned their backs on those workers and on that community. They were tricked. With a sleight of hand the minister said, 'We will have one person keeping Benalla —

Mr Bildstien interjected.

Ms MARPLE — Bullshit!

Mr Leigh — On a point of order, Mr Acting Speaker, while I note that the Parliamentary Secretary to the Department of Agriculture is agitated by some of the things the shadow minister is saying, she is not helping the situation with her

continual pointing and name calling of him and directing attention to him.

The ACTING SPEAKER — Order! There is no point of order.

Mr Bildstien — What about the unparliamentary language?

Ms MARPLE — It was only 'woolshed'; that's what I said! At the outset I mentioned that I wanted to touch on what the honourable member for Mornington had said in his trivialising remarks on the use of illegal drugs in our community. I was very pleased that the honourable member for Melbourne took up the remarks yesterday in reply to the honourable member for Mornington. I wish to reinforce those remarks.

The honourable member for Springvale spoke well on them, and I draw attention to an interview on this subject on 3LO last week with Dr Nick Crofts from the social research unit at the MacFarlane Burnet Centre for Medical Research. One could not help but realise that this is a national, state and local problem about which we should all be having some rational debate. We should be having it in this house and in our communities because it should not be ignored.

It can cut across party lines. It is most important that we have rational discussion and debate it. I am pleased to say that that is happening in some quarters and that more moderate voices on the other side than that of the honourable member for Mornington are speaking out and should continue to speak out because the illegal drug trade is the second most profitable in the world. In Australia we are losing around 400 people a year from this cause. They are dying not simply because they are taking drugs but because of the way they are taking them, the drugs being illegal.

Mr Hamilton — What about the prescription drugs killing thousands?

Ms MARPLE — Yes, but I just want to talk on this one, although we need to look at how we manage our laws in relation to drug use on a much broader scale as well. It should not be just on illegal drugs.

What we are talking about here is a black-market industry that allows and encourages corruption. We have only to listen to some of the extracts from the royal commission in New South Wales to know that it is so. If we are serious about caring about people's

lives and eliminating this black-market industry, Parliament and politicians should be part of a growing society that works for the benefit of its people and we should encourage an open and healthy debate on seeking solutions to this most challenging of social problems instead of adopting the head-in-the-sand attitude as expounded by the honourable member for Mornington, not to mention the Minister for Health, who ignored this issue altogether!

The budget was aimed at boring us and at trying to pull the wool over our eyes. It was aimed at ignoring the people of rural Victoria in particular and the major issues confronting them, some of which I have been able to touch on today.

Which minister or government member is prepared to stand up and say that the government has gone too far and that the government has actually forgotten people in its eagerness to build monuments to itself? I know it is not the Treasurer, and certainly it is not the Minister for Agriculture, judging by the way he has handled the privatising of regional vet labs; it is certainly not the Deputy Premier, who should hear what the people of Benalla feel about him.

During the past week we have heard the attitude of some government members and the Minister for Health to open discussion on the use of drugs in our community.

The budget is uncaring and it signals to the ministers, to public servants — those who are left — and to the people of Victoria that the government knows about selling off, sacking, and cutting back, but it has forgotten about the people. There is no doubt that the government cannot manage, and this week we have seen perfect examples of that in its management of the ambulance service and also in the management of the City Link project about which the government had sung so gleefully. The government cares little for the people. It cares only for its mates and for the big projects. The budget will go down in Victorian history as one that did not show any concern for the people in our rural communities. It is a budget for monuments and circuses but not for rural people or the people of Victoria in general!

Mr LEIGH (Mordialloc) — I am delighted to speak on the budget. It is important to reflect on it because it is true to say that Victoria has had three hard years because of the incompetence and the disgraceful administration during the latter years of

the Cain and Kirner administrations. From the middle 1980s they were the most wasteful group of individuals in this country.

In 1982 Victoria's debts were approximately \$11 billion but some 10 years later the former Labor government added \$24 billion to that total. It took 150 years to achieve a debt of \$11 billion but it took only 10 years to triple it.

I have sat in the house during the three years of the Kennett government and listened to Labor members moan and groan about how it is the fault of the coalition and that none of the necessary measures are their responsibility! However, before that I sat in this chamber on the opposition benches for 10 years and I can remember that for at least eight of those years, according to former Premier John Cain, it was all the former Liberal government's fault. Month after month when it suited the former Treasurer, Rob Jolly, he brought out figures to show how the Labor government was borrowing money to get more people in employment. And we lived on the never-never.

When the coalition came to government some hard decisions had to be made. It is interesting to reflect on what happened at that particular point because within weeks of the Kennett government's coming to power, the honourable member for Northcote decided to speak out publicly about his role — he was one of the leaders of the Guilty Party. The *Herald Sun* of 18 November 1992 carried the headline 'Sheehan sack rocks Joan'. The editorial, under the headline 'Recriminations in the shadows', states:

The former Treasurer, Mr Sheehan, was dumped from the opposition front benches yesterday by his leader, the former Premier, Mrs Kirner, for breaching cabinet solidarity.

Significantly, she rejected his reported view that she acted unilaterally in rejecting his August 12 budget strategy.

But Mr Sheehan did not just breach the sanctity of the cabinet room. He also delivered a sustained denunciation of his former cabinet colleagues, singling out Mrs Kirner for particular attention. His views cannot now be swept under a rug. They deserve examination for the Kirner government's last budget was the document it presented to Victoria as its manifesto for retaining the reins of government.

Mr Sheehan alleged in a recorded interview with the *Australian Financial Review* that Mrs Kirner unilaterally

dumped his strategy for the August 12 budget, rejecting his efforts to stave off a cut in the state's credit ratings. In doing so, he says, she compromised assurances he had given to the federal Treasurer, Mr Dawkins, as well as the international credit rating agency, Moody's.

Mr Sheehan did not stop with Mrs Kirner's role. He also blamed the entire former cabinet for its failure to support his measures, saying 'there was absolutely no will to do it'.

He said he believed he could have made more than \$100 million in cuts in railways 'without paying' and cuts of \$50 million to \$85 million in education.

The opposition finance and major projects spokesman, Mr White, yesterday said the full former cabinet must take responsibility for its last budget.

Who was Tony Sheehan? He was none other than former Premier Kirner's golden boy. He was the man who stabbed the former member for Coburg, Tom Roper, in the back so he could become Treasurer.

The ACTING SPEAKER — Order! I caution the honourable member for Mordialloc regarding standing order no. 108.

Mr LEIGH — This man was the golden boy of the former Premier, but she had to sack him because he told the truth! The honourable member for Northcote was out of the shadow cabinet and in the cold. The ALP members brawled among themselves. Mrs Kirner turned to her colleague, the honourable member for Sunshine, who was not one of her closest friends, and she put aside her differences with him and put him on the front bench. Well may the now Leader of the Opposition rue the day that Mrs Kirner put the honourable member for Sunshine back on the front bench, because he then started plotting! I remember when the now Leader of the Opposition thought he was out, when a deal was done by the Pledge group and the left to run the party the way they wanted.

Mr Hamilton interjected.

Mr LEIGH — The public remembers it and the fact is that the honourable member for Northcote said it all! That administration said it was all the former Liberal government's fault, but it was the former Labor government that illegally tried to borrow \$1.27 million and former Premier Kirner was

too frightened to go to Canberra to talk to a Senate committee because the truth would have come out.

The people sitting in opposition should be covered by private medical insurance because they have amnesia. The October edition of the wonderful new newspaper the *Labor National Herald* reported comments made by the Leader of the Opposition on page 19. He can only get on that page of this major newspaper. He says:

A great deal has been achieved. There is new talent on the backbench and in shadow cabinet. Our candidates have been working in the community for almost two years. In almost half of the 20 seats we must win, our candidates are women.

I have researched this wonderful achievement to find out who these magnificently talented people are. Firstly, we have the infamous honourable member for Thomastown, whose greatest commitment to this place was seeking to defraud people of their votes. It is on the record. The honourable member for Richmond is well noted for his \$166 000 —

Mr Haermeyer — On a point of order, Mr Acting Speaker, the honourable member for Mordialloc has cast aspersions upon the character of the honourable member for Thomastown. I suggest that he be asked to withdraw.

Mr LEIGH — On the point of order, Mr Acting Speaker, I made passing reference to the fact that the honourable member for Thomastown was involved in the Nunawadingate affair.

The ACTING SPEAKER — Order! I ask the honourable member for Mordialloc to withdraw that remark.

Mr LEIGH — Thank you, Mr Acting Speaker. Who worked in the office of the former honourable member for Richmond when there was a \$166 000 printing scandal? None other than the now honourable member for Richmond. It would not be for me to cast aspersions on the person involved.

Mr Haermeyer — On a point of order, Mr Acting Speaker, although the budget has a broad-ranging brief, I do not see how the contribution of the honourable member for Mordialloc has anything to do with it at all. All I have heard during the past few minutes is a diatribe reflecting upon the characters of members of this place. The appropriate way to deal with those issues is by substantive motion. I ask

you to direct the honourable member for Mordialloc to address his remarks to the appropriation bill which we are debating.

Mr Finn — On the point of order, Mr Acting Speaker, I believe we have a firm precedent for what the honourable member for Mordialloc is doing at the moment. Time and again I have heard honourable members go down the same track as the honourable member for Mordialloc is heading down. Indeed I have travelled it myself. Only the other day in this house the honourable member for Northcote travelled exactly the same path, attacking a number of government members, including ministers and the Premier.

The ACTING SPEAKER — Order! The appropriation debate is a wide-ranging debate. However, I caution the honourable member that he should not stray too far and reflect upon members.

Mr LEIGH — The other night we heard the speech of the honourable member for Albert Park, the shadow Minister for Health, in this chamber. What was his role in the former administration? He was an adviser. What did former Premier John Cain say about advisers in his memorable book? He described them as watchdogs. They had more power than your average backbencher. The honourable member for Albert Park, in his former role as adviser, was involved in the intricacies of running the planning arrangements of this state with his planning minister, Mr McCutcheon.

Now the honourable member for Northcote has been resurrected. He has been put in charge of all policy coordination of the Labor Party. We have the beginnings of a new movie — *The Guilty Party Returns*! Opposition members can sit in this chamber and sigh when they don't want to hear this, but all these statements are true. They may not like them but these are the facts.

I have noticed that these individuals are so desperate in their attempt to raise funds that, according to their own newspaper, they are all about to pay more money towards the campaign. They will all have to cough up a little more out of their salaries and increase their contributions by one-third to 5 per cent of fortnightly income.

Ms Marple — What?

Mr LEIGH — It is on page 18 of your national newspaper, the *Labor National Herald*, in an article by John Lenders. Please read it. Have a copy. It says

you will be paying more money. You can't raise the money anywhere else!

In her contribution the shadow minister for agriculture and rural affairs talked about cronyism. I am delighted to talk about cronyism because we can talk about Ann Morrow. Do we remember that name? She was the bosom pal of the former Premier who wanted to resign as the head of the education ministry. Mrs Kirner said, 'No, don't do that; let me make you redundant and I can give you more money'. So Ann Morrow was made redundant, went to Canberra for a new job and took \$80 000.

Do we remember her husband, Professor Power? He got \$700 a day to do a little organisational work for the government and it didn't go to tender. Who was he other than the husband of Ann Morrow?

What about the former Premier, Mrs Kirner? She took early retirement on the grounds of ill health and then took a job in Canberra on \$110 000 a year and a trip for Ron.

We also have the honourable member for Williamstown, who was John Cain's personal adviser — another watchdog. These watchdogs were running around loose in the administration, obviously having no teeth or being colour blind about what was going on.

Let me give a couple of other examples. Do we remember when they were hiding things in what the PTC called the Batcave underneath the West Gate Freeway? A former Labor minister, Tom Roper, was going to build a new exit from the West Gate Freeway. Do you know what was hiding in the Batcave? It wasn't the Batmobile. The former Labor government had hidden all the ticketing systems proposed for the one-man trams when it struck problems. It spent \$700 000 buying this equipment and sold it for scrap for \$1500. When we got into government we quickly looked around to see if we could buy it back, but unfortunately it had been sold. All that equipment was made in New Zealand.

We all remember that great raconteur and conservationist in this chamber, Mr Steve Crabb. His conservation contribution consisted in the main of destroying a garden in Blackburn at a cost of \$100 000 and rebuilding it. They pulled out the good trees and planted dead trees.

Ms Marple — That sounds like Albert Park to me!

Mr LEIGH — It wasn't. They went around pulling out all the trees and making it look like a desert, and after they did the commercial they went back and replanted all the trees. It cost \$100 000. Mr Crabb thought it was a great conservation idea. I advise the honourable member to go down to Albert Park and see what has been done. What was the former government proposing to do with Albert Park if Melbourne won its bid for the 1996 Olympics? The former Premier was going to spend \$200 million ripping the place to bits so the Olympic village could be built there. Perhaps they were all going to live in the tops of the palm trees. You were going to spend \$200 million.

Nobody minds governments being criticised for the things they do when they are wrong. I concede our government is not perfect. We make mistakes. The difference between us and the Labor government is that we didn't have the Auditor-General and everybody else day after day doing all the things that were being done as the waste and mismanagement continued.

Towards the end Mrs Kirner spent \$700 000 on television commercials to tell us how good poker machines were. She belongs to the same group who now run around saying poker machines are awful. I have some problems with certain aspects of the poker machines, too. My problems were going on when we were in opposition, not just now. There were \$700 000 worth of advertisements with Mrs Kirner pulling poker machines and saying what a great revenue-raising system they were for Victoria.

The honourable member for Altona also said that all these cronies like Lloyd Williams and so on are cronies of the Liberals. Who appointed the gaming commission to do all those things? Except for one person, who did this? It wasn't the Libs; it was the Labor Party. This is the same Labor Party that now protests and says we must not waste money. I agree, we shouldn't waste money, but I would like to know on behalf of Victorian taxpayers why the Labor Party has cost the taxpayers of Victoria, according to my calculations, \$1.4 million in unnecessary by-elections. Why did we need them as Labor members played musical chairs on the Good Ship Lollipop?

Mr Finn — Brumby had two!

Mr LEIGH — Yes; one minute he was there and the next he wasn't. This is the person who said, 'I don't believe in cronyism'. But when he got dumped

by the people of Bendigo what did he do? He went to work for his good mate, the sandwich shop minister. He was not buttering the sandwiches; perhaps if he did that the minister might still be there! I don't mind the Labor Party saying anything about the government as long as it recognises the fact that the former Labor government drove this state into the ground.

The Leader of the Opposition often talks about the phone call he received from Bob Carr, the Premier of New South Wales, saying, 'Stick with it, mate; you'll get there. I got there'. Everyone knows that the record of the New South Wales Labor government in terms of the management of the state is pretty close to that of the Liberals in Victoria. What are they cutting? Just about the same sorts of things as the Liberals do here.

When parties on both sides of politics across the country are doing this somebody has to be out of step and, going on past performance, I'll bet the groups out of step are not the governments of Victoria or New South Wales but none other than the Victorian opposition. The opposition can say that we closed schools and we should have done more of this and less of that, but from a local viewpoint I can give some positive examples of what is going on. I should love to invite the shadow minister for agriculture to my electorate because I actually have agriculture in my electorate, too.

According to my own research polls, every time members of the Labor Party come into my neck of the woods the government's popularity goes up. I invite members of the Labor Party to come any time! The honourable member for Yan Yean came to my electorate and said that we must build a new police station. Under Labor the old police station at Mordialloc did not even get a coat of paint, but we intend to build a new one and we will own it. We will not sell it and lease it back.

I shall go through some examples of funds being spent on schools since December 1993: Mordialloc Primary School, \$249 781; Cheltenham East Primary School, \$152 000; Le Page Primary School, \$150 000; Cheltenham Primary School, \$150 000; Parkdale Primary School, \$253 000; Mentone Park Primary School, \$311 000; Kingswood Primary School, \$30 000; Mentone Autistic Special Development School, \$8218; Heatherton Primary School, \$176 000; Parktone Primary School, \$201 113; Southmoor Primary School, \$287 000; Mordialloc-Chelsea Secondary College, \$1 500 000; Parkdale Secondary College, \$580 000; Kingston Heath Primary School,

\$3250; and Dingley Primary School, \$10 000, a total of \$4 061 362.

That is in contrast to the neglect of 10 years of Labor government. For instance, the Mordialloc Primary School was in such bad condition that one could not go upstairs in summer because the dust was a health hazard. One could not go upstairs in winter because the rain came in through the windows. Because of demographic changes Victoria had 75 000 fewer students, but more teachers. The Labor government had not spent any money on the children, staff or anything for 10 years. Now we are rebuilding the schools.

The Minister for Education recently came to a Liberal Party function in my electorate. I preface my remarks by saying that schools in my electorate have always had access to the minister when they have had problems. More than half the schools paid to attend the function and there was not a single demonstrator out the front. That is because they recognised that this government is fixing things and getting things done. The Labor Party says the Liberals have closed the schools. The Kirner government actually closed 100 schools, but one school at Chadstone that should have been closed was going to be kept open by the unions when it had only 13 students. It would have cost \$750 000 a year but I went down there with officials and put a stop to it.

I do not have any problem with the record of the current administration. It has done many good things already. It may have some flaws and they must be fixed. One of those flaws is not, as the opposition suggests, spending money on the Premier's office. The \$9 million that was spent on the Premier's office became \$30 million, according to the opposition the other day. The reality is that that expenditure applies to the entire building. Maybe the Labor Party thinks public servants should work in shocking conditions and that the building should be ignored while we pay large amounts of money renting private buildings instead of putting money into state-owned buildings.

I think the public has more commonsense and intellect than the Labor Party has collectively, and that is one of the reasons why people have stuck with the government. The City Link project shows the difference between the government and the opposition. The Labor government would have done a secret deal to guarantee the project whereas the government has come out in the open and said what the problem was and that it will be fixed.

Ms Marple interjected.

Mr LEIGH — The honourable member might say the previous government did not do that, but we all remember 30 June some years ago when the former Treasurer Mr Jolly signed off the leasing deals with some bank in Zurich that committed 80 per cent of our rolling stock to lease arrangements that will haunt Victoria for years to come.

Yesterday the Public First demonstrators came to Parliament. I had a megaphone and I went out the front to talk to them. Much to my disappointment only four turned up and I could not use my megaphone. I love using megaphones. I am not saying this is not an issue in the minds of the public because it is. The fact is the public is not being conned by the Trades Hall Council — every year fewer demonstrations gather at the front of Parliament.

The other day a major conservation measure was announced in my electorate. The government is committed to building a park and a lake, a project that was supposed to have been undertaken during the previous administration. Mr Ian Kiernan, the head of Clean Up Australia, was there with the minister to open the project. The lake will be dug and the water will be purified before it goes into the bay. Mr Kiernan said that other governments around the country could take a leaf out of the conservation book of the current state government.

Often Liberals are criticised for not being interested in the environment. The shadow minister for agriculture is another of those bleeding hearts who says we have to worry about everybody who does not care. The biggest failure of social justice in our society is when people do not have jobs or cannot do the things they want to do. For all the crocodile tears that come from the Labor Party the fact is that when it went out of office unemployment levels in this state were more than 12 per cent. They are the figures that good old Paul Keating likes to doctor and change around. Even though that is probably not the real unemployment rate — they take off people who have spouses or too much money — unemployment has been reduced substantially in this state, and it is going down when it is going up everywhere else. People know Victoria is open for business and will give people opportunities.

We say we want women in our party. We do not put them out of their safe seats and give them seats that are impossible to win. My opponent comes from Carnegie and does not know what the bay looks

like. When the Leader of the Opposition was visiting recently he said that it was such a lovely area it was a pity I would soon lose it. We were actually in the electorate of the honourable member for Carrum at the time!

I am happy the Labor Party wants to continue in this way but the sadness for Victorians is that they would get better government if they had an efficient opposition — there is no opposition from the current opposition! The Leader of the Opposition should be prosecuted by the fair trading department for taking his money under false pretences because he is not the real Leader of the Opposition. The honourable member for Sunshine is still walking around in the background sharpening his axe.

This is such a successful party that its members all want to leave. The Leader of the Opposition in the upper house wanted to move to the federal seat of Batman. The party couldn't pick a woman, so we got dear old Martin Ferguson. The honourable members for Niddrie and Pascoe Vale are bailing out. The great talent the opposition is bringing back to this place is none other than good old Rob Hulls. Who is Rob Hulls? He is a Queensland politician who got chucked out but, because he was John's mate in Canberra, the party decided to bring him down here.

Every day opposition members read the *Herald Sun* and rush in here for question time. Opposition members should be making a positive contribution to the state. If they need assistance, they should ask other members. I will help them in every way I can so long as they form an efficient opposition, because that is better for government.

The government has done a great job in its three years; the intention is to do a better job in the next three years. We face a hard election, but we are all working to ensure we win again.

Mr PHILLIPS (Eltham) — It gives me a great deal of pleasure to join the debate on the budget appropriations. After hearing the previous speakers I thought I was living in a different world; I thought I was in a time tunnel. It is amazing that people come to different conclusions on what is taking place in Victoria. I could not believe my ears nor my eye when I heard the contribution of the Leader of the Opposition on the budget; I had to get a copy of *Hansard* to see whether he had really said what I had heard. Having read his speech, the first thing I did was arrange an appointment with the eye specialist because it is clear that I need glasses. I still do not

believe what I read. The Leader of the Opposition said:

It is a strategy which, on the basis of previous forecasts, means that this year's current account surplus will be well in excess of \$1 billion rather than the \$706 million ...

We are all grateful for that. I am glad he can add up the figures. He continues:

Victorian Labor welcomes the fact that this budget is back in the black ...

That has been possible through having a good government that has the political will to make the hard decisions even though at some point in time there may be political ramifications. A clear difference between the government and the opposition is that when things get tough, even though votes may be lost, the government sticks to its guns and to the decisions that have been made. The Leader of the Opposition continues:

... and I say without hesitation that in government we plan to keep it there. That is why the first major policy I put through the party was the financial management paper, which commits Labor to maintaining a substantial surplus on the current account.

Government members are pleased with that. Mr Acting Speaker, I do not think you or I will be around to see Victorians give the other side the opportunity to get back in power. He continues:

But Labor's financial management policy commits us to more than that; it commits us to honesty ...

At long last he has found out what honesty means and he is prepared to commit Labor members to honesty! I do not know what they were doing for their 10 years in government or the 3 years since. Obviously from Tuesday, 3 October — a week ago! — Labor members have been committed to being honest and to maintaining credibility. Hear, hear to the Labor Party! I thought that should have been the case regardless of whether they were in opposition or government. I applaud the Leader of the Opposition for now committing the Labor Party to honesty.

Honesty is what is needed in politics. This government is acting honestly. Until such time as all major political parties and members of Parliament absolutely commit themselves to honesty, we will never earn the respect we deserve in the community.

Members of Parliament should have the respect politicians had many years ago.

The Treasurer should be applauded for the job he has done. There is no doubt he will be recognised as Victoria's best Treasurer; likewise, the Premier will be spoken of for many generations to come. Mr Acting Speaker, although I am sure you will bring your children up according to good Labor philosophies, they will certainly speak about the Premier and the Treasurer and the good they have done.

The debt Victoria inherited after some 140-odd years of Victorian Parliament, two world wars, a number of recessions and 27 years of Liberal government in 1982 — that must not be forgotten — was around \$12.4 billion. I shudder to think what would have happened had Labor been in office for 27 years. Ten years of Labor government almost tripled that debt, with debt reaching \$34.7 billion. The Labor Party tripled the debt in only a third of the time it took to accumulate it. The unfunded liability went from \$4.5 billion to \$22.3 billion. For that alone opposition members should hang their heads in shame.

Victoria was known as the jewel in the crown but was left with massive unemployment, record business closures and families devastated by unemployment and job loss — there was scandal after scandal. Ministers were shuffled from one portfolio to another to try to encourage sensible, hard decisions. That failed because the party was driven by factions rather than the best people holding portfolios. I will quote an article from the Sunday Age headed 'Cain admits: we failed in key areas', in which former Premier Cain, who led the state for many years, said of one transport scandal:

The MetTicket 'fiasco' was caused by 'key party factional heavies' attempting to retain ticket-selling jobs because of, in part, union factional numbers in the ALP.

The policies of deregulation and high interest rates were more relevant than any state government actions in causing the so-called 'financial disasters' of the VEDC, Tricontinental and Pyramid.

Mr Cain went on to say a few other things, including criticisms of the federal Labor government, which has now been in power for some 10 years or longer — I have forgotten how long, but it has been too long. As I said, Mr Cain was quite critical of a number of things.

I shall turn to the SEC because it is interesting to note what the Leader of the Opposition said about the privatisation of state utilities. How short the memories of Labor Party members are! While they were in government it was great to think about privatisation, but when in opposition how quickly they forget. The opposition has conveniently forgotten who started the process of privatising the SEC. The Labor Party privatised it by selling off 40 per cent of Loy Yang B. Who did it sell it to? Mission Energy; the same people the opposition has been critical of.

As I said, the Labor Party sold 40 per cent of the SEC to Mission Energy. It is a bit like being pregnant: you are either pregnant or you're not; you can't be a little bit pregnant. Therefore, you either support privatisation or you don't. On Tuesday, 3 October the Leader of the Opposition said:

The Labor Party is committed to maintaining public ownership of Victoria's electricity industry, to opposing the Kennett government's rushed and illogical sell-off of Victoria's electricity industry and ensuring the next election is a referendum on the privatisation of essential services.

Obviously the opposition's 27 members think everyone else in Victoria is stupid. Clearly opposition members are stupid because Victorians understand that the government is not privatising because it wants to. The government is not doing some of these things because it wants to be unpopular and wants to make hard decisions; it is doing them because it has to after the former government left it no choice but to sell them off.

Let us not forget how much debt the SECV owes. Have opposition members forgotten the \$9.5 billion debt? Have they forgotten about the \$1.1 billion in interest? We hear about the so-called dividend the SEC pays back to the community, and I am going only by memory, but it is some \$280 million. I thought I heard figures bandied around by the Labor Party of some \$500 million or \$450 million.

I shall repeat those figures: \$9.5 billion in debt and \$1.1 billion in interest payments. There are some people in the community who would like to see these entities kept in the state's hands and remain in public ownership if they could be run better by the state. Clearly it is not in the government's interests to be running entities that can be better run by the private sector, but the government still has the whip hand with the SEC because it still owns the main transmission lines.

The government has ensured that all Victorians, no matter where they live — Eltham, Greensborough, Mildura or Morwell, and a good electorate it is — will pay no more than the average price for electricity across the state. The government has ensured that everyone is protected, both country and city folk. The government will retain the ownership of the coal reserves, which will ensure that royalties return to the state.

I further point out that the government has locked in the price for electricity until 2001. In real terms there will be a 9 per cent reduction for private households and a 22 per cent reduction for business — I am again relying on memory. This will happen between now and 2000. After that time the Regulator-General will operate as regulators operate in many other areas such as petrol pricing, food pricing and other industries where people have to present their cases based on facts. The government understands that profits have to be made and the Regulator-General will either agree or disagree in the event of there being any price increases.

The Labor Party's opposition to privatisation is an absolute joke. Opposition members are living in Noddyland and ultimately their policies will show them up for what they are — political opportunists and nothing more!

What frightens me is the 10 years the Labor Party was in government. However, I believe this government will not only break that previous record of 27 years but will be in office as long as it wants because the community will not trust the Victorian Labor Party in the next 50 years. That is how long it will take Victorians and their children to forget. It will take generations of family members to forget the facts and figures on how the Labor Party ran this state into the ground and into debt.

I shall refer to schools, because there has been much criticism in that area. It is interesting to note an article by a former Premier of this state, the Honourable John Cain, which appeared in the *Age*. What does it say? The heading says: 'Teachers wanted too much: Cain'. The article appeared after criticism by the opposition and some sections of the community, certainly from the teachers union, about how devastating the government has been to state school education. Unlike many of the people in the opposition whose children go to schools other than public schools, my conscience is clear because my four children have all been educated in the public school system. I stand or fall on any decision I have been privy to in the party room and I have no guilt

about the decisions I have had to make because any supposed detriment also affects my four children.

My four children have been receiving a lot more criticism at school than many other children because the teachers union and children know their father is the local member for Eltham. My children have come home saying, 'Teachers have been saying they will be wearing their union T-shirts when you visit the school next Thursday night and do you realise that teachers are saying that you are doing this and this as a government?'. That is the sort of criticism my children should not have to take. I believe they are being educated by professional teachers, as they are continually telling us they are —

Ms Garbutt interjected.

Mr PHILLIPS — I am sure the honourable member for Bundoora was privy to some of the decisions made under the previous government because she certainly served under former Labor Premiers. It is interesting to note the article quoting former Premier John Cain that appeared in the *Age* under the heading, 'Teachers wanted too much: Cain':

The former Labor Premier, Mr Cain, has criticised teacher unions for adding to the budgetary pressure on his government, and bringing on much of the 'savagery' of the Kennett government's education policies.

I am happy to note that there are only three opposition members in the house, and what are they saying? Mr Cain has no credibility? Mr Cain is wrong? Mr Cain is a liar? What are they saying? I cannot hear one of them piping up and saying it is wrong!

Ms Marple — You told us to be quiet!

The ACTING SPEAKER (Mr E. R. Smith) — Order! The honourable member, through the Chair.

Mr PHILLIPS — Mr Acting Speaker, I would certainly encourage you to grant them permission in this instance to criticise Mr Cain.

Ms Garbutt — Mr Acting Speaker, on a point of order, I am happy to take it up.

The ACTING SPEAKER — Order! There is no point of order, but I advise the honourable member for Eltham that he must not provoke any member,

particularly members of the opposition, otherwise this place will end up in chaos.

Mr PHILLIPS — I certainly would not want to provoke the house. Mr Cain also said that the former government should not have caved in to teachers and teacher unions. In the *Sunday Age* he is quoted as saying the then government should not have traded its generosity with them and should not have agreed to smaller and smaller classes.

It is interesting to note some of the other things the former Premier went on to say about the education system. It is true that a number of schools were closed, and I do not have a problem with that. No schools in Eltham were closed. Nevertheless some people have forgotten how many schools were closed under the Labor government's 10 years of office. I forget whether it was 55 or 60; so long as the union said it was okay, it was okay.

Some schools should close and others should be built as demographics change, the community ages and families move away. Where schools have reduced numbers there is every opportunity for them to be closed or amalgamated and the funds put towards larger schools. We should be encouraging primary and secondary schools to become larger because there is only one bucket of money. The one thing the Labor Party forgets is that money does not come out of thin air: it must come from increasing taxes and charges. On the one hand we have the opposition carping and whingeing about taxes and charges and saying that the state is the highest taxed state in Australia, yet on the other hand the opposition wants us to dish out money willy-nilly for hospitals, education, ambulances and so on without suggesting where it will come from.

Some of the decisions the government has had to make under normal budgetary restraints would not have had to be made if there were a debt of only \$12.3 billion which the former Liberal government left in 1982 rather than the \$34 billion that we inherited; we have an unfunded liability of some \$22 billion instead of \$4 billion. The government would not have had to impose the \$100 state deficit levy which raised about \$180 million. That was not an easy decision to make, but the government made it in the best interests of the community because it had to reduce debt and make interest payments. I know you, Mr Acting Speaker, were concerned about that.

The ACTING SPEAKER — Order! I advise the honourable member for Eltham not to bring the Chair into the argument.

Mr PHILLIPS — When I was standing for preselection I made a pledge that I would not shy away from making the hard decisions. I have not done that and I will certainly not be doing it leading up to the next election. If the community wants me to serve another three or four years as the member for Eltham I will be more than happy to continue with that commitment and continue the hard work.

I have had the opportunity to go around the 25 or so schools in my electorate, many of which have been run down over the 10 years of Labor rule.

Ms Garbutt — That is not true.

Mr PHILLIPS — The Montmorency Primary School, which the honourable member knows very well the school in which the Labor Party held its branch meetings, was in an abysmal condition. To think that the honourable member for Bundoora represented that school for a number of years is deplorable because during Labor's years it did not receive one penny. The honourable member should hang her head in shame.

Since I was elected to the seat of Eltham, the Montmorency Primary School has received \$93 000 for a staff administration upgrade as part of the state government's refurbishment program. That is on top of some \$300 000, including \$20 000 for the burnt-out building they call the castle. The school has received \$440 000 or so during the past three years, and believes this government is the best thing since sliced bread. When I go to the school the people there welcome me with open arms because they know, politics aside, of my commitment to the state education system and they know I have committed myself by putting my four children through the public school system. I cannot do any more than that.

The Research Primary School did not have one penny spent on it for 10 to 15 years but recently received a grant of \$420 000 for the urgent upgrade of classrooms, administration and facilities and a new music hall. These funds were made available as part of the Schools of the Future program. The Minister for Education should be congratulated on what he has done for many schools. Government members will admit that some schools that were on the borderline could have been retained, but in deciding to close them the government is always treating a fine line. The money from the sales of

school sites has gone back into upgrading other schools. The Labor government committed \$600 million in projects over its last few years in government but no funds were forthcoming for that purpose. I visited the Research Primary School and announced to the principal and the school council president that funds would be made available. They could not believe it.

Earlier this year both Greenhills and Sherbourne primary schools received grants to assist their building programs. Greenhills received \$350 000 for a refurbishment program while Sherbourne was granted \$47 000. Nothing had been done to the schools for 10 to 15 years. It would be fair to say that probably over the past 25 years money could have been spent on a number of schools. If the Labor Party wants to gain respect in the community it should acknowledge that it failed in its 10 years in office. One has only to look at its track record throughout Australia: every state that has been run by a Labor government has been bankrupted. They cannot handle money because the people they attract as members of Parliament are union party hacks who have no understanding of what it is like to be in business. When I was in business I employed 12 persons. At one stage I had to tell my employees, 'I haven't got enough money to pay every one of you; here is \$100 to see you through for a day or two. I hope I will have a good day tomorrow so I can pay you'. When in business you cannot go on spending money that you do not have, the same as you cannot do it with the household budget. You cannot continually spend money that you do not have.

Mrs Peulich — The Labor Party does!

Mr PHILLIPS — The Labor Party invented the bankcard!

The ACTING SPEAKER — Order! The honourable member will ignore interjections.

Mr PHILLIPS — I understand that I do not need assistance. I agree with you fully, Mr Acting Speaker. It was the Labor Party that invented the bankcard and the concept of putting it on the tick.

I have only touched on some of the things I wanted to cover. I would love an extension of time but I know I will not get it. I wanted to speak about the environment in Eltham and some of the grants I have been able to achieve. I am sure the honourable member for Bundoora would acknowledge some of the grants that have recently come through;

particularly for the copper butterfly reserve, as I know the previous honourable member for Greensborough, the late Pauline Toner, worked very hard to bring that reserve to fruition. I hope the honourable member for Bundoora will acknowledge the worthiness of those grants and the improvements made along the creeks and waterways. The Premier and the Treasurer should be congratulated. The polls are showing that we are on the right track.

Ms GARBUTT (Bundoora) — I am sure the schools in the Eltham electorate will be interested to hear the warning given by the honourable member for Eltham that more schools could be closing, particularly those with falling enrolments. Schools such as Montmorency Primary School and Lower Plenty Primary School, both of which have had falling enrolments for many years, will no doubt take those comments on board and react accordingly. They should be very worried that they may be the schools he has in mind for closure.

The honourable member for Eltham did, of course, mention that schools were closed under the Labor government. That is true, but we did it following a proper process of consultation where parents, teachers and school councils were involved. It was not the sham engaged in by the present government with nearly 250 schools closed up just like that, without a proper process.

I am happy to fill in some of the gaps left by the honourable member for Eltham, particularly concerning the Montmorency Primary School, when he said the previous member did a rotten job in that area. I agree with that remark — the previous member is the current member for Ivanhoe!

Our government delivered a major upgrade and maintenance to that primary school in Pauline Toner's time. I remember that it had not been painted for more than 20 years when the Labor Party came to office, but then it was done quite quickly.

Of course, these things come around quickly, and I am pleased that once again maintenance has been done. However, the honourable member for Eltham failed to mention Eltham High School, which my children have been attending for a number of years. It was completely rebuilt under the Labor government. Previously it was a mess and probably should have been bulldozed because of the total neglect after years of conservative rule. The honourable member for Eltham failed to mention the

three upgrades and the millions of dollars spent redoing that school.

He did not mention the brand new St Helena Secondary College, which cost between \$8 million and \$10 million and was built totally in the time of the previous Labor representative.

He did not mention the new Glen Katherine Primary School or the Apollo Parkways Primary School, which is totally new, or the Diamond Valley Special Developmental School. We could go on and on about all the money spent on maintenance and upgrades but it would take ages, and I do not want to eat further into my time except to mention the administration grant to Eltham East Primary School and to ask: what about the multipurpose basketball hall at Eltham Primary School? The honourable member is totally blank now, is he? It is not good enough. He has a selective memory.

Millions of dollars were spent on schools by the Labor government, and the honourable member for Eltham will not get away with this total nonsense about nothing being spent on schools in his electorate under the Labor government. It is absolute nonsense and palpably untrue.

Of course, this government has totally false priorities. They are twisted and they are revealed clearly in the budget and spending priorities of the government. The budget papers show who will win and who will lose out under this government. For example, if you are the Premier or the Treasurer you get a new office, but if you are a person with an intellectual disability you go onto a long waiting list. There is money for consultants and legal advisers but no money for the disabled. There is no money for children at kindergarten — kindergartens experienced a 20 per cent cut — but if you are an advertising agency you can pick up some of the political advertising work in which this government indulges.

If you are a mother looking for service from your maternal and child health centre you will find reduced access. If you are a member of a community you will face cuts. However, if you run a grand prix in a park there is money for you. In addition, there are \$600 million worth of cuts coming our way which are not outlined in the budget because it is designed to hide extra cuts.

I will go through some of the areas in my shadow portfolios to show where people who cannot pick up the phone and get a direct call through to the

Premier are not getting extra money or top priority. These people are not priorities for the government.

If you are an intellectually disabled person, for example, you have very little hope. About \$50 million has been taken out of a budget of services for people with intellectual disabilities in the time of this government. The budget shows no commitment to services for people with intellectual disabilities. The combined figures for people in training centres or community accommodation services show an increase of only 60 in the three years of this government. Only an additional 13 families will receive respite care this year, but if you are the Premier or the Treasurer \$30 million can be found for a new office for you.

The government acknowledged problems with the intellectual disability area, and the task force report makes interesting reading. There is a direct submission from the department revealing some of the waiting lists which, incidentally, the Premier is not worried about. He worries about waiting for tables at the casino but not about the waiting list for people with intellectual disabilities to get services from the client service teams.

The services needed include eligibility assessments, behaviour intervention, psychology, speech pathology, occupational therapy and so on. The departmental submission says that in any given month approximately 900 people are waiting for services from client service teams.

Other waiting lists that the Premier does not worry about include those for day programs for people with intellectual disabilities. By the department's own admission more than 1700 people with intellectual disabilities are on the waiting list for either an alternative day program or increased hours in their current day programs. The Premier is not running to fix that problem.

What about accommodation? The Premier has built himself a new office at a cost of \$30 million. What about accommodation for people with intellectual disabilities? That is not a worry, but the department's own figures show that in September 1994, 188 people were deemed to be in immediate critical need of supportive accommodation, which refers to cases where the client is deemed to be currently at risk. Further, 112 people have been identified as in urgent need of accommodation. These people are deemed to be in need of long-term, 24-hour-a-day supported accommodation, but those needs, although urgent, are considered to put them

at potential rather than current risk. That is more than 300 people in urgent need of supported 24-hour-a-day accommodation. Are those accommodation needs being met with the same sort of seriousness and urgent attention as the Premier's accommodation problems? Of course not! They are not the Premier's mates so they will not be looked after. Moreover, the report by the Intellectual Disability Services Task Force states:

Many submissions emphasised the fact that the needs of people with an intellectual disability and their family's for services seemed to be unrecognised in the department's statistics ... The Yungaburra Foundation argues that 'for every one intellectually disabled adult receiving accommodation or day services in Victoria there are another two who receive no service despite equally pressing needs.

That is an indictment of the government. It recognises that 300 people are in urgent need of accommodation and thousands more are in urgent need of other services, but that is probably only the tip of the iceberg. The government is not doing enough. These people cannot pick up the telephone to speak to the government. They do not have a direct line to the Premier, as some of his business mates do. Their needs are not met in the same fashion as the needs of the mates. We cannot wait for gambling tables but we can wait for the accommodation needs of the intellectually disabled. People with intellectual disabilities must lobby for their services. A card put out by VALID states:

Get well soon ...

It refers to intellectual disabilities services as a casualty of the cuts. Under the heading, 'Death by a thousand cuts!' it states:

Over the last three years the state government has slashed \$47 million (approximately 17 per cent) from the intellectual disability services budget. The system has been carved to the bone.

The card is part of the lobby exercise in which VALID has engaged to get what it needs — urgent accommodation and a reduction in the size of waiting lists, but the government is not listening. Other reports have painted equally damning pictures. A report published by Westernport Speaking Out entitled *The Forgotten Homeless* refers to people with intellectual disabilities who are now accommodated in nursing homes even though they are well under age for them. It has found that currently nine people in the Westernport region are

living in nursing homes, and seven of those nine people were registered with the Department of Health and Community Services and had been accommodated in community residential units. However, the department needed extra resources and, rather than provide them, these people have been placed in nursing homes, which have inappropriate care for young people.

Another concern for those with intellectual disabilities is the redevelopment of Janefield. Many residents of Janefield are being deinstitutionalised and they will be accommodated in the community. However, I have managed to obtain a government document that refers to a unit built at Janefield. The government is building a new facility at Janefield rather than taking the opportunity of deinstitutionalising its clients. The document refers to unit 3 and the official description says:

This unit houses 40 clients of both sexes ... There are 23 full-time staff and 14 part-time staff.

The reason the unit is needed is that there are not enough resources to put those people into the community. The document says it:

... accommodates those clients whose needs ... may have equally been met in the community had extra resources been available.

Those people are being left in the institution because there are not enough resources to move them out. They could be managed out in the community, but they are being kept in the institution because the government is not prepared to provide resources for the move. It can put resources into the Australian grand prix, consultancies or advertising, but it does not want to put resources into accommodation for people with intellectual disabilities.

Some people who are concerned about intellectual disability services are not taking this lying down. The Kew Cottages and St Nicholas Parents Association is taking historical legal action against the government. Even though the association has been through a court process and is allowed to make its claim, the government's response is to appeal on the same grounds on which it went to court in the first place: that the cost be borne by the parents. The government is asking that costs be borne by the parents association even though it knows the association has little money and that it has every right to go to court to bring this action.

The parents would like to avoid the court process and they are now asking for the government to mediate and talk with them, but the minister refuses to do so. He claims that he should not do so because of the legal action, but other legal advice is that it should not matter and the minister should be prepared to talk to the parents association. I urge the minister to talk to the parents about these issues. They are raising horrifying issues, such as the food allowance for people at Kew Cottages being \$3.90 each, which is less than the allowance for inmates of Langi Kal Kal, near Ballarat, who have a food allowance of \$5.83 a day. The parents have revealed this discrimination against people with intellectual disabilities. This cost-cutting affects the lives of those people, but the government does not want to hear about that. The parents association is not the media, a public relations organisation or a consultant. The government is prepared for those people, but it is not prepared to provide services for people with intellectual disabilities.

I now refer to the range of children's services, including child protection, welfare, kindergartens and maternal and child health services, which are a disgrace. They have been subjected to government cuts. The government is good at cutting services but it cannot manage them. The child protection service is a disgrace and this has been shown time and again by a range of reports put out by non-government agencies that work alongside the government providing family and children's welfare. The report by the Children's Welfare Association of Victoria, which came out recently, dealt with the child protection system and referred to children who slipped through the welfare net. It also referred to the alarming shortage of places of safety for children considered to be at serious risk.

It referred to the desperate situation of putting children in motels because there are not enough accommodation places for children who have had to be removed from their homes because of substantial risk of child abuse. The CWAV report referred to the lack of resources to tackle child abuse, which may well be considered negligent. We have had long debates about this range of issues, but nevertheless the government is denying it. A range of people came out in the media on the day following the release of the CWAV report and confirmed that they shared its impressions of the system. Dr Goddard, a social work expert at Monash University said:

We have concerns about child protection services at every level.

Melbourne's Catholic Social Service services said child protective services in Victoria were seriously under threat at this time.

Father Peter Norden, the Associate Director of Catholic Social Services, is reported in the *Herald Sun* as having said:

Many of these children are referred to community agencies where there are simply no vacancies available, because such services are stretched to the limit. It's like pointing out the holes in a dam wall without anything being done to stem the water flow.

It is alarming that our child protection system has been reduced to this sort of shambles. It just shows that children are not a priority with this government.

Another report confirms the same sort of finding. This one by the Western Welfare Coalition of October 1994, a little older than the CWAV one, provides examples. One that horrified me concerned a 13-year-old girl who had been in the care system for 10 days and had experienced 7 moves. She was beginning to question why she disclosed the abuse that she had been receiving and wondered which situation was worse. What is worse? Being abused at home or being shuffled around the child welfare system 7 times in 10 days. That is an appalling indictment of the system.

The report states that problems such as multiple placements, inappropriate placements and post-placement breakdowns are all contributions towards systems abuse. Another problem revealed that one consequence appears to be that 15 to 18-year-old males are being lost from the system — that is, becoming homeless. The system simply can't meet their needs; they disappear, they are on the streets and they are off the books.

It is an appalling indictment of the priorities of the government that it is prepared to put money into consultancies. It is prepared to employ PR staff and media people. We have estimated that 255 people are employed on the government payroll at a cost of \$20 million a year. At the same time we have to put up with this lack of service for our children.

Kindergartens are another disaster area. About 4500 children are missing out on kindergarten places because their parents can't afford the high fees. We have a system now where only 87 per cent of four-year-old children go to kindergarten compared with 94 per cent, a figure the Auditor-General established just two years ago.

At the Corio kindergarten the fees charged are approximately \$10 a week and parents are able to pay the fee weekly to make it easier. The problem is that if the parents are a bit short that week the child does not attend and may not attend for weeks and weeks. It doesn't help the kindergarten because the costs are the same and the child simply misses out. Those children were not included in the figure of 4500 children who are missing out; they are extras. So too would be the children who go to kindergarten for two rather than four terms a year because their parents can't afford the full fees. There is a whole generation of children who will miss out on kindergarten due to excessive fees.

Unfortunately, fees will rise again. There was warning of that in the *Sunday Herald Sun* last weekend where people were saying attendances were expected to be lower again next year. We will not know that until the enrolments are confirmed. Already we know extra costs will be imposed on kindergartens because wages have gone up. The kindergartens must meet the \$8 safety net increases. There has been no guarantee from the minister that he will increase the per capita funding to meet those increases in costs to kindergartens.

The government has also been mismanaging maternal and child health services. It can cut services but it can't manage them — and this one is in the death throes. We are seeing this service crumble before our eyes and we will have a very patchy service across the state unless the government takes action very soon. I mentioned those problems during the grievance debate this morning so I will not repeat them.

It is obvious that the government has its priorities wrong. It is prepared to spend \$20 million on PR and media people, \$35 million on political advertising and \$200 million on consultants. It is prepared to spend \$10 million to oppose members of the State Public Services Federation moving to federal awards. In the meantime it neglects children's services, it cuts kindergarten funding, it cuts funding to services for people with intellectual disabilities and it allows waiting lists to blow out for accommodation services for people with intellectual disabilities. All its priorities are wrong. The government is not spending money where the need is greatest. It is prepared to look after its mates and cronies but it ignores children and people with disabilities and the disadvantaged.

I turn to some of the problems in my electorate which are a reflection of the problems being

experienced around the state as a result of government policies and twisted priorities. One of the worrying issues facing everybody in my electorate concerns the future of the Austin and Repatriation Centre, which is an amalgamation of the former Austin and Repatriation hospitals. They have amalgamated but we understand there is a secret business plan which talks about shifting from the Austin site, consolidating at the Repatriation site and selling off the old Austin site. The Austin site is opposite a private hospital and one wonders whether that has something to do with that recommendation.

The problem is that in the process of amalgamation the number of hospital beds in the area is proposed to be reduced by more than half from 645 to 315. People in my electorate will not wear that. It is not acceptable to reduce the number of hospital beds in this region by more than half. The plan also foreshadows the closure of PANCH, another hospital used by people in my electorate. We don't have any detail about that, but if the government reduces the number of beds in my electorate and closes PANCH there will be huge problems. Already there are major problems at the Austin and Repatriation Centre. The budget deficit of more than \$20 million has already forced the closure of the emergency department at the Repatriation campus at night. People are ferried backwards and forwards. When the emergency department closes at the Repatriation campus patients are put in a car and ferried to the Austin. They stay on trolleys all night and are ferried back in the morning when the emergency department reopens. That is nonsense and not acceptable for sick people. The centre has also reduced its staff. It has had to close intensive-care beds and people are on trolleys for many hours, as they are in nearly every hospital around Victoria.

People are worried about being able to get ambulances. One Greensborough woman suffering an asthma attack died while waiting for an ambulance and that is not acceptable. That was a long time ago. A public meeting held to discuss this matter moved motions which unanimously condemned these changes. I shall mention a couple of the motions and pass them on to the minister:

This meeting calls on the government and the North Eastern Health Care Network to reject plans to cut hospital beds by more than half as suggested in the proposed business plan.

The meeting calls for full public consultation before any business plans are accepted and for the board to undertake a northern suburbs health plan.

This meeting condemns that closure of any services at the Austin or Repatriation hospitals.

Services available to veterans should not be cut.

And the motion has a little quote at the end:

'As we remember them the Kennett government forgets'.

People in my electorate won't be forgetting. We will be keeping a very close eye on what is happening.

I have referred previously to the Rosanna railway crossing, and some action has been taken. However, one of the major solutions — automatic locking gates at the main crossing at Rosanna station — has not yet been agreed to. Vicroads has inspected the site but its knowledge of local facilities is out of date. It needs to conduct a new survey because its lack of information is distorting the results. The government is trying to distort the findings of the coroner that an upgrade is urgently needed. The budget makes no mention of automatic locking gates at this site where one young boy has already been killed. The budget announced \$22.5 million for suburban railway station upgrade works, but not at Rosanna station.

Those few examples from across the portfolio areas for which I have responsibility and from around my electorate demonstrate that the government has totally false priorities. It is prepared to spend money but only on selected areas where it serves itself. It is not prepared to spend money where it should be spent — on our children, on services for people with intellectual disabilities, on people who are disadvantaged and on lifesaving measures such as those needed at the Rosanna railway station. It is not prepared to spend money on our hospitals or education services. I believe the government has false priorities and I do not believe my electorate benefits.

Mr JASPER (Murray Valley) — I listened with interest to many of the contributions to the debate, and especially to the most recent contribution from the honourable member for Bundoora. She talked about twisted priorities. She is the one who has the twisted priorities. She mentioned supposed reductions in funding in health and community services. I must say that the health and community

services in my electorate of Murray Valley are operating efficiently and effectively. Services are being delivered. The bottom line is achieving results, and if things are as bad as she suggests we need a more effective member representing the area.

Hospitals in the Murray Valley electorate, such as those at Wangaratta, Yarrawonga, Cobram and Numurkah and the Glenview community centre at Rutherglen, are operating effectively in delivering health services to people in my electorate. They are operating within budget. They understood the new government would make changes and they would need to be more efficient in their service delivery. That has been achieved in my area and I think it has been effective in most areas across the state.

The honourable member for Bundoora highlighted some difficulties in the delivery of community welfare services. Of course one can always highlight problems. However, I suggest that the changes have meant that most services are being delivered efficiently throughout health and community centres. Perhaps the honourable member should have further consultation with the minister who might be able to assist by providing additional information.

I also listened to the contribution of the honourable member for Altona. I am disappointed that I must respond strongly to some comments she made. She also has a twisted view of the actions and activities of the current government in the delivery of services. The honourable member forgot that with the change of government in 1992 came a new attitude. Victoria was broke and something had to be done — the current account had a deficit of \$3.5 billion. With the massive changes made by the coalition government the current account will be in surplus this financial year. That is a tribute to the government and especially the Treasurer, who has changed priorities and spending to bring us back to a healthy situation.

I was disgusted to hear the comments of the honourable member for Altona. She made a personal attack on the Minister for Agriculture, a National Party minister in the coalition government, who has performed extremely well in turning around the situation in Victoria and making agriculture a priority. Over the 10 years of Labor government the budget for agriculture was reduced by 30 per cent whereas the budgets for all other departments were increased by 40 per cent. More than \$50 million in additional funding has been provided to agriculture, and the government

recognises the importance of agriculture to Victoria's economy.

The honourable member for Altona supposedly represents country people. Her electorate is not in country Victoria and I am surprised she has the gall to say she knows what is happening in the country. She should come and visit northern Victoria. I should be happy to take her through the Murray Valley electorate to give her a true understanding of the country. I agree that times are tough and country people are doing it hard, but this government recognises the need to take account of that situation and make changes that will improve not only agriculture but employment and the provision of government services.

More than \$35 million will be spent over the next three years on capital works programs in agriculture. Funds are already being spent in a number of areas. In my electorate \$1.5 million will be spent at the Rutherglen Research Institute upgrading facilities and providing a major centre for agriculture that will service north-eastern Victoria as well as the rest of the state.

When the honourable member for Sunshine was the Minister for Food and Agriculture, the position of the Rutherglen Research Institute was reviewed. It was put in a difficult situation. A recommendation was made to the former minister that the institute be closed. That would have been an absolute disaster for agriculture and for north-eastern Victoria in particular.

There is a continuing recognition of the importance of the Rutherglen Research Institute. It has extensive funding for agriculture research through grain and livestock programs and it serves as the regional research centre for north-eastern Victoria. Major funds have been allocated to capital works at that site. The current Minister for Agriculture and the government have given the agricultural industry the recognition it deserves.

Some \$22 million is being spent on the additional funding of agriculture and food initiatives. Seven priorities have been set by the government: firstly, wool 2000; secondly, premium meat to Asia; thirdly, high-value horticulture; fourthly, the export of food from Victoria to other parts of the world; fifthly, world-competitive dairying; sixthly, grain production for growing markets; and, seventhly, clean agriculture, clean food. Agriculture is regaining its rightful place. Those priorities have been set by Agriculture Victoria and the minister,

who has a great responsibility in ensuring the rightful recognition of the important role of agriculture in generating wealth in the state's economy.

The honourable member for Altona spoke of the number of schools in country Victoria that have been closed, indicating that for every school closed in metropolitan Melbourne four have been closed in country areas. In my electorate of Murray Valley there are more than 40 government schools, including a number of smaller schools. Those schools have been retained. The only schools closed in my electorate were those with less than 12 students which were not economically viable and which could not maintain the necessary operating conditions.

People across my electorate have supported the changes to education, recognising that the government's priority is to provide a better standard of education. School facilities across the state needed capital funding. More than \$2.5 million has been provided over the past three years for the upgrading of the facilities of almost every school in my electorate. The one or two schools that still require funding will get that support over the next year or two.

Members need to live in the world of reality; I am certainly in the world of reality when it comes to representing a country electorate. I have indicated on many occasions that I have not always agreed with the actions of the government. I have been opposed to some of the changes implemented, but I support the government in that major funding changes had to be made. The government has supported private enterprise by ensuring an environment in which it can flourish, profit and generate wealth.

The state government has also had to set employment priorities. Over the past three years the number employed in government ranks has been reduced by approximately 23 per cent; approximately 50 000 people no longer work directly or indirectly for the government, yet the services people seek are being provided in a more efficient manner.

It is important to understand where the government is coming from. Changes have been necessary to restore the state to its rightful place as the leading state in wealth generation and economic standing. The importance of Victoria should not be underestimated.

Changes over the past three years have increased employment. The key indicators for August 1995 help illustrate the changes that have taken place. Victoria's unemployment rate has steadied at 8.6 per cent, the lowest since January 1991 and the lowest in Australia. The number of unemployed people fell in the last year by 46 700, accounting for more than half the national fall in unemployment. Almost 90 000 jobs have been created in the past 12 months, and over 80 per cent or 75 000 of those jobs were full time.

It is important that honourable members recognise where the government is coming from in implementing changes that ensure Victoria is not a welfare state but a state that through its strong economy can move forward, thereby benefiting everyone. I have indicated my concern about the comments of some opposition members. Country people are facing great difficulties, and the state government is working hard to overcome those difficulties and highlight the importance of the part country Victorians play.

The federal government has a major role to play in resolving the problems that face Australia. Victoria cannot do that on its own. Economic strength cannot return without the federal government lending its support, giving appropriate direction and putting in place appropriate policies.

It is disappointing that the 1993 election was lost to the federal Labor Party. The federal Labor government is not supporting the actions that have been taken by Victoria to restore economic health not only in this state but across Australia. The federal government has a major role to play in ensuring growth. Many of the federal government's policies are in complete contrast with those of this state. This government's policies should be complemented by those of the federal government so as not to disadvantage Victoria.

There is no doubt that with the change of government in Victoria and the policies that have been implemented by the coalition government since 1992 there is a new-found confidence within Victoria. There is a new-found confidence for business and industry. It is a feeling that this government will support people who seek to develop and employ; it will support people who are seeking to be profitable.

I have already referred to the important services that are provided by the government in my electorate of Murray Valley and those services continue to be provided in a most effective manner. I have covered

areas such as health, community services and education, which are important. However, the great diversity of my electorate of Murray Valley needs to be recognised.

If you look across my electorate you will see the important part being played by industry generally and particularly through the food and wine industry, the technology industry and the textile industry. Wangaratta has the woollen mills, Bruck Australia, the Yakka plant, the high-technology IBM factory and more recently the development that has taken place with Dominance Industries. A major development is taking place at Wangaratta where a new fibreboard plant is under construction. When that plant is completed it will provide 120 jobs for Wangaratta and its surrounding areas.

The Minister for Regional Development, Phil Gude, was in Wangaratta on Friday, 29 September. He inspected the factory, and the managing director of Dominance Industries was in Wangaratta to support the launching of this project. It is worthwhile quoting some of the comments made by Dr Ling, the managing director of Dominance Industries. He came out from Malaysia for the opening and his comments are worth putting on the record:

My decision to invest in Wangaratta was largely influenced by two factors: the encouragement and assistance provided by local organisations and the strong work ethic that I found to be apparent in the Wangaratta community.

Dr Ling further says:

The positive support we are receiving from the Victorian government also played a key role in our final decision to invest here.

It is important to understand that Dominance Industries is investing more than \$80 million in the new plant. As I indicated, it will employ well over 120 people. It will receive guaranteed supplies of timber from north-eastern Victoria which will be a great boost to employment for Wangaratta as an adjunct to all the other industries that are operating effectively within that city.

We need to understand that not only has support been provided to the people of Wangaratta and its organisations and development associations, but that the Victorian government is playing a key role in ensuring support for industry. The comments by Dr Ling indicate clearly why that industry is being set up in Wangaratta.

Dominance Industries is the newest industry within my electorate. However, across my electorate at Rutherglen, where I live, there is an important industry, Uncle Toby's, that processes a range of breakfast foods and other products from primary products, particularly from the grain. Based at Rutherglen and Wangaratta the wine industry is also important and is expanding extremely well, with a number of wineries producing great products.

I also mentioned earlier the Rutherglen Research Institute and the important part it plays in providing research services to primary producers in north-eastern Victoria. The government's support for the Rutherglen Research Institute has resulted in its expansion, and government funding is being spent in capital works and employment.

The government's support goes further. Yarrawonga is an important tourist area. An ammunition factory is being developed in that area which will improve employment prospects. Recently the Murray Goulburn company in Cobram announced a \$44 million expansion in food technology. I shall quote from the *Cobram Courier* of Wednesday, 4 October:

Murray Goulburn's new infant milk formula factory in Cobram will create more than 100 new jobs for the region.

The cooperative announced the venture last Thursday which also involves two major Japanese industrial giants —

who joined with Murray Goulburn in this expansion. It is important that we understand the development that is taking place because it is a recognition of the importance of the Murray Valley region as a primary producing area.

It is also important to note the support provided for agriculture with horticulture, fruit and dairying industries as a result of irrigation and closer settlement.

I shall now go further across my electorate into the former Shire of Numurkah. It has not only an important irrigation area but also the Kraft factory based at Strathmerton. Last Friday the Premier was in Strathmerton to open the new \$84 million world springboard for agriculture. It is important that we note the expansion that is taking place, and I shall quote from the *Shepparton News*:

\$84 million upgrade including \$76 million new processed cheese plant and \$7 million upgrade to existing Philadelphia Cream Cheese factory.

The factory was relocated from Port Melbourne to Strathmerton and has been expanded. Its employment increased from 150 peak during the dairy season of 1993 to more than 400 at the end of 1996. It is an important and major development in the Murray Valley region and it is important that the Premier and senior people from Kraft were there last Friday to ensure that there was recognition of the importance of the factory.

I shall quote a couple of comments by the Premier because they are worth putting on the record:

The Goulburn Valley has snared by far the largest share of new investment and is set to stamp its place as the most important single food producing region in Australia and Asia and the Pacific by the turn of the century.

Agriculture and food processing sectors, currently contributing around \$16 billion a year to the state economy —

that is an important fact and it needs to be recognised —

would be high among Victoria's fastest growing industries in the next decade.

I have been critical of what has happened within Victoria in the past 10 years of a Labor government and of the changes it imposed on many of us throughout the state. When I see the massive changes that have taken place in three years of coalition government, I believe the runs are on the board. Sure, there is criticism; sure, you will find areas that are not operating as effectively as others, but the objectives are still there.

There is a new-found confidence within the state. You need only talk to people in business and industry to find that they have confidence in the government and what it is doing with the changes to the public service. The government has reduced employment within the public service, but it has redirected that employment into private enterprise and business and industry.

What I have highlighted in my contribution on the appropriation bill is that development is occurring throughout country Victoria. The government is aware of the problems and the difficulties and it

wants support from the federal government. That is where I suggest the honourable member for Altona should direct her criticism; it should be directed at the federal government and not at the state government. If she has listened to the developments that have been taking place in the Murray Valley electorate and noted the support provided by the state government she would understand that my electorate is not going backwards but is going forwards.

Finally, I shall refer to some of the great success stories in the Murray Valley. Honourable members would be aware that I have been pressing for the provision of natural gas through the Murray Valley region for some 8 to 10 years.

I believe in the next few months there will be a major announcement on the extension of the natural gas pipeline from the area around Chiltern to service Rutherglen, Yarrawonga, Cobram and Numurkah and over the border into New South Wales. The infrastructure program will be of the order of \$100 million; it will assist in the expansion and development of the area and provide an additional source of energy for business and industry. It will ensure the continuing development of that important region. It has not finally come to fruition, but the work that is being done will ensure that the extension of the pipeline will provide an alternative source of energy and thus continue the development process that is already taking place in my electorate and the Murray Valley region.

Mr BAKER (Sunshine) — I am delighted to join the debate. I listened carefully to the Treasurer's budget speech and have since examined it with some sense of duty of care with, dare I say, an interest in trying to find something positive to say about it.

I found the \$3 million that is being allocated to information technology and thought, 'Well, that must be what people in the minor leagues of the advertising industry from whence the Premier came would call the vision thing'. I am conscious of historical watersheds and believe the IT area is a critical watershed. I shall talk about where that should go without claiming any monopoly on wisdom, because anybody who claims a monopoly on wisdom in areas that are so unknown in terms of how they may develop and, more relevantly, the pace at which they may develop is a fool or a bombast. I would not want anybody to think I was either of those.

I went through the budget papers to see if I could get some sense of scale before I committed myself to commending this \$3 million initiative: I wanted to see in the government's own mind and the Treasurer's own papers and numbers some sense of scale. If it is \$3 million for the future, how would I get some base from which to measure that \$3 million?

I found that \$1 million is being spent on Government House. I find it very difficult to commend an initiative where \$3 million is being spent for the future, for the vision thing, and \$1 million for what is clearly the past. I mean no disrespect to His Excellency, but it may well be, given the constitutional developments that are being argued about in this country, that we will not need a Government House in Victoria within a short period. To say on the one hand that one will spend \$3 million on a critical visionary information technology thing and on the other hand allocate \$1 million to the refurbishment of Government House is a scale that moves me to withdraw the commendation that I was about to lay on the government with a considerable sense of grace.

Victoria is at one of those critical watersheds. I do not want to make political capital about the number of people who have left Victoria in recent times, because there are competitive views about the consequences of that. One view put is that the cost of that lost population, estimated in the arcane, fairly woolly and airy ways in which economists estimate these things, is about \$2 billion of gross domestic product. We have lost that population to the resource-rich states that have a propinquity to Asia in travel time that we do not have. It may well be that that trend will continue in the way Australia develops over the next 25 years, and particularly its economic circumstances.

In America there are models for states that have been confronted with exactly the same situation. I refer to Massachusetts and the New England states over the past couple of decades where exactly the same problem occurred: resource-rich states that had more to offer in the way of attractive climates, but particularly the former advantage, stole population from that area of New England. Instead of giving it away they analysed the situation and decided that they would go smarter. It has been a great success. The economic consequences of that action have more than compensated for the lost population.

We have to make that decision. It is a critical decision and we have to get on with it. If I looked at the history of Victoria I would be sitting this afternoon musing about what might have been lost opportunities since perhaps the period of the Exhibition Building and marvellous Melbourne, when Victoria was very much a radical focus of intellectual life — new science, new techniques, new technology, discussion and debate. The consequences of that activity flowed through into the wealth of the community. But we have since then across governments, both conservative and on my side, missed opportunities that are easy to talk about and identify with the wisdom of hindsight but not so easy to pick up at the time. We are in the same situation now. If one thinks about those events one sees they were really critical. What one sees is not always what one gets.

I would pick out for one the fact that Australian Associated Press, as I know from my own experience in the media, chose to locate in Sydney instead of in Melbourne. At that time probably nobody foresaw what the consequences of that action would be, but the dateline 'Sydney for Australia' that goes out all over the world is one of the best marketing slogans one could possibly have, and it is going out on the minute and on the hour every day of the year.

Many people do not understand that a large bulk of news agency funds and their information flows relate to economic news that never turns up in publications or the electronic media; the information is provided as a specific service to clients so it becomes ingrained in their minds. We missed that opportunity, and I do not know what the reasons were.

In the 1970s Neville Wran stole the new banks away from us. The problem was that Victoria was run largely by old money. That had been its strength, but people did not realise that holding property and equity was not necessarily the appropriate way to handle financial circumstances, nor that that was where financial markets and the burgeoning financial activity was going.

Money itself was traded as a commodity and became a commodity. The old notion of the sovereign state being able to establish rules and controls went out the window. We were a bit late, and Neville Wran got in there and picked up those early merchant banks and to a large extent shifted much of the action that had been so important to the Victorian economy away from Victoria.

During the time of marvellous Melbourne, which I referred to earlier, our largely conservative governments were quick to appreciate the significance of Melbourne as a distribution centre, mainly because of its geographic centre.

They built on that distribution focus by building a railway network, which was the smart transport technology of the time. They established an incredible network of rail throughout Victoria, which greatly assisted the distribution focus.

The emphasis then shifted to road, and we missed that opportunity. It is now shifting back to rail and air, and again we are not in there quickly enough. We have not followed the example of our forebears in beating other areas of the country to the game.

The Eastern Freeway is an example of that. To make the decision, as I understand it, for politically popular purposes, to spend money on the Eastern Freeway instead of the Eastern Ring Road and to reduce the transport route which will lower distribution costs so much for so many businesses is an absurd thing to do.

Putting aside for one moment the considerable doubt surrounding the City Link project, assuming it goes ahead, I believe that to produce that City Link proposal without including a rapid transit link from the airport is absurd, and our children and future generations will say, 'For goodness' sake, why didn't they do that at the time?'. No major airport in the world has been refurbished in recent times without that sort of transit link from the airport.

We have missed opportunities in the past to capitalise on the airport itself. Governments both past and present have missed the opportunity to capitalise on the difficulties that Sydney airport has experienced. There was a chance for us to steal a march there, but we did not pick up on it, as happened with our contemporary music industry through the 1960s and 1970s. All the acts came from Melbourne but all the manufacturing, distribution and value-added jobs were located in Sydney, and we missed the opportunity there.

We have not capitalised on our language skills, as I have said in this house on many occasions previously, and I note there is nothing in the budget that suggests that the government is coming to terms with the value of being able to build up not just language skills but the scientific skills we have always had in Melbourne as a village.

To make a bold statement, it is the same old approach that characterises whatever the Premier does. Whether it is a full moon when he gets these ideas I don't know, but something happens. The lines are terrific; there is noise and there is wind, but when you look to see whether the windmill is moving, it does not move. It is the circus without Maximus. There are plenty of bells, whistles and tinsel, but nothing of substance really happens.

To continue the analogy, I am waiting for the Premier to do a Nero and build a 90-metre gold column to himself outside the Colosseum, because that is his style. That is the whole style of the government, and the little example I picked out earlier — \$3 million for the future without any detail; \$1 million for the past for Government House, and that is serious — should really bother us.

We have lost out on the 20th Century Fox film studio. If you go back to the \$20 million my government invested in chasing the Olympic Games you can see with the wisdom of hindsight how much better it might have been to invest that \$20 million, get ahead of the game, and get the multimedia centre here. We still have a chance to do that: what we need to do quickly is to have no more talking, no more meetings, and no more bureaucrats producing more papers. We need an incubator or a suitable environment for highly motivated software developers and skilled multimedia people to rival Fox. We need to find a site, and announce the site, and this will cost a lot more than \$3 million in one budget year!

We have to get off our backsides and do something about that because that is where the future is. If the government is really serious about information technology that is what it must do. We urgently need some form of government announcement that says, 'All right, we have made the noise. We have blown the bells and whistles about Fox technology, but how will it happen?'.

We need to say, 'You will get low rent; this is the place to come. This will be a modern version of Silicon Valley. You will fit in with the universities, the government will get its own information technology systems keyed into it and we will lead the country.'

We need to spend a lot more than \$3 million, and a lot of money needs to be tipped in to ensure that the project moves along and that we recover some of the lost ground from having lost Fox to Sydney.

We need to put some packages together for these people to rival those of Fox. One of the suggestions I would make just to get that feeling, that ambience and that sense of culture would be for the people of Victoria to offer the Australian Inventors Association a sponsorship deal. We would pay for it to have an office in the complex and some secretarial assistance just to have the association there so that people know that if you have ideas, you will be appreciated. In the usual course of events these would be slightly eccentric people; the odd one may even look like the honourable member for Tullamarine, but you don't have to worry about what they look like: you want them to know that Melbourne is the place to come to if you want to dream about the future; that you will get low rent and be treated with the greatest respect, and we will all benefit. That is getting ahead of the game.

The Treasurer's speech is really just bells. It is tinsel, and it characterises just about everything the government does. There is no flesh on the bones, no detail, and no prospect of an announcement in the near future of the kind that I suggested.

Social considerations come with the sorts of changes that information technology is going to bring. With your forbearance, Mr Speaker, I would like to discuss those briefly at an appropriate time after dinner.

Sitting suspended 6.30 p.m. until 8.03 p.m.

Mr BAKER — As I was saying before I was so comfortably interrupted, technology, especially information technology, presents a real challenge for governments and societies. In academic jargon it is a cultural pseudomorph or, in language the honourable member for Mornington would understand, what you see is not all you get.

Mr Cooper interjected.

The DEPUTY SPEAKER — Order! The honourable member for Sunshine should be well aware that the honourable member for Mornington needs no agitating. I ask the honourable member for Sunshine to direct his comments through the Chair and allow the honourable member for Mornington to rest in peace.

Mr BAKER — What a grand idea, Mr Deputy Speaker. So what you see, in language that is not so academic, is not all you get, and you cannot foresee the consequences of the momentum that comes with the change itself. Information technology and the

multimedia boom that is occurring already are starting to suggest that we will have, if you like, the inverse effect to enclosure, and it may well be that we will return to cottage industry in the not-too-distant future.

As I have done before in the house, I give credit to the government for the development of the television input into our school system. If you go to the Trades Hall Council and look at the board honouring the noble unionists who were involved in the campaign for the 8-hour day, it is interesting to look at the occupations listed there and to see how many of those occupations have all but disappeared. Stonemasons, for example, are quite prominent on that board. It may well be — and people on my own side of the house may not like this — that members of the teaching profession are the stonemasons of today.

An honourable member interjected.

Mr BAKER — The stonemasons never thought they were going to disappear, either. That is what I mean by changes that are not so obviously anticipated. Already children everywhere, and especially in the private school system, are being asked to provide notebook or lap-top computers from the age of 12 years. They will increasingly use the Internet and e-mail to take lessons and instruction and undertake research at home. One question that arises is: will we need so many libraries?

The immediate, short-term consequence for governments is that they must address questions such as: do we need so many office buildings? I give some credit to the former Minister for Finance for having reorganised the public sector buildings into a precinct; that was looking ahead to the future.

Mr Finn interjected.

Mr BAKER — You have fallen on your mouth once this week. There is the former Minister for Finance! I came to praise you — now you're really in trouble; you're absolutely gone!

Mr I. W. Smith interjected.

Mr BAKER — I mean it. You were lousy on superannuation, and I have told you that, but you did a really good job on reorganising those public sector buildings. The question is: to what extent will we need those buildings in the future, and how will

work be organised in the medium-term future, not necessarily the longer term future?

Of course there are social consequences for a society where work may be a reward in itself and may not necessarily be rewarded. What do we do? What sort of government attention has to be paid, particularly to those who do not have the privilege of working and do not have the skills and the training necessary to work?

Many members of the house are aware that on a radio program earlier this week I generated a display of considerable angst towards the Minister for Education because the seven schools he announced as being the leader schools in the development of the new technology do not include one from the western suburbs. That is one of the grubbiest, dirtiest and most dishonest things I have seen in a long time. The people who are least likely to have computers at home are people in disadvantaged areas. As some of the people who called in on that radio program soon after I spoke said of the schools that were selected, there was no need for a whiteboard. All you had to do was to take a perspex electoral map and put it down and you would see Buninyong, which is in the parliamentary secretary's electorate!

There are 1 million people in the western suburbs, but not one of those schools was located there. That sort of mean-spirited and inequitable approach to funding has become a hallmark of this government. One of the things you have to ensure, if I am correct, is that all the things that need to be done in terms of the government's information technology initiatives that I have laid out have been done and are accommodated. They must be done in time to steal the march on other states, because you still have no guarantee that people of that kind will flock to Melbourne to work. Historically the high-powered sorts of eccentrics who are intellectually driven, who want to develop the new software and multimedia programs, make them work, tinker with them and work among themselves, seek out a society that is libertarian; a society that honours intellectual achievement; a society that is prepared to tolerate eccentrics. Unfortunately, the way this government has gone about its activities and legislation and its absolute disregard for libertarian concerns and interests will impose a significant economic cost on us in time, because people will not come here to work under a government and conditions that, arguably, are starting to verge upon fascism. I don't use that word lightly.

In the end all the effort and all the noise and perhaps a significant infusion of funds would not necessarily draw those people to Victoria under a Kennett government. They would have come here, and they did come here in the days of marvellous Melbourne, because there was an intellectual and cultural buzz about the place. The government has to create that same sort of cultural sense and intellectual freedom and the sense of appreciation of people who have those gifts; a government that has a little sensitivity, a government that has some grace, a government that is prepared to lift people up from the bottom and a government that is prepared to be far-sighted and visionary about what is required.

Earlier I mentioned on a scale of difference the \$3 million promised for the future in this budget and the \$1 million for Government House, which is the past, and that is a scale that is worth noting. With all due respect to His Excellency, I leave the house with a quote from the great Thomas Paine, who said:

I also consider monarchy to be a silly, contemptible thing. I compare it to something kept behind a curtain, about which there is a great deal of bustle and fuss and a wonderful air of seeming solemnity, but when by any axiom the curtain happens to open and the company sees what it is, they burst into laughter.

Debate adjourned on motion of Mrs PEULICH (Bentleigh).

Debate adjourned until later this day.

LOCAL GOVERNMENT (ELECTIONS) BILL

Second reading

Debate resumed from 7 September; motion of Mr MACLELLAN (Minister for Planning).

Mr LEIGHTON (Preston) — The bill makes a number of changes to the municipal electoral process. It also makes changes to the number of councillors and the remuneration of councillors and eliminates the position of deputy mayor.

The state opposition cannot support those changes. It also continues to have fundamental concerns about the number of major decisions being made by appointed commissioners without consultation. These decisions should properly be made by elected councils in consultation with their local communities. Rather than simply debating the various machinery provisions in the bill for the

electoral process, the opposition believes the electoral process should be brought on to provide for the immediate return of elected councils to all 78 of Victoria's municipalities.

Mr Steggall interjected.

Mr LEIGHTON — It will be now because I desire to move a reasoned amendment. Therefore, I move:

That all the words after 'That' be omitted with the view of inserting in place thereof the words 'this bill be redrawn and redrafted to provide for the immediate return of democratically elected councils in each of Victoria's 78 municipalities.

I advise the honourable member for Swan Hill that later in the debate we will outline some fundamental concerns about the lack of democracy. Before I do so, I refer to the main provisions of the bill and particularly outline our objections to them.

The first major provision in the bill is in clause 3, which reduces the number of councillors who can hold office in a council. The current arrangement for between 9 and 15 councillors will be reduced to between 5 and 12 councillors. We believe this number is too low, particularly when the size of municipalities is increasing in terms of both the geographical area they cover and the vastly different communities found within them. We believe the number of councillors should not be reduced. It is obvious that this is an area of fundamental philosophical difference between the government and the opposition. The government sees the role of councillors as being similar to that of a board of directors, which allows the officers to get on with the day-to-day running of the show.

The Labor Party believes councillors are the elected representatives of the community and that it is a retrograde step to reduce the number of councillors given the diversity of communities and the council amalgamations.

Clause 5 removes the requirement for the voters roll to be in a prescribed form — the roll will still be required to contain the prescribed particulars — and also eliminates the requirement for a supplementary roll. Will the elimination of the prescribed roll mean that at some future time it will not be necessary to have a hard copy? That may be okay for someone like me who can obtain a copy on a floppy disk, but it may not be all right for others. We will end up with the information poor! The provision will serve

the interests of the organised political machines, not necessarily those of ratepayers.

During the briefing they received from officers of the Department of Planning and Development members of the opposition expressed concern at the elimination of the requirement for a supplementary roll and asked whether it would mean that voters could be disenfranchised. The opposition was given an assurance that the provision was not meant to disenfranchise voters, that in some way a supplementary roll was archaic and therefore not necessary. The opposition will monitor the provision to ensure voters are not disenfranchised.

Council officers have told me that the reason for preparing a supplementary roll is to check errors in the original. In the past many errors were of a clerical nature, but now they are more likely to be computer errors. Will the elimination of the supplementary roll mean that if 200 voters are incorrectly allocated to a ward it will be impossible to move them back to the right ward? I acknowledge that councils did not always prepare supplementary rolls, but there were occasions when they were prepared to cope with errors in the voters roll.

The Local Government (Amendment) Act amended the postal voting provisions by giving councils the option of conducting elections by postal voting. The opposition has fundamental objections to those provisions. For those reasons it objects to clauses 8 and 9, which provide penalties for infringing the postal voting provisions. Clause 8 makes it an offence for a person to agree to return a postal ballot paper on behalf of a voter but to not do so in time for the counting of votes. Clause 9 makes it an offence to interfere with any electoral material that is sent or delivered to a voter in an election conducted by postal voting.

Although the explanatory memorandum refers to clause 17, it does not appear in the bill. I presume that is an error, which demonstrates a lack of care in the drafting. Clause 10 removes from the act the offices of deputy mayor and deputy lord mayor. The opposition objects to that provision for the same reason that it objects to reducing the number of councillors. Municipalities now have larger budgets and more diverse communities, which is why it makes sense to have someone to deputise for a mayor. The provision fails to recognise that having mayors and deputy mayors who may have different interests and party political affiliations not only enables councillors to share power but draws communities together. I will read a letter from Jerry

Smith, the Mayor of the City of Greater Geelong, one of only three elected councils in Victoria. Councillor Smith wrote to the Honourable Pat Power, the shadow Minister for Local Government, in these terms:

I write to advise that my council has considered the final recommendations of the Local Government Board on the above, and has recorded that the final report largely satisfies concerns previously raised by council when considering the draft recommendations.

Council has, however, resolved to write to you indicating that it does not support the removal of the office of deputy mayor, and further that council requests that the issue of developing a partnership between state and local levels of government be examined in greater detail as soon as possible.

The deputy mayor issue is currently receiving Parliament's consideration under clause 10 of the Local Government (Elections) Bill, which has reached the second-reading speech stage.

Based on council's unique experience as a large restructured municipality — by far the largest of the three elected councils in the state at this stage, and one of the largest in the state under the total local government restructuring program — the council totally rejects the second-reading speech statement 'In practice deputy mayors have very limited roles'. This is the direct opposite to council's experience.

Councillors in this city have found their responsibilities to be far more comprehensive and demanding than they had envisaged before the elections, and I as mayor find myself literally in a full-time role. It is, therefore, vital that council has adequate and clearly defined leadership on hand as well as having a secure forward planning strategy for future leadership. The proposed ad hoc arrangement whereby a deputy is appointed each time the mayor is not available is not a feasible procedure for council, and would significantly reduce the efficiency and effectiveness which is provided by the current day-to-day mayor/deputy mayor structure.

In summary, council is totally opposed to the abolition of the position of deputy mayor for the following reasons:

The mayor's workload is high and needs day-to-day support from a deputy.

The demands on the appointed deputy mayor are considerable and the removal of the office from the current and future structures of councils will put a limitation on effectiveness of efficiency.

It is important that a deputy be able to act with authority and at short notice on behalf of the mayor in response to day-to-day contact from governments, businesses, industries, organisations, ratepayers, etc.

It is good management practice for the mayor to be able to regularly brief a deputy rather than be required to approach the whole council on specific issues which require immediate attention for representation on behalf of the city.

An ad hoc rotated arrangement would be unwieldy and put a limit on council's ability to fulfil its obligations and responsibilities on a day-to-day basis.

The role played by the deputy mayor strengthens the leadership structure of council and provides important experience with contacts both inside and outside council for the future.

It is essential that council be able to provide a higher remuneration for deputy mayor duties which must be in place on a permanent basis — it would be unsatisfactory for a range of councillors to carry out deputy mayor duties without any remuneration recognition.

Accordingly, council requests an amendment to the provisions of the Local Government (Elections) Bill, whereby the deputy mayor provisions of the Local Government Act 1989 remain in place.

The opposition will not move an amendment to that provision but will simply oppose the bill — in other words, the opposition will seek to directly negate that clause.

Clause 11 provides for rates of remuneration for councillors and mayors to be set by Order in Council. Rates of remuneration are currently set by regulation at \$3000 for councillors and \$100 000 for mayors and deputy mayors. There has not been enough consultation on that provision. It is bad public policy, especially given that the bill has been introduced without any indication by the minister in his second-reading speech of what rates of remuneration the government has in mind. The opposition has been asked to accept remuneration decisions on trust. Whether the rate will be reduced, maintained at the same level or doubled is not known. The house should have that sort of information before it. The government should at least indicate what level of remuneration it is considering.

Clause 14 eliminates the provision for candidates to retire from elections on the ground of ill health. In future the only reason a candidate can retire from an election will be if his retirement has the effect of eliminating the need for an election. That is a difficult issue. It has been suggested that several councillors have retired on spurious ill health grounds, disadvantaging other candidates who have prepared material such as how-to-vote cards listing candidates for election. However, the opposition is concerned that throwing out this provision altogether will rule out the consideration of genuine cases of ill health.

Perhaps the solution should have been a tightening of the requirement for medical evidence. On the one hand, if a person is unavailable for one or two days due to ill health a simple medical certificate from the local general practitioner would be acceptable; on the other hand, if a person is seeking to retire from his employment on the ground of ill health, an independent medical examination could be required. Perhaps it would have been preferable to go down that path rather than eliminate that provision altogether.

I am not satisfied that a full answer was given at the briefing regarding another concern — namely, if there were, say, three candidates for one vacancy and two wanted to retire jointly from the election — —

Mr Maclellan — For separate reasons?

Mr LEIGHTON — For separate reasons but retiring jointly — would that eliminate the need for an election? Will it be possible for a candidate to retire if the number of candidates is reduced to that of the number of vacancies? Perhaps the minister could respond — —

Honourable members interjecting.

Mr LEIGHTON — It was put to us at the briefing that that might be possible, but those answering our questions were not sure. The discussion went round in circles. The Minister for Local Government might be able to respond further when the bill is debated in the other place.

The opposition has no objection to some minor, commonsense housekeeping amendments. In one section of the Local Government Act the title of 'municipal clerk' is substituted with 'chief executive officer'. Given the direction of local government over the past 20 years, that is a sensible change. Also

in some circumstances the time people have to apply to the Administrative Appeals Tribunal for the review of a decision of a municipal electoral tribunal is slightly increased. The returning officer is required to declare elected certain candidates if other candidates have retired and there is no need for an election. That is obviously a sensible provision.

The reasoned amendment calls for the return of democratically elected councils in all 78 of Victoria's municipalities. Victoria currently has only three elected municipalities: Queenscliff, which had the dubious honour of being the only council not sacked; and the City of Greater Geelong and the Surf Coast Shire, the only two councils that have so far had elections. Unless the government reneges on its promise and the Premier succeeds in throwing another dead cat on the table — —

Honourable members interjecting.

Mr LEIGHTON — It was his dead cat, not ours. It is proposed that 20 councils hold elections in March 1996 with the remaining 55 councils holding elections in March 1997. In both cases that is too long to wait. Fundamental decisions are being made that should properly be the province of elected councils working in close consultation with the local communities they have been elected to represent.

The commissioners may argue they had no choice but to make some of those decisions. It is obvious that the Parliament has enacted legislation that requires councils to tender out a certain percentage of services each year. Commissioners can claim they cannot wait for an elected council to take office in 1996 or 1997. To meet those targets they have had to tender services. That is one real reason why local government elections should be brought forward.

A further reason is that in some municipalities commissioners realise that elections are inevitable, including in my municipality where an election will be held next year. Commissioners are making decisions on major issues, pre-empting the return of elected councils and in some cases locking future councils into certain courses of action for a generation or more. Many such decisions do not have to be made in the next six months. Commissioners might continue to pursue the tendering of services, but other decisions such as whether town halls should be demolished should properly wait until an elected council has been returned.

Some commissioners are making massive financial commitments — for instance, the Shire of Delatite has borrowed an additional \$600 000. The trend in many elected councils was to reduce or even eliminate borrowings and pay off debt. Some commissioners are going backwards. Brimbank City Council has borrowed an additional \$10 million. The Shire of Baw Baw has rescheduled all loans and is now making interest-only repayments. At the turn of the century when presumably an elected council will be in place, that council will have to start making massive repayments on the principal.

Mr Jasper interjected.

Mr LEIGHTON — The point I am making is that there was a fairly healthy trend in local government of reducing or eliminating borrowings. Kennett-appointed commissioners in a number of councils have turned the clock back. Many of the rate reductions and so-called savings are illusory because their operations have been financed by borrowings. Members on both sides of this house would agree that is a bad practice. The commissioners know they are there for only a year or two, and that elected councils will have to pick up the pieces.

I turn to deal with a number of specific councils, to give examples of what is happening under commissioners and why there should be a return to elected councils. The City of Frankston has implemented a new municipal rating system without public consultation. The introduction of a differential rate which advantages those who are better off in the community — namely, commercial flat and unit owners — has led to a continuing theme.

I have examined the operations of a number of different councils. Commissioners have changed the system of rating, usually in the absence of community consultation. That can happen when you get rid of democracy. Commissioners have banned weekly press conferences and any direct communication with the press because of criticism of their actions by the local media. An elected government must surely maintain a level of accountability to the community through the media, but Frankston has banned that communication.

I draw to the attention of the house a serious concern about Frankston council drawn to my attention in strong terms by a resident, Colin Hampton.

Mr Cooper — Tell us his credentials.

Mr LEIGHTON — He is the endorsed ALP candidate for Frankston East. In less than 12 months he will be in this house.

Mr Cooper — Do you want to put money on that?

Mr LEIGHTON — On election night, Frankston East will be the first to change hands. In a letter to me, he states:

On investigation I found that the chief commissioner Mr Tom Sweeney had on his pecuniary interest form placed nil in all sections which was in stark contrast to the other two commissioners whose forms took nearly a week to read, what with all their stocks and shares and landholdings methodically registered.

When I had the audacity to ask the question from the public gallery and later in the local press, why he had failed to register any interest, I subsequently received a letter from Mr Sweeney's solicitors as well as the paper that published the story, threatening both the paper and myself with legal action if we did not apologise for our comments.

On closer examination it was found that Mr Sweeney had a mortgage with the Commonwealth Bank on a property he jointly owned in Doncaster and in his pecuniary interest form had failed to declare.

On first appearances this seems okay but in his role as a commissioner with the city he has been negotiating with this same bank the loss of the Quayside Shopping Centre, partly owned by council. This deal will mean the loss of substantial amounts of land and money by the council to this bank, so in fact he did have a pecuniary interest, if not somewhat distant he should have registered it.

The Minister for Local Government should be asked the question, 'Is the chief commissioner in breach of the act in this matter?'

I would be interested to hear a response from the Minister for Local Government in the other place. The commissioners are appointed by the state government. No wonder they want to ban any contact with the media — then they do not have to answer such claims. A democratically elected council has a level of accountability; appointed representatives do not.

Mr Maclellan interjected.

Mr LEIGHTON — Unless you are the Premier banning the *7.30 Report*.

Mr Cooper interjected.

Mr LEIGHTON — But there is a suggestion. I am putting the view that the commissioner ought to be declaring matters, such as a mortgage, in his pecuniary interest statement.

Mr Maclellan — Why should he? He is a commissioner in Frankston.

Mr LEIGHTON — You are joking if you are trying to convince me that the Chairman of Commissioners for the City of Frankston could return a pecuniary interest declaration — —

Mr Maclellan — Saying, 'No interests in Frankston'.

Mr LEIGHTON — That is, 'Nil' in all sections. He had an interest from the same — —

Mr Cooper — You are alleging he has lied.

Mr LEIGHTON — Yes, I am and I am happy to allege that because he will have more difficulty suing me than he would other people who want to raise that issue but who have no protection.

Mr Cooper — You would not be prepared to say it out on the steps, would you?

Mr LEIGHTON — No, that is one of the privileges you and I, as members of this place, enjoy. You will have your opportunity to rebut what I am saying.

The DEPUTY SPEAKER — Order! This exchange has gone far enough. The honourable member for Preston will address his remarks through the Chair.

Mr Cooper — Slander!

The DEPUTY SPEAKER — Order! The honourable member for Mornington has been here long enough to know that when the Chair is on his feet, the honourable member should accord the Chair the respect of this place. The honourable member for Preston, through the Chair, without interjection.

Mr LEIGHTON — Thank you for your protection, Mr Deputy Speaker. I cannot accept a pecuniary interest statement from the Chairman of Commissioners of the City of Frankston, Mr Tom Sweeney, that would include 'Nil' in every section of the appropriate form. He has a financial interest

with the same bank with which he, as the chairman of commissioners, is negotiating.

The budget document of the Frankston council, which had no detail because of so-called commercial sensitivity, met the Kennett government's 20 per cent rate reduction, only to take out a further \$1 million loan. Commissioners have actually turned back the clock in local government — it is not the sort of budgeting we want local councils to implement.

The next council I refer to is Moonee Valley. It is busy destroying, selling and tendering out various services that its local community has worked hard over the years to develop. For instance, it has been suggested that the Sam Merrifield library be moved to the community centre and, despite community protests, the commissioners will not guarantee this will not happen. The commissioners have withheld \$170 000 allocated by the previously elected City of Essendon for the upgrade of the Sam Merrifield library. The money has been placed in a fund and will be expended on other purposes.

Elections are scheduled for that council next March. The commissioners are undertaking a review of what is known as the civic triangle — that is, the area bounded by Pascoe Vale Road, Mount Alexander Road and Kellaway Avenue.

It includes a number of important buildings such as the courthouse, the museum, St Thomas's Church, and the Essendon Senior Citizens Club. The review is to determine the long-term future of this site. There has been no consultation with residents or any of the groups affected by the review and why for goodness sake is this matter so urgent that it has to be dealt with before March 1996?

Maybe, as I said, councils are required to do certain other things under the legislation, but they are not required to move on matters such as this before March 1996. However, the commissioners are taking their lead from the Minister for Local Government who knows some commissioners will be there for only another six months. He is encouraging the move on these issues.

The future of buildings of importance to the community should be decided by the community through its democratically elected council. The council is also making changes to the Aberfeldie Park athletic track. Despite the fact that the council set up an advisory committee some 10 years ago, the commissioners employed a consultant — again, they

have taken the lead from the state government — to report on the future use of the park. The commissioners did not consult with the advisory committee. The athletic track has always been accessible to the community but the commissioners are now moving to the user-pays principle and residents will be able to access the park only at a time specified by the commissioners.

Commissioners in this municipality have made rating changes. They have moved from site value to CIV without any consultation with the local community. I shall give the house an idea about the thinking of these commissioners who will only be there until March 1996. One of the commissioners, Bruce Cameron, informed a public meeting of the Moonee Ponds community group that he would like to implement a 20-year plan for the City of Moonee Valley. What cheek! These people have been appointed from outside; they do not represent the area and they will not be there after March 1996. It is ludicrous for them to be suggesting the implementation by them of a 20-year plan. That is why council elections need to be brought on so urgently.

The Shire of Cardinia, which takes in the electorate of the Minister for Planning, has shown great priorities. It has axed the welfare officer's position despite the fact in six months the welfare officer assisted 524 people.

An honourable member interjected.

Mr LEIGHTON — Yes, he did a good job but the commissioners have got different priorities.

Mr Maclellan interjected.

Mr LEIGHTON — But, the Citizen's Advice Bureau is giving some money and expecting overworked, underresourced volunteers on a shoe-string budget to do the same professional job. By the way he laughs I hope the minister —

Mr Maclellan — You should read the next issue of the local paper where the local Community Advice Bureau comes back and says it was the best decision made.

Mr LEIGHTON — It is a decision that should have been made by an elected council. We have still only heard half the story because these commissioners have different priorities. Their priorities are not things such as a welfare officer's position. Their priorities are things such as \$90 000

on city signs and the exorbitant use of taxis. For goodness sake, the number of vehicles —

Mr Maclellan — Mr Deputy Speaker, on a point of order, the honourable member for Preston mentioned the exorbitant use of taxis. The house and the honourable may not be aware that one of the commissioners in the Shire of Cardinia has a severe disability and necessarily uses taxis for mobility. I believe the honourable member would inadvertently be misleading the house if he implied an exorbitant use of taxis by somebody who would be able to use any other form of transport, which is not the case. I believe he owes an apology to somebody with a severe disability. He has called into question the propriety of that person and I believe he should not repeat that slur in this place.

The DEPUTY SPEAKER — Order! There is no point of order. The content of what the minister has raised is a personal explanation, which he has the opportunity to make at the end of the debate.

Mr LEIGHTON — I am sure he would have had the same opportunity to offer that rebuttal in his right of reply, but he has chosen a point of order to do so.

Mr Maclellan interjected.

Mr LEIGHTON — Use your right of reply.

Mr Maclellan — Don't slag people!

Mr LEIGHTON — Use your right of reply! You have got your right of reply!

Mr Maclellan — You ought to be ashamed of yourself!

The DEPUTY SPEAKER — Order! The honourable member for Preston is now testing the Chair by provoking interjections across the table and I will not tolerate it.

Mr LEIGHTON — Another council I shall refer to is Brimbank, which will not have elections until 1997. One of the major decisions being made by commissioners, which again I do not believe they have any right to make, is the disposal of the municipality's mobile library. They are getting rid of that library despite the fact that Sydenham and Taylors Lakes have no similar services. Certainly, that municipality covers a fair amount of territory and that is the sort of decision an elected council should be making. It should decide how it will best

service its community in the important provision of services such as libraries.

The commissioners have also cancelled the hard rubbish collection on nature strips. They are contemplating changing the size of rubbish bins. That will be a decision that would be difficult for a future council to reverse. It is a bit like trams: once you get rid of them it is difficult to get them back.

An honourable member interjected.

Mr LEIGHTON — No, they have got wheelie bins, but I refer to the change in size. As I said earlier in my contribution, Brimbank is one of the councils that has been borrowing funds. Brimbank has borrowed an additional \$10 million. So much for the trend in local government to reduce borrowings!

The City of Glen Eira — which will not have elections until 1997 — tendered out the management of two of its swimming pools: the East Bentleigh and Caulfield municipal pools. They were major services to the community and that was another tendering process that did not go smoothly. The suggestion from Glen Eira is that the manager of the Caulfield municipal pool resigned, probably under pressure, after he had won the original tender.

The City of Stonnington commissioners have completed a budget that will reduce rates by 30 per cent — that is, \$17 million. Although that might sound good, the Stonnington election will be held in March 1996, so the new council will have just three months to sort out the budget and find the cuts to justify the \$17 million reduction. It is pretty obvious that that will mean cuts in services.

The City of Greater Geelong, one of only three elected councils in Victoria, had some pretty nasty experiences at the hands of its appointed commissioners. The commissioners sold off the Newcombe Community Centre. The Ingamels land was owned by the Uniting Church, which offered to sell it to the City of Greater Geelong, a proposal the commissioners rejected. Residents are faced with the consequences of the Uniting Church's redesignating the land, which will result in that important site being carved up into building lots, with only 25 per cent kept for parkland.

The local community wanted to keep the Geelong concert hall because it had the best acoustics in Geelong and was frequently used for choral recitals. The commissioners changed it into —

Mr W. D. McGrath interjected.

Mr LEIGHTON — The feedback I am receiving from the local community is that it was a popular venue.

Mr W. D. McGrath interjected.

Mr LEIGHTON — Yes, that is what the local community is telling me. However, the decision to either keep it as a concert hall or, as the commissioners did, turn it into office space should have been made by the local community through its elected council. It should not have been made by the commissioners. The City of Greater Geelong commissioners closed maternal and child health centres all over the place. They closed them at Whittington, Clifton Springs, Bell Post Hill, Bell Park and Vines Road. The commissioners also reduced kindergartens hours from 10 to 8 per week.

One of the most controversial issues Geelong people have faced in recent times concerned the relocation of Coode Island to Point Lillias. The response from the commissioners was that they did not need a policy because the state government had one. That of course was true because they were simply creatures of the state government; they were not appointed to represent the local community. That policy position was overturned immediately an elected council was restored to the city.

The recycling service, which was provided once a week, is now available only once a fortnight. Garbage collections in the central business district of Geelong have dropped from three a week to one. That means that businesses such as restaurants have their garbage picked up only once a week. It will be interesting to see what things are like over summer.

Nevertheless, the commissioners were more generous when it came to themselves. For example, ratepayers contributed about \$7000 to the rent paid by commissioner Toni McCormack.

Home Help was completely changed. That is affecting people particularly from non-English-speaking backgrounds, who have been given helpers who speak different languages, which has caused a lot of upsets. Meals on Wheels charges were also increased. They are just some of the experiences residents and ratepayers of the City of Greater Geelong endured while the appointed commissioners were at the helm.

The City of Kingston commissioners have decided to move the rating base from site value to capital improved value, the sort of decision that we believe should be made only by an elected council. That decision follows three referendums in the old City of Mordialloc, each of which resulted in an overwhelming vote against CIV. The commissioners are very much flying in the face of the views of the local community. The introduction of CIV will lead to rate increases of about 30 per cent in the City of Kingston. As part of the 1995-96 budget process the commissioners decided to sell \$2.3 million of public assets and use \$1.4 million of reserve funds to prop up rates for the coming year. In a number of municipalities the so-called savings or rate cuts are illusory. Commissioners are funding the cuts by eating into reserves or by borrowing money.

It has been decided to stop members of the public and community groups meeting in the mayoral rooms of the former City of Mordialloc — and that is a continuing theme across local government. That affects ordinary community groups, families and battlers who sell lamingtons to raise funds so they can mail out their newsletters. Facilities such as town halls and other municipal buildings belong to the community. Commissioners should work with the community and assist community groups. They should not be raising charges.

The City of Kingston commissioners decided to approve the expansion of Southland with very little public consultation. They decided to sell Henry Street, Cheltenham, to a sandmining company. The area is part of the proposed green wedge that will constitute the sand belt open space project. The City of Kingston commissioners have made a range of decisions on financial and environmental matters, as well as those that have affected community group activities. Decisions such as those should be made by elected councils, not by commissioners. The Kingston council election is not scheduled until 1997. It should be brought forward: there should be an immediate return to an elected council in the City of Kingston.

The City of Monash has done many mealy-mouthed things such as selling off the children's playground in Cheel Street, Oakleigh, despite the protests of residents whose children play there.

That is the attitude of commissioners to their local community. Libraries will go out to tender in Monash early next year. The commissioners have given the chief executive officer the power to seal council documents without the documents actually

going to the council. The same is the case with planning applications — they no longer need to go to the council. I suppose one reason the commissioners do not want any involvement in that area is that they have been too busy with other activities. They seem to be spending their time drafting local laws.

It is a pity that *Hansard* cannot record the size of the document in front of me because it is large. The commissioners will have local laws with hefty fines for just about every situation you can imagine in Monash.

To give you an idea of the attitude of the commissioners to their local community, I shall read one of the by-laws proposed for access to municipal places. On page 11, local law 9, Access to Municipal Places, the document reads:

The council or an authorised officer may:

9.1.1 determine the hours when any municipal place will be open to the public;

9.1.2 restrict access to a municipal place or part of a municipal place;

9.1.3 close any municipal place or part of a municipal place to the public; and

9.1.4 charge fees for admission to or the use of a municipal place or part of a municipal place.

Breaching any of these provisions can lead to a \$500 fine. It shows the attitude of the commissioners to local community in the City of Kingston: if we do let them in we will charge them, but basically we will give ourselves the power to keep the community out of the town hall, and if they break this by-law we will fine them \$500.

The City of Greater Bendigo will hold elections in 1996. The commissioners in this municipality are quite entrepreneurial; they seem to be getting into all sorts of property deals. In particular they want to sell some properties so they can finance others. Again it is the community facilities they want to get rid of so they can move into what they consider more interesting properties to buy. One of the properties they seem intent on selling is the Kangaroo Flat car park and public toilet block. In trying to defend its decision the council has been all over the place in the language it has used. It has been saying selling is an option, that there is an option to sell Cabernet Glen, and that there is an

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invitation to sell, whereas the view of many in the local community is that it has actually signed an agreement to sell. It is no wonder members of the local community in Bendigo are calling for an investigation into this matter.

The CEO of the City of Greater Bendigo, Mr Peter Semmer, has admitted that this matter, particularly the advertising, has been badly handled. He is on record as saying that if objectors convince the council the sale should not go ahead it will call it off. However, Mr Peter Ross-Edwards, the chairman of commissioners and a former member of this house, has ruled out a halt to the sales. It is a bit like railway stations: we do not want the community having access to public toilets — sell them off.

The property deals Mr Peter Ross-Edwards has in mind include: the purchase of the ANA Downtown Motel in View Street for \$690 000; offices at 48 View Street for \$176 000; and the Somerset Reception premises at 46 View Street for \$30 000. The council is also looking at other projects with costs running to several million dollars. Those sorts of decisions concerning the sell-off of local community facilities need to be made by elected commissioners in the next few months.

Mr Jasper interjected.

Mr LEIGHTON — It is not a matter of my discussing it with Mr Peter Ross-Edwards.

Mr Jasper — You are saying it is wrong.

Mr LEIGHTON — I am saying it is wrong for a chairman of commissioners who will be there only until March next year. He only has only six months to run.

Mr Jasper — How do you know it is not logical? You are saying anything!

Mr LEIGHTON — Those sorts of transactions should not be made by short-term commissioners.

The DEPUTY SPEAKER — Order! The Chair would appreciate it if the honourable member for Preston would at least acknowledge the Chair from time to time. The procedure of the house is normally that you address your remarks through the Chair. I am being a little facetious in those comments.

Mr LEIGHTON — Thank you, Mr Deputy Speaker.

Mr Jasper — Did you raise the issue of Mr Ross-Edwards?

Mr LEIGHTON — No, I did not, and I do not think it appropriate, Mr Deputy Speaker.

Mr Jasper — It might be a good idea.

Mr LEIGHTON — Mr Peter Ross-Edwards is only there until March next year; he should not be deciding what community facilities he flogs off, which speculative properties he buys and which deals he locks future elected councils into.

Mr Jasper — Why wouldn't you discuss it with him? Are you saying he is wrong?

Mr LEIGHTON — It is a reason for bringing forward council elections.

Mr Jasper — You're not sure, are you?

Mr LEIGHTON — Selling off things like car parks and public toilets — —

Mr Jasper interjected.

The DEPUTY SPEAKER — Order! If the honourable member for Murray Valley asks that once more I will ask him to leave the chamber.

Mr LEIGHTON — Please don't chuck him out, Mr Deputy Speaker. That is typical of the attitude of Liberal Party members. They think all community facilities are indulgences or jokes — something to laugh about.

Mr Perton interjected.

Mr LEIGHTON — Is that how the member for Doncaster conducts himself?

Mr Perton interjected.

Mr LEIGHTON — The very simple point is that when it comes to selling off community facilities, that is a decision that can and should be made only by an elected council consulting closely with its local community. It is far better placed to give high priority to the needs of its local community.

Ballarat will also be having elections in 1996. The changes in rates in Ballarat will hit hard. There will be substantial rate increases to young families on low incomes in the former Grenville shire. This

council is into selling off historic buildings such as the Edgewater Cafe in Wendouree Parade.

Mr Perton — Why should that be a state-owned facility? Go on!

Mr LEIGHTON — Why shouldn't the community make the decision?

Mr Perton interjected.

Mr LEIGHTON — Why shouldn't the community make that decision through its elected council?

The DEPUTY SPEAKER — Order! The honourable member for Preston should ignore interjections.

Mr LEIGHTON — Those are the sorts of priorities that should be made by an elected council for, on behalf of and with its local community. This council is also tendering out important services such as the swimming pools at Brown Hill, Black Hill and Buninyong. One of the next areas that will be affected under CCT will be home help. The next municipality I would like to turn to —

Mr Perton — Are we at Manningham?

Mr LEIGHTON — We are at Darebin now. I am not sure I am going over to the Yarra to visit you, Victor.

Mr Perton — Manningham is terrific. Tell us about our commissioners. They are terrific! I turn to the City of Darebin, which is an amalgamation of the old City of Preston, most of the former City of Northcote and a small part of Coburg. Darebin is one of the 20 municipalities that will have elections in March 1996. The commissioners, clearly understanding that elections will be held next year, have decided not only to make a number of hard decisions and pre-empt the return of an elected council, but in particular they have decided they will make those decisions in such a way that will lock in future elected councils, including locking them in financially.

Mr Perton interjected.

Mr LEIGHTON — No, they do not. We will have a test of that next year. It is pretty clear in my mind. It was put to the test in Geelong and you ended up with a Labor coalition council. You will also end up with a Labor council in the City of Darebin.

Mr Perton — Do you want a bet?

Mr LEIGHTON — Yes, you are on.

The DEPUTY SPEAKER — Order! The honourable member for Doncaster is extending the hospitality of the Chair.

Mr LEIGHTON — I now turn to two issues concerning the City of Darebin to demonstrate my point that the commissioners are making decisions they do not need to make and have no right to make. Because they know that unless the reasoned amendment is passed tonight there will be elections in March next year, they want to lock in any elected council to their decisions.

The first issue is the expansion of the Northland shopping centre in East Preston. The decision to extend the centre was a difficult one for the former council to make. At one stage a panel was set up and although a vigorous debate ensued in council, including divisions on votes, the necessary decisions were eventually made to agree to the expansion of Northland. I imagine the Minister for Planning would approve of that.

Mr Maclellan interjected.

Mr LEIGHTON — No, this predates you, minister. I am referring to decisions of the former council. It was a difficult issue for the local community and the former council, but ultimately the council approved the extension of Northland and made changes to parking and traffic arrangements.

Importantly the former council assured the residents of Wood Street, the street that runs along the back of the Northland centre, that their properties would not be compulsorily acquired. The council resolved that with any proposition to acquire residences on one side of Wood Street so that it could be widened to allow for traffic leaving the centre, it would be up to residents to voluntarily sell their properties.

The Darebin commissioners have just entered into a financial deal with the Gandel Group under which that organisation is to put up money for the expansion of Northland, including the acquisition of all the properties on one side of Wood Street. The commissioners are pretending to honour the decision of the former council and saying the acquisition is voluntary — that it is up to the residents whether they sell their properties.

The latest information I have is that the process could run for a couple of years. However, the financial deal the commissioners have signed with Gandel provides that if not all residents have voluntarily sold their properties to the council in a couple of years and the street widening does not go ahead, the council will have to hand the money back to Gandel, despite the fact that the council will then be left holding properties for which it will have paid a premium. The commissioners are making loaded offers to local residents to induce them to sell. I am sure at least half will sell, but the other half are adamant they will not sell.

The commissioners are locking future elected councils into a deal under which they will have to either overturn the decision not to compulsorily acquire the properties or break the deal with the Gandel. If some future council reneges on the deal it will have to hand the money back and will be left holding residential properties ratepayers will have paid an inflated price for.

The decision in question did not have to be made before March 1996. Not only have the commissioners decided to make that decision, they have made it in such a way that it locks in the next elected council to either breaking a financial agreement and repaying a substantial amount of money or overturning a resolution of a previous council involving an undertaking to residents that their homes would not be compulsorily acquired.

The other example from the City of Darebin concerns a rushed decision of the commissioners made without meaningful community consultation that will effectively destroy the Preston town hall. Although the commissioners claim the town hall is to be retained, only the facade will remain and the entire interior will be demolished and converted into offices at a cost of \$6.5 million. That decision did not have to be made this side of March 1996. It has nothing to do with meeting the various tendering targets under compulsory competitive tendering.

The decision is a move by the commissioners to deprive any future elected council of the opportunity of making the decision in consultation with the local community and also lock that council into a substantial financial arrangement. The \$6.5 million value of the proposal is approximately 20 per cent of council's annual budget.

However, in moving to finance the \$6.5 million destruction of the Preston town hall the commissioners are only allocating a third of the

money in this year's budget. That means that an incoming elected council will have to find the other two-thirds in future budgets if it decides to go ahead with the destruction of the town hall. Presumably when the elected council takes office it will find that the commissioners have signed agreements in such a way that it locks the council in and the council will have to pay substantial penalties to break those contracts. It may well be a decision to which the incoming council has to give serious consideration.

There should be a warning for the commissioners and the council officers in the City of Darebin that if at the end of the day the elected council finds that it is stuck with this white elephant of plush offices for council officers they may be used as a facility for the community, particularly given that the community has had no say in the decision.

I have raised a number of examples across a number of municipalities which demonstrate that commissioners appointed by the Kennett government are making a range of decisions and have changed the very basis of the rating system in their municipalities without consultation with their local communities. They are locking future elected councils into financial decisions not of their making. The commissioners will tie up large parts of the budgets for incoming elected councils. They are struggling with a number of these deals in such a way that the councils are effectively locked in because a penalty will be attached if they seek to change the arrangements.

I have raised a number of examples which show that many of the so-called savings or rate reductions in municipalities are illusory and, in some cases, commissioners are funding those savings by increasing borrowings that will leave future incoming councils to pick up the pieces. I have raised a number of issues where decisions do not have to be made by appointed commissioners, such as the destruction of town halls, until councils have elections in March next year or 1997. The commissioners are acting with the encouragement of the government, and the Minister for Local Government understands that time is on the wing. The commissioners are being egged on by the minister to make such decisions.

In the case of some municipalities, such as the City of Darebin, they know that because there will be elections in March next year the decisions they make now will be made in such a way that they cannot be undone by an elected council. It is for those reasons that we believe there should be an immediate return

to democratically elected councils throughout Victoria's 78 municipalities. Certainly March 1997 is too long to wait. Enormous damage will be done by commissioners in the meantime, but, as I have demonstrated in the case of the City of Darebin, March 1996 is also too long to wait. It is for those reasons a reasoned amendment has been moved.

The opposition remains fundamentally opposed to a number of provisions in the bill, such as the option for councils to conduct elections purely by postal ballot. The opposition will not support any measures to facilitate that. It is also a retrograde step to eliminate the position of deputy mayor. It does not make sense, given the increase in council sizes, to reduce the number of councillors.

There are other provisions in the bill about which the opposition has ongoing concerns. The opposition has moved a reasoned amendment, and if that is negated the opposition will oppose the motion to read the bill a second time.

Debate adjourned on motion of Mr COOPER (Mornington).

Debate adjourned until next day.

COMPETITION POLICY REFORM (VICTORIA) BILL

Second reading

Debate resumed from 7 September; motion of Mr KENNETT (Premier).

Mr BRUMBY (Leader of the Opposition) — The opposition does not oppose the Competition Policy Reform (Victoria) Bill because it supports competition. During the course of this debate I will make a number of remarks about the nature of this legislation and the difference between competition policy and privatisation, and I shall direct attention to a number of the policy decisions taken by the government which are germane to this bill.

At the outset I indicate that this legislation mirrors legislation which, I understand, has been put in place in New South Wales, legislation which flows from the competition policy agreement reached at the Council of Australian Governments (COAG) this year. It is legislation designed to improve the overall efficiency of the Australian economy and for the federal government and the state governments to continue with the process of micro-economic reform so that our economy becomes more efficient and we

are able to take advantage of trade opportunities, particularly in rapidly growing markets throughout the Asia-Pacific region.

It is evident from this legislation that there is some question about what competition policy will mean in practice. In that respect I refer to an article that appeared earlier this year at about the time of the debate on competition policy in the *Financial Review* headed, 'Truth of competition reform'. The journalist analysed material from the Industry Commission, from some of Hilmer's work and material presented to COAG. He worked out what that may potentially mean in terms of productivity and efficiency gains across industry sectors.

The article suggested that in a number of industry sectors there would be the following efficiency gains: for example, the reform of statutory marketing of commodities could save Australia \$790 million. The deregulation of the unincorporated sector could save \$1.4 billion; loosening building regulations — \$1.2 billion; cutting building approval red tape — \$2.9 billion; contracting out by the public sector — \$3.6 billion; deregulating taxi licensing — \$460 million; deregulating newsagents — \$130 million; less government regulation of quality — \$1.2 billion; rail competition — \$1.1 billion; electricity and gas competition — \$2.1 billion; road regulations — \$670 million; uniform road regulation across the states — \$40 million; ports reform — \$80 million; Telecom reform — \$2.7 billion; Australia Post reform — \$290 million; and Federal Airports Corporation and Civil Aviation Authority Reform — \$125 million.

They are the potential gains, according to the Industry Commission and others, that would flow from the competition policy reforms to which the Victorian government is a signatory. Are the Premier and the government serious about achieving the sort of efficiency and productivity gains possible in the Victorian economy or will they continue to pay lip service only to competition and efficiency? Will they actually give effect to some of the broader policy commitments they have made?

I ask the Premier tonight: is he intending, in the state of Victoria, to loosen building regulations which, according to the Industry Commission, would generate national gains of \$1.2 billion? The Premier has an obligation to tell the people of Victoria whether or not he intends to loosen building regulations to generate so-called savings that would flow from this area.

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The second area is cutting building approval red tape. Does the Premier intend to cut building approval red tape as proposed by the Industry Commission or is he again simply prepared to pay lip service to those things and not take the action which he says would take the Victorian economy onto a more competitive path? What about the deregulation of taxi licensing? The opposition does not support the deregulation of taxi licensing.

Mr Kennett — Nor do we.

Mr BRUMBY — I put it to the Premier that we have gone down this list, beginning with the loosening of building regulations. Are you going to loosen building regulations? I ask again: are you going to loosen building regulations?

Mr Kennett — Go down the list.

Mr BRUMBY — Answer the question.

The SPEAKER — Order! The Leader of the Opposition must address the Chair and not use the first person to ask questions of the Premier.

Mr BRUMBY — So the Premier cannot answer the question on loosening the building regulations. On cutting building approval red tape — he might or might not. Will the gains be achievable there? Deregulating taxi licensing is on the list. The Premier signed up with the other governments to an agreement that commits — —

Mr Kennett interjected.

Mr BRUMBY — You're the one saying there are hundreds of millions of dollars worth of reforms but you will not make them, so there is an exception in that area.

Mr Kennett interjected.

Mr BRUMBY — Newsagencies?

The SPEAKER — Order! The Leader of the Opposition must address the Chair.

Mr BRUMBY — This is just like question time today. When the Premier gets a hard question, he cannot answer it. He spits the dummy. That is what you did today!

Mr Kennett — I get harder questions from my dog.

The SPEAKER — Order! The conversation across the table cannot continue. The Premier will have the opportunity of refuting what is said at the opportune time. The Leader of the Opposition will address the Chair.

Mr BRUMBY — Deregulating newsagents? No answer on that one. Less government regulation of quality control — what is the answer to that one, Premier? Will you deregulate quality control in the Victorian economy? That is a section 51 as well, is it?

Mr Weideman interjected.

Mr BRUMBY — You've signed up with the Hilmer reforms. Are you going to do these things or just talk about them? Newsagencies? No answer. Taxis? No answer. Building regulations? No answer.

The SPEAKER — Order! The debate cannot be conducted in an orderly fashion if the Leader of the Opposition poses questions to the Premier in the first person. He may raise questions with the Premier through the Chair but a dialogue across the table is disorderly.

Mr BRUMBY — We will just continue going through the list so that the Premier has a full opportunity later to respond to these matters. Road regulation — \$670 million. The only regulations the government has put in place have added regulations. He has not deregulated, but perhaps that is what the Premier will do. Are you going to deregulate the road regulation industry? We will keep going through the list: uniform road regulation across the states?

Mr Kennett — We're already doing it.

Mr BRUMBY — On trucks?

Mr Kennett — Yes, you should know.

Mr BRUMBY — Already doing it on B-doubles through suburban back streets in Victoria? Yes, it is your policy. Ports reform — what about that? You are extracting a dividend from a port that is making a loss and you want to put a bridge across docklands that will cost about \$300 million to move the ports you will put out of action. Where is the competition in that? That is hardly pro-competition. So we will keep going.

Mr Kennett — Keep going, keep reading from the *Australian Financial Review*!

Mr BRUMBY — When will you make a statement to the house, Premier, about what you are going to do on competition policy? What will you do about taxis? What will you do about newsagencies? What will you do about building reforms? You have never made a ministerial statement — not once since you have been Premier.

The SPEAKER — Order! I ask the Leader of the Opposition to address all his remarks through the Chair and I ask the Premier to remain silent. If he wants to refute what the Leader of the Opposition is saying he will have the opportunity when he closes the debate.

Mr BRUMBY — I refer to the signing of the Council of Australian Governments (COAG) agreement. The newspapers at the time had some interesting headlines. The *Herald Sun*, of Wednesday 12 April states 'Reform pact earns Kennett's praise'. The article reads:

Premier Jeff Kennett last night praised the historic pact on competition reform saying it created a 'borderless country'.

And so on. However, the reality is that as we go through the list of pro-competition reforms, we find that the government has no intention whatsoever of making Victoria a more competitive economy. In fact, everything the government is setting out to do in so many policies is making the Victorian economy considerably less competitive.

For instance, today in question time we dealt with the City Link contract. The Premier confirmed on radio 3AW this morning that there were material, adverse-impact clauses in the City Link contract that would require the government to pay compensation to the Transurban consortium if a government made decisions that reduced the through way to the Transurban consortium.

We asked a question about those matters today, but received no answer whatsoever from the Premier. Yet tonight we are debating a bill that allegedly concerns competition. Therefore, I invite the Premier in his response tonight to focus on those issues of competition relating to the City Link contract.

I invite the Premier also, in his contribution tonight, to talk about the Melbourne casino and the competitive environment the government created in respect of the gaming tables. More than 200 gaming tables were put into the Melbourne casino, and the government has approved, in principle it seems, a

further 160 gaming tables and, in addition, some thousands of gaming machines.

I would have thought for a government that prides itself on competition, it would not have locked itself into anticompetitive arrangements in relation to the Melbourne casino.

One of the features of this government is that it has managed to confuse competition with privatisation. It is a government which has a veritable fetish for privatisation and it is driven by ideology. No matter whether we are looking in the health sector, the water industry, the electricity industry, vet labs or Heatane gas, we find that this is a government that confuses competition with privatisation.

I want to look at some of the areas the government has privatised, using competition as an excuse, since it was elected to government. One of the first to go was Heatane gas, which was sold off for \$129 million. The promise made at the time was that prices would fall and service levels would rise. The purchaser of Heatane gas has already been referred for anticompetitive behaviour. What has happened with Heatane gas is that for tens of thousands of consumers the price of gas has increased by more than 30 per cent and the cost of gas cylinders has doubled.

The Premier can sit there and talk about competition. The reality is that in one of the first areas that he privatised the result has not been lower prices; the result has been higher prices, higher rental rates for gas cylinders and a worse deal for consumers. If I am wrong about these matters, I invite the Premier to refute them. Anybody who has been out in country Victoria knows that the impact of the Kennett government's privatisation is higher prices, lower quality of services and a doubling of the rental charge for gas cylinders.

Heatane gas was the first privatisation. It is a failure for consumers and for competition, which did not provide a better deal for consumers. That is one reason why you have Victoria headed in the wrong direction. That is the first test. The second test —

Mr Kennett interjected.

Mr BRUMBY — You can't answer! You're just a dummy-spitter! You can't answer questions in Parliament. Answer the questions! You've got the opportunity, Premier — answer the question. Spat the dummy, couldn't answer the question, and refuses to do it now.

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Have a look at Tabcorp, which was sold by this government at a share price of \$2.25. The share price today is close to \$3.50. The loss to the people of Victoria because of the mismanagement and incompetence of this government is close to \$3 billion.

Mr Jenkins interjected.

Mr BRUMBY — Don't get into that. The range that was set for Tabcorp shares was \$2.25 to \$2.75, so even if you had sold at the top price you set, you would still find that today the price is \$3.50 and the loss to Victorian taxpayers is hundreds of millions of dollars, and you know it. You flogged off a state asset for well below what it's worth. The honourable member for Ballarat West couldn't care less about the hundreds of millions of dollars. They closed three schools in your electorate and you couldn't care less.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. The Leader of the Opposition, in silence.

Mr BRUMBY — Hundreds of millions of dollars have been lost in the Tabcorp sale.

Mr Jenkins interjected.

Mr BRUMBY — The honourable member can do the calculation. The shares today are worth \$3.50; they were sold for \$2.25. Who has extracted the \$1.25 premium? Not the people of Victoria, not the taxpayers of Victoria, but the people who purchased the shares. Who's the guilty party? Who's to blame? Who is it? You are! You're the person who lost the money!

Honourable members interjecting.

The SPEAKER — Order! The Chair realises it is late in the day and people are becoming tired, but I ask for the cooperation of the house to allow this debate to proceed in an orderly fashion.

Mr BRUMBY — The other thing that has occurred with Tabcorp is that already, even in the short time it has been in place, we have seen pressure put on betting arrangements. If you are a phone better, you find the cost of phone betting is going up from 50 cents to \$2. The government might say, 'So what', but there are hundreds of thousands of phone betters across Victoria. Many elderly Victorians and many disabled Victorians like to bet

on the races and have to bet from home using phone betting. They are now being discriminated against. If you are fit and well and can walk to a TAB you can place a 50 cent bet, but if you are old and infirm or disabled, it will now cost you \$2 to place a phone bet with the TAB.

So do we say that service levels of the TAB have improved? Has the price gone down? Have costs been reduced? They haven't. The service to consumers has become worse, not better, as a result of privatisation.

Tabcorp is the second test. The first one is Heatane gas. In either case, are consumers better off? The answer is no. Have prices come down? The answer is no. Have cost structures been driven down? The answer is no. Have service levels improved? The answer is no.

The third test is the BASS ticketing agency, of which 50 per cent has been sold off to Ticketmaster. Within a short time there has been public debate about the cost of BASS tickets doubling to cover new service charges. Have prices gone down? Have services to consumers gone up? The answer is they haven't.

The next one is Centaur, the vet labs. I see the Minister for Agriculture is here. He is on record as saying when he sold off vet labs that employment would increase dramatically — in fact it would increase by more than 100 people — costs to farmers would go down and services would be maintained. This situation is a major and profound embarrassment to the minister and the government. We started off with four good, working veterinary laboratories across Victoria providing services to Victorians. Now we have two left, and they are basically shopfronts. All the staff have left; the costs to farmers have gone through the roof. For basic services such as worm tests, the cost has doubled. The price has gone up; it has doubled.

Honourable members interjecting.

Mr BRUMBY — What about the Benalla vet lab? What's happened to that?

Mr Kennett interjected.

Mr BRUMBY — You couldn't care less about country Victorians. If you look at all the areas the government has sold off you find the same things. If you look at Heatane gas, you find the price has gone up and service levels have gone down. If you look at Tabcorp, the services to consumers have not got

better; they have got worse. If you look at BASS, the cost of tickets is going up, not down. If you look at Centaur vet labs, two of the labs have closed and the cost to consumers has gone up considerably. I wouldn't have thought that that is a good measure of performance for a government that prides itself on its competition policy.

Among the other things we must consider is the government's sale in the electricity industry of United Energy. It was sold for about \$1.5 billion, plus a franchise fee — so we are talking about a total net gain to the government of about \$1.8 billion. That sale of United Energy was described by Terry McCrann, the *Herald Sun* commentator, as a \$3 billion disaster for Victoria.

Honourable members interjecting.

Mr BRUMBY — That's what Mr McCrann said — a \$3 billion disaster. Do you want to see the headline? A \$3 billion disaster — that's what he says about you, Premier. Whatever you're doing, you're bumbling, aren't you? What have you done with Onelink? More competition, automatic ticketing machines that should have been in place when, Premier? February 1994. Where are they?

We can look at the electricity industry, which has been described by Terry McCrann as a \$3 billion disaster — and so it is. If you look at these areas being privatised you must ask the question —

The SPEAKER — Order! The time appointed under sessional orders for me to interrupt the business of the house has now arrived.

Sitting continued on motion of Mr GUDE (Minister for Industry and Employment).

Mr Dollis (to Mr Kennett) — I'll give you a kiss!

Honourable members interjecting.

The SPEAKER — Order! The Chair is in a quandary. The Chair cannot recall anything in the standing orders that would cover the situation, but I am glad the honourable member for Richmond has left the chamber.

Mr BRUMBY — In relation to electricity, no other state government anywhere in Australia is selling off its electricity industry. No other government or developed country around the world is so confusing the aspects of competition and privatisation as is this government.

Mr Finn interjected.

Mr BRUMBY — Do we have a standing order about members being in their seats? I turn to the question of Melbourne Water.

Mr Kennett — You do support the bill?

Mr BRUMBY — We support the bill. As I said at the beginning, we support competition; but what you do is confuse competition with privatisation. And when it comes to looking after your mates Ron Walker and Lloyd Williams at the casino, when it comes to doing secret deals, when it comes to rigging contracts so that they get awarded the licence at the casino you are not interested in competition, Premier, are you? You are interested in looking after your mates. You are interested in looking after the federal treasurer of the Liberal Party. Competition for you exists only as a device to give contracts to your mates, doesn't it? That is what it is about. Tell us about the casino —

Honourable members interjecting.

The SPEAKER — Order! It is impossible for the Chair to conduct this debate while there are continual interjections across the table. I ask honourable members at the table to come to order. Those members on my right who are interjecting out of their place are disorderly.

Mr BRUMBY — The other area of so-called competition which this government has endeavoured to introduce concerns Melbourne Water. If you look at what the government has done with the reorganisation of Melbourne Water and with the transfer of debt levels between Melbourne Water, if you look at all of the reports that have been produced by London Economics and others you see it has given away the organisational advantages of Melbourne Water and the economies of scale and in so doing it has cost Victorians around \$50 million. That is what they have done by doing away with the economies of scale for Melbourne Water, by breaking it up, by transferring debt and by putting in place these so-called new pro-competition policies. All they have done is wipe \$50 million off the value of Melbourne Water.

If you look at all of those areas that have been subjected to the Kennett government's style of competition policy you will find that they all involve substantial losses to the Victorian taxpayers. You can look at Heatane gas, Tabcorp, BASS ticketing, Centaur and electricity, where Terry McCrann says

\$3 billion has been lost because of the privatisation of the electricity industry.

Honourable members interjecting.

Mr BRUMBY — Government members might not care about a \$3 billion loss, but it is a significant loss for the Victorian people. What about the Onelink contract that should have been in place in May 1994? It was not in place and the cost to taxpayers is more than \$100 million. You can go through the list.

Honourable members interjecting.

The SPEAKER — Order! I warn members on my right that I will take action against them. Their barrage of interjections is disorderly. I ask the house to come to order.

Mr BRUMBY — You can start with electricity — that is \$3 billion; Melbourne Water is \$50 million; Heatane gas, unspecified loss probably running to \$100 million; Tabcorp with the loss to consumers from a current share price of \$3.50 against a sale price of \$2.25 being more than \$200 million; and Centaur veterinary laboratories with the cost to farmers through cost increases and closures running to millions of dollars.

Mr W. D. McGrath — Millions of dollars?

Mr BRUMBY — Yes, because farmers used to use those services; now they can't use those services. You go through that list and then you put —

Mr Dollis interjected.

The SPEAKER — Order! If the Deputy Leader of the Opposition thinks he is annoying the Chair and disrupting the debate he is doing a very good job.

Mr BRUMBY — You go through that list and you get a number, as I say, according to independent commentators such as Terry McCrann, that the cost to Victorians runs into billions and billions of dollars. We should also look at recent so-called pro-competitive measures which have been taken by this government, such as compulsory competitive tendering. Compulsory competitive tendering has been introduced across the state.

Mr Kennett — Do you know what it is?

Mr BRUMBY — Yes, we do. We have a paper on compulsory competitive tendering, which I will

refer to in a moment. We put this out on Monday. Compulsory competitive tendering is a disaster across Victoria. Wherever you look at compulsory competitive tendering it is a disaster.

If you consider East Gippsland, 300 jobs have been taken out of Bairnsdale and Orbost alone through compulsory competitive tendering. Add that to the 80 jobs that have been lost to Orbost because of cutbacks in the Department of Conservation and Natural Resources and you see a disaster.

Right across Victoria local government jobs are being lost through compulsory competitive tendering. They are being lost in the areas of family services, children's services, art galleries, libraries and a whole range of other essential services. We all know the horror stories relating to meals-on-wheels being tendered out. We know about the services that used to be provided where people would knock on the door and go in and talk to the citizens concerned. What is happening now? Because of CCT they knock on the door or ring the door bell and if no-one answers they leave the meal on the doormat. All of the value and benefit that used to be there to care for elderly people in the community has been removed because of CCT. That is happening right across Victoria. You can look at art galleries and libraries. Not even Margaret Thatcher in Britain applied compulsory competitive tendering to libraries and art galleries.

Mr Jenkins — Perhaps she should have.

Mr BRUMBY — She didn't. Is that what they should be doing in Ballarat?

Mr Jenkins — That is exactly right.

The SPEAKER — Order! The Chair has listened carefully to the interjections of government members. I advise the honourable members for South Barwon, Monbulk, Ballarat West and Knox, who are interjecting and out of their places, that I shall take action against them if they continue to interrupt proceedings.

Mr BRUMBY — As practised by the Kennett government, compulsory competitive tendering means the mandatory exposure of local government services to competition. It means that over three years councils must progressively adopt compulsory tendering practices for 20 per cent, 30 per cent and, finally, 50 per cent of their budgets. The legislative definition of 'council budget' means assets, depreciation and other items not relating to service

provision, so councils will be forced to tender out all their services.

I have been briefed on the issue by a number of councils, and I am informed that the legislation will force the contracting out of more than 100 per cent of non-contestable services. I ask the Premier to explain how councils can contract out more than 100 per cent of those services. In many cases more than half of council services are not contestable.

Last week I met the art galleries association and was told that the legislation will force art galleries to tender for their curator positions. Because costs will be forced down — that will be combined with de-sessioning — many galleries will have to sell off valuable pieces of art. No matter where one looks, one sees that compulsory competitive tendering is a disaster. The opposition wants local government to provide quality services efficiently and effectively. Democratically elected council should decide what is best for their ratepayers.

The honourable member for Monbulk shakes his head when I mention democratically elected councils. The government hates democracy. It cannot stand democratically elected councils and does not believe they should make decisions about the services that should be tendered out. The opposition believes elected councils should have the capacity to make decisions about the services that should be contracted out.

We on this side of the house say emphatically that elected councils should be making decisions about the services that are competitively tendered for. Compulsory competitive tendering is a mistake. It did not work in Great Britain and it is not working here. Compulsory competitive tendering is a job killer throughout country Victoria. Whether in Castlemaine, Ballarat, Swan Hill, East Gippsland or Horsham, it is a shambles. Country jobs are being lost to larger firms in major provincial centres or in Melbourne.

In the United Kingdom compulsory competitive tendering has seen the establishment of anticompetitive practices.

Mr Kennett interjected.

Mr BRUMBY — I would like you to answer the questions that you refused to answer in question time. Compulsory competitive tendering has not been a success in the United Kingdom because it has not been conducive to the creation of a competitive

environment. It has led to anticompetitive practices and monopolies — and, in some cases, a number of oligopolies.

When councils contract out road making they will sell off their road-making equipment and become the captives of private firms. Far from driving prices down, that will have the effect of increasing prices.

A number of issues have to be resolved. How will the government ensure the equitable distribution of services across the state? How will consistency and quality be assured? How will the affordability of services be assured, and how will the charging practices of private contractors be controlled? To whom will people complain if private contractors make mistakes or fail to deliver the services councils will no longer be responsible for providing? What is the legal relationship between ratepayers and private contractors? What will happen to the thousands of volunteers who now run local government services? How will the public gain access to information if the contracts between councils and private contractors are commercial in confidence? What environmental standards will councils apply to contracted services, and who will monitor them? How will local communities shape services to accord with their needs and expectations? How will vital jobs and the pay and conditions of local work forces be protected. Why the need to rush into the tendering out of council services before elected councils are reinstated? Those questions have not been addressed by the Kennett government either because it does not know the answers or because it does not want the community to know.

The commissioners have given varied responses to those questions. Sometimes they give glib assurances but avoid responsibility for the decisions they make. A recent example concerns the Chief Commissioner of the City of Port Phillip, who refused to answer questions about the tendering out of local library services. He claimed the responsibility for the tendering process rested with the employees of the council, so he could not provide information —

Mr Kennett — On a point of order, Mr Speaker, the Leader of the Opposition is reading directly from a document. I ask that it be tabled in its entirety.

Mr Batchelor — Mr Speaker, I seek to move that the whole text be incorporated in *Hansard*.

The SPEAKER — Order! The Premier has asked the Leader of the Opposition to table the document.

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It is a reasonable request, and I ask that the document be tabled.

Mr BRUMBY — The honourable member for Thomastown has moved that the document be incorporated in *Hansard*.

The SPEAKER — Order! The house must deal with one thing at a time. The Premier has asked that the Leader of the Opposition table the document from which he is quoting. The request is reasonable, and I ask the Leader of the Opposition to comply.

Mr BRUMBY — I am happy to do that. The manager of opposition business has moved that the document entitled *Delivering better services to local communities — Labor's plan for reliable local government services* be incorporated in *Hansard*.

The SPEAKER — Order! The rules of the house are clear. Any member who wants material incorporated in *Hansard* has to first approach the Speaker to see whether it is suitable for incorporation. That has not been done; therefore, I cannot accept the motion.

Mr BRUMBY — It will take a long time to read this important document. It concerns compulsory competitive tendering. The Premier has invited me to read it into *Hansard*. If that is what he wants, I will do so.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition will be heard without interruption.

Mr Kennett — Come on, read it.

Mr Batchelor (to Mr Kennett) — You couldn't read it; that's your problem.

Mr Kennett interjected.

Mr BRUMBY — I am worried about you getting your 8 hours sleep tonight.

Mr Kennett interjected.

Mr BRUMBY — I hope you answer some questions tomorrow.

The SPEAKER — Order! Debate cannot proceed with members interjecting across the table. I ask the house to come to order while the Leader of the Opposition delivers his speech.

Mr Kennett interjected.

Mr BRUMBY — What about a compromise? I will read the summary at the beginning.

Mr Kennett — Read it all.

Mr BRUMBY — The document reads:

1. THE KENNETT GOVERNMENT'S AGENDA AND CCT

Kennett government changes to Victorian — —

Mr Kennett interjected.

Mr BRUMBY — Yes, it is. It is the executive summary:

Kennett government changes to Victorian local government have seen sweeping attacks on local democracy including the unprecedented sacking of elected councillors, the installation of government-appointed commissioners, and municipal amalgamations imposed against the wishes of local communities.

The government's agenda challenges the ethos of Victorian local government which has traditionally endeavoured to represent the aspirations of local communities — not the aspirations of political parties or state governments.

The aggressive changes have not been confined to attacks on local democracy or boundary changes, and include radical changes to the operating principles and structures of local government in Victoria.

A chief weapon in the challenge to operating principles and local government structures is compulsory competitive tendering (CCT). The doctrinaire and inflexible implementation of CCT, more than most other elements of the coalition's local government policy agenda, threatens the nature and value of services provided by municipal government in Victoria. It does this because it indiscriminately requires services to be tendered on the assumption this will drive the cost of services down, and disregards other important aspects of council services such as quality, reliability and appropriateness.

The CCT agenda ignores the quality of existing services and any preferences on the part of residents and ratepayers to retain existing services because they already adequately meet their needs. CCT ignores who is best to do the job.

The speed and scope of the implementation of CCT in Victoria is based on legislative compulsion, not on the strategic managerial, economic or social judgment of commissioners or council staff.

The government has said that it is better for local communities if services are tendered, but has provided no safeguards in respect of service quality or reliability. The Victorian legislation which compels tendering applies without exception. It was not until August 28 1995, after months of complaints about manipulation of tendering processes, that the government finally released a 'voluntary' council code for competitive tendering.

Budget cuts and CCT

The state government's legislated requirement that councils deliver rate reductions of \$300 million will strongly affect the outcome of CCT and local government service delivery. For all councils it means a drop in rate revenue and finding savings which are in many cases in excess of 30 per cent of service budgets (Ernst).

Evidence is emerging from 1995-96 council budget documents (Yarra and Kingston etc) that some councils are balancing budgets through asset sales and paper manoeuvres.

In the context of CCT, the legislated rate reductions will force councils to prefer tenders on the basis of the cheapest cost, at the expense of other considerations such as quality and reliability.

The Industry Commission raised similar concerns in a 1994 report noting:

'Government officials can be risk averse, with respect to costs, and rely on price alone in selecting providers ... Where budget cuts are operating in parallel with funding reform there may be considerable incentives to focus on obtaining the lowest price for services'.

The assumption of proponents of CCT is that competition results in more efficient and cheaper services. This paper shows that the premise is open to question, and that CCT does not always deliver cheaper services or better outcomes.

Rejecting government by the market

CCT represents a radical experiment with 'government by the market'. Victorian Labor rejects 'government by the market' because it puts at risk services upon which local communities rely.

The social impact of CCT on residents and ratepayers, including frail, older and disabled people and families with young children, are not issues that concern the Kennett government.

CCT threatens the democratic rights of local communities, residents and ratepayers to influence local government decisions on services; such rights are attached to taxing powers in all other democracies.

Honourable members interjecting.

The ACTING SPEAKER (Mr Richardson) — Order! The behaviour of members has become quite silly. I ask the house to come to order. I ask honourable members on both my right and left to cease private conversations. I ask the Leader of the Opposition to deliver his speech in a voice audible to the Chair and the house as a whole.

Mr Batchelor — On a point of order, Mr Acting Speaker, the Premier has invited the Leader of the Opposition to read the document into *Hansard*. We seek your leave to have the document incorporated. That is the alternative to the honourable member's having to accept the invitation to read the document. It is in a suitable format for incorporation in *Hansard*.

If you were of a mind to consider that request, that would enable the document to be incorporated. The Premier finds the document so important and necessary that he has asked that it be read to the Parliament. If that is not your wish and if you were to rule against the Premier's decree, it would be up to the Leader of the Opposition to decide whether to continue to read the document. We seek your ruling on whether the document can be incorporated in *Hansard*.

The ACTING SPEAKER — Order! I am not quite sure what the point of order is. The point at issue is not whether the document can be incorporated in *Hansard*. The Speaker has already ruled on that matter. I have just asked that the house come to order and that the Leader of the Opposition present his speech in a voice audible to the Chair and to the house as a whole. I invite the Leader of the Opposition to resume his speech at the level required, and I ask the house to come to order.

Mr BRUMBY — The document continues:

The value of a professional and motivated local government work force, the impact of massive job losses and declining pay conditions are not issues that concern the Kennett government. The impact on rural

communities is not an issue that concerns the Kennett government. Environmental and economic impacts on local communities also do not concern the Kennett government. These issues, however, are central concerns of Victorian Labor.

CCT and privatisation

CCT is an acknowledged part of the Kennett government's philosophy on privatisation. There have been many government statements which verify this. It was succinctly stated by the Treasurer in a speech delivered in Sydney last year, when he said:

I want to suggest that contracting out is far more subtle and effective than is generally realised. It will form part of virtually every reform we undertake.

In the same speech the Treasurer spoke of asset sales and an objective of 'shifting activity from the public to the private sector' which, he said, equates with 'best practice because it allows quick access to superior performance'. The Victorian ALP believes the Treasurer's statements are ideologically driven and fail the test of economic responsibility.

Fred Hilmer, James Quinn and a range of other economic commentators have recently stressed that contracting out or outsourcing is not always the best managerial or economic practice. Hilmer stressed the importance of at least retaining core competencies and said that if outsourcing is to occur, it must be managed strategically so as to deliver economic benefits.

The unanswered questions

There are many essential questions about CCT which the Kennett government and the commissioners have not answered.

Earlier I detailed the list of questions, including:

how will an equitable distribution and range of services across the state be assured; and

how will the consistency and quality of services across the state be assured?

The document contains a range of other questions to which I alluded earlier. It continues:

In April 1995 a paper produced for the Industry Commission by the Commonwealth Ombudsman highlights the complexity of issues particularly with regard to standards and accountability surrounding the contracting out of government services. The paper said

contracting out was leading to the emergence of a new range of complaints from service recipients. These are listed at attachment no. 1. A case study which illustrates the problems that can arise because of unclear relationships and arrangements between government agencies, private contractors and clients is at attachment no. 2.

Mr Leigh — Shall we surrender?

Mr BRUMBY — You can have it incorporated, otherwise we will go on until 3.00 a.m. I am happy to do that. That is what you did last time — you gave in. You will give in this time! After we finish with the CCT paper, we will read the one headed, 'Competition Policy in Electricity'. The document further states:

Community assets are at risk

The community is entitled to an independent assessment of the merits and outcomes of CCT.

In today's Victoria, because of the policies of the current government, the nature and delivery of programs upon which individuals and families rely is changing radically. Despite impressive achievements in enhancing work practices and emphasis on quality, in some cases services are being disrupted, reduced and are becoming less reliable. In other cases, the services are disappearing altogether. This is because of the ill-conceived nature and major upheaval associated with the government's municipal changes. The government accepts no role in monitoring impact of council amalgamations or CCT on services. It is left to the community to try and monitor what is happening to their local services.

The privatisation, closure and sale of libraries, community pools, maternal and child health, child care, youth, home and community care services and hostels for the elderly are causing particular anguish to local communities. It is unacceptable to the Victorian ALP that unelected commissioners are determining the future of services which are vital to the daily lives of people and the future of communities.

Commissioners should be restricted to acting as caretakers. However, despite community concern, they are making far-reaching decisions with long-term consequences. Contracts entered into by commissioners and the sale of infrastructure and equipment have long-term consequences and will restrict and bind future councils where local democracy is fully restored by a future Labor government.

2. THE PROCESS OF IMPLEMENTING OF CCT IN VICTORIA

The Kennett government's CCT policy means mandatory exposure of local government services to competition through a process of public tendering. Over three years councils must progressively expose 20, then 30 and finally 50 per cent of council budgets to CCT. The legislative definition applied to a council 'budget' includes assets, depreciation and other items not related to service provision. This means that many councils will be forced to tender out all or nearly all services, regardless of the relevant merits of doing so.

The Kennett government only sees a role in forcing the targets to be met and does not care about the impact. The Kennett government does not see an issue when it comes to compatibility between services for people and competition, nor does it value the considerable experience and professionalism of the local government work force.

Councils must provide annual compulsory competitive tendering statements to the minister. If they have not reached their targets, remedial action may be taken by the minister to force the CCT agenda.

Councils can establish in-house tender teams which may bid for the right to continue to do the work currently done by council employees. However, there are no guaranteed rights for existing local government workers to bid in the CCT legislation. Even the rights of UK council workers to bid for their jobs were protected under the British legislation.

The Minister for Local Government has recently given formal warning to commissioners not to prefer in-house bids by the existing work force even if they tie with an external bidder. This is further evidence of the Kennett government's political motives in the CCT agenda.

3. THE UK EXPERIENCE

The contracting out of services by governments in Australia and other parts of the world is not new. However, CCT is a relatively new phenomena. The UK provides the only example of a comprehensive CCT agenda across local government. It is important to note that the CCT changes underpinned the decimation of a tangible role for local government in the UK.

CCT is largely a product of the Thatcher government's policies in the 1980s. In 1980, under the provisions of the Local Government and Land Act, a specific range of services were exposed to competition with the private sector. The initial services were construction and maintenance of buildings and highways.

In 1988, the Local Government and Land Act expanded the scope of CCT adding another seven services to the Thatcher government's CCT agenda. These services included refuse collection, street cleaning, building cleaning, vehicle maintenance, grounds maintenance, general cleaning and catering in education and welfare. In 1989 the maintenance of sports and leisure facilities were added to the list. Notably, human services were only added to the conservative CCT agenda some 10 years after the experiment began.

The presumption of policy makers in the UK which formed the basis of marketing and implementation of CCT is that CCT directly results in a reduction of the cost of providing services. However, the UK experience found the significant cost in the implementation and monitoring of CCT, and exposed serious difficulties in ensuring good quality services and outcomes.

Research funded by the UK Department of the Environment on the early experience of CCT in local government indicated an average reduction in the cost of services of no more than 6.2 per cent across a range of services — not a reduction overall. Furthermore, such was the variance in cost outcomes around this mean, that the researcher stated that:

... the only safe conclusion to be reached is that it would be unsafe to reach any definite conclusion.

This research has recently been replicated to cover the experience of the same example of UK councils over the whole period that CCT has been in operation, from 1989 to 1992. The average reduction in cost savings remains around 6.2 per cent. At the same time, the average cost of making the various preparations in tendering procedures and organisation averaged 7.5 per cent of first year costs.

A comprehensive survey of 300 UK CCT contracts awarded under the 1988 legislation found that the equivalent of 271 full-time jobs were needed to supervise the CCT process at a cost to the British ratepayer of £3.85 million.

A separate study of 448 contracts awarded around the same period calculated the cost of tendering to be in the order of £41 million. In addition, another £4 million was spent on consultants' fees taking the total cost generated by these contracts £45 million.

Administrative, legal and management costs of contracting out council services are unavoidable. The UK experience demonstrates that competitive tendering is an expensive exercise. Given the substantial costs involved, the community is entitled to

know precisely what the CCT experiment is costing their community.

4. THE VICTORIAN CONTEXT

Commissioners are not accountable

The aim of implementing CCT in Victoria under the Kennett government, as in the UK under Thatcher, is to deregulate and drive down workers' pay and conditions, dismantle local government services and disempower local government as an independent level of government. This is apparent because there are no targets for efficiency, quality or the reliability of services. Local councils currently differ widely in their emphasis on outcomes and are able to do so because the Victorian legislation is silent on the issue.

Questions of service quality, supervision of outsourced suppliers, the social impact on people who need the services, and the impact existing on the existing work force and local communities may or may not be addressed, depending on the want of the commissioners.

CCT does not make economic sense

Contracting out in local government actually generates significant costs according to a 1990 report of the Evatt Research Foundation. The issue of whether the main cost advantages of providing the service reside with contractors or day labour is far from certain.

The qualifications which should be applied to any simple claim that contracting out and competitive tendering reduce costs significantly have also been recognised in reports published by the Organisation for Economic Development and Cooperation and the Australian Commonwealth Government's Advisory Board.

The Evatt Research Centre undertook an exhaustive study of contracting out of council services and related issues when they surveyed 831 municipalities nationwide in 1990. The analysis of the survey identified trends and highlighted the confusion and complexity involved in simply comparing the cost of private services with public sector services.

CCT ignores whether or not a truly competitive market for delivery of services exists. The potential for effective competition varies depending on the type of service involved and the region. CCT ignores that in some regions, particularly rural Victoria, there is little, if any, real scope for greater efficiency or better outcomes through competition. The range of reasons for this include the lack of any or any viable and experienced

competitors; the prohibitive cost of equipment and infrastructure for some services; the cost of service delivery particularly in remote areas allows little scope for profit.

Whether cost savings can be achieved depends on a wide range of factors such as the type of service, the size and location of the council and the size of the service to be delivered.

The scope and potential for greater efficiency depends on a range of variables including the presence of genuine sustained competition according to the report.

For competitive tendering to achieve greater efficiency there must be genuine sustained competition. The Evatt paper points out the lack of competition in the Australian environment and it notes that three out of every four local authorities in Australia are outside the immediate regions surrounding the capital cities. More than 90 per cent of these councils have local economies which are either solely or largely based on a single industry.

In this context, the smaller market combined with the highly capital intensive nature of some services, such as modern garbage collection, make genuine and sustained competition unlikely in many areas of Australia.

Very few councils surveyed as part of the Evatt research specifically mentioned competition as an advantage of contracting out. Many councils in fact referred to anticompetitive outcomes of using contractors. A number of councils referred to a lack of bids for services being a problem, especially in boom times. Other councils referred to the dangers of dependence on contractors, especially rural councils. Contractors can hold councils to ransom if a council is totally dependent on a contractor to perform particular types of work.

CCT works against competition

Conveniently those who advocate CCT place a heavy emphasis on the potential for the competitive tendering process to allow for competition between the internal bidders, that is the existing work force, and private contractors.

Should the in-house tender not win the contract, it is most likely to be dismantled, staff redeployed and equipment sold. Therefore, in the second round of tendering the council will not enjoy the benefits of competition between the in-house supplier and outside contractors. It will be difficult for a council to

re-establish services in-house should it be highly capital intensive or require expertise which will be lost to local government, particularly when councils are faced by a sole monopolistic private supplier. In this situation, the public authority will be forced to accept a costly outcome or face the difficulties of costing and re-establishing its own service. This illustrates the dangers of concentrating on the theoretical application of principles at one point in time and ignoring the reality of the longer term scenario.

Evidence is now emerging in the UK of a small number of large, multi-national firms dominating the various service sectors exposed to competition. In refuse collection, four companies have secured 48 per cent of the market and in school meals, three companies have secured a massive 78 per cent of the market. Across central government, local government and health, only six companies have 60 per cent of all information technology contracts.

Early experience with tendering in Australia suggests that the same firms that are dominating the UK markets are moving in on contracts in Australia, meaning more overseas ownership of Australian services. A recent example is the entry on to the market of Berkeley Challenge, a subsidiary of P and O, which recently won a contract for street cleaning from the Melbourne City Council.

Finally, it is important to note that the CCT changes in the UK have been implemented over a period of 12 to 13 years and even included an 'on paper' attempt at assessing the relative merits of contracting particular services over time. The CCT agenda in Victoria will be implemented over three years and there is not even a token show of assessing the outcomes by the Kennett government. All but three councils have been under commissioner control for the first stages of CCT. It is anticipated that at least 70 per cent of councils will have been under commissioner control for the entire CCT implementation period.

Lack of consultation

The government has overlooked the need for community involvement concerning the future of local services, just as it has overlooked the democratic right of residents and ratepayers to elect councillors.

At best the Kennett government's CCT agenda is a reckless experiment with government by the market which disregards the importance of local government services to communities. It is a radical agenda and it is more radical than the CCT agenda implemented by the Thatcher government in the UK.

CCT tramples on local democracy, and uses fear of job losses to silence the concerns of workers in the system. There are a range of examples including maternal and child health nurses employed by the City of Stonnington and aged care workers at the City of Melbourne who are frightened to speak publicly about their concerns over the policies of the commissioners and the Kennett government.

CCT and the human cost

'Since the privatisation of meals-on-wheels my elderly mother no longer receives tasty, nutritious home-made soups. Instead she gets an anonymous paper packet containing a greyish powder — no list of ingredients, no instructions. The general standard and appearance (so important) of the meals, has also declined'. The Grey alternative, Jo Goodman, Eltham. *Access Age* 22.7.95.

The best way to show the impact of current policies on the community is to provide illustrations of the impact on people.

Aged care and other human services provide emotive and extremely worrying examples. The sensitive and complex issues involved in these areas of service delivery mean that the forced tendering of services can directly lead to anxiety and distress.

The council auspiced, commonwealth-funded Amaroo Aged Person's Hostel at Knox and the Milparra Hostel at Frankston are home to more than 100 frail old people. The hostels provide security, good services, continuity of staffing and a caring environment. Many older residents no longer have families and their relationships within the hostel, including with staff, are important friendships. The news that the hostels were to be tendered has caused much distress among residents and their relatives. This is unnecessary and unfair on older people who are entitled to peace of mind.

There is a growing body of evidence showing disruption to services, anxiety and uncertainty among service recipients and workers in the area of home care, child care, maternal and child health and youth services.

Honourable members interjecting.

Mr BRUMBY — Do you want me to repeat that part?

Honourable members interjecting.

Mr BRUMBY — I have been asked to repeat that part and I shall:

There is a growing body of evidence showing disruption to services, anxiety and uncertainty among service recipients and workers in the area of home care, child care, maternal and child health and youth services.

Mr Leigh — Can you say that again?

Mr BRUMBY — I have said it twice. Point 5 concerns the impacts on the work force and community. We could have adjourned this debate until 10.00 a.m. tomorrow, but you want to keep going. If you want to keep going, Jeffrey, we will just keep going.

Mr Kennett — We will finish it tonight.

Mr BRUMBY — I do not think we will, because we will be going well after midnight. We will not finish it tonight, so we will finish it tomorrow.

Mr Kennett interjected.

Mr BRUMBY — No, you said tonight.

The ACTING SPEAKER (Mr Richardson) — Order! This debate will continue in an orderly fashion. The Leader of the Opposition will address the Chair.

Mr BRUMBY — The document continues:

5. IMPACTS ON THE WORK FORCE AND COMMUNITIES

The UK experience, as outlined in both independent and government commissioned research, is that CCT is associated with redundancy and retrenchment of local workers. For example, research commissioned by the British Minister for Local Government found that job losses in excess of 25 per cent have occurred in specific service sectors as a direct result of the introduction of CCT. The same study showed an average job loss across all CCT service sectors of 13.5 per cent.

This research as well as other bodies of evidence estimate that more than 120 000 Britons have lost their livelihood in the pursuit of CCT efficiency. Such alarming reductions in staff are significant enough, but the truly regressive nature of CCT is better illustrated by a study conducted by Britain's most prominent public sector unions, which found that in the first 15 months of CCT there had been reductions in

municipal work forces that had been 'successful' in the tendering process.

Most winning municipalities sacked employees. Remaining employees commonly suffered a reduction in pay and conditions. The UK experience shows that CCT precipitates big job losses regardless of who wins the tendering process.

Just as Premier Kennett and Minister Hallam have so zealously imported CCT from Britain, so too have they secured for Victorian local government the certain knowledge that jobs will go. This is clearly evident by recent happenings within the flagship of so-called 'efficient' management, the City of Melbourne.

The Kennett-government-appointed City of Melbourne commissioners decided that 35 services traditionally carried out by the municipal work force should be put out to tender. An expected 1000 to 1300 jobs will go, job losses that will add to the 500 pink slips already handed out over the past four years. Despite the effects the government presses ahead with CCT, and in so doing provides the Victorian public with yet another disturbing example of public policy Kennett style.

UK research, sponsored by major public sector unions, has clearly demonstrated a connection between CCT and a deterioration in levels of remuneration and conditions of employment.

These negative employment effects are not confined to the UK; they also pervade the USA, where contracting out is well established. Research there points to significant decreases in working hours and the number of full-time service providers. This is ostensibly the product of more than two-thirds of all contractor employees being employed in a part-time or casual capacity. The USA research also outlines a decline in arrangements for holiday and sickness pay, disciplinary procedures and pensions.

Further to these effects, the displacement of municipal labour places in jeopardy the goals and objectives of affirmative action, equal opportunity and so on. The UK Equal Opportunities Commission recently released a consultants report on the impact of CCT government on women's employment and pay. The findings show that women working in the female-dominated industries of cleaning and catering have experienced severe cuts in hours, pay and conditions in both local authorities and the private sector as a direct result of CCT.

JOB LOSSES — CCT in the four services surveyed had a different impact on women and men with widening

inequality in pay and conditions for part-time women workers and full-time male workers in manual services. Women's employment fell by 22 per cent and male employment by 12 per cent in the four services during the first round of tendering. Other findings included:

Women accounted for 96 per cent of the net job loss.

Employment fell by 13 per cent in residential and home care services between 1988 and 1993.

Part-time employment fell by 22 per cent and full-time employment by 12 per cent in the first round.

CUTS IN HOURS — In addition to a decline in jobs, the hours worked by part-time staff reduced under CCT.

Average hours in building cleaning declined by 25 per cent and in catering by 16 per cent. Contractual hours in refuse collection remained the same, although the actual hours worked increased. This reduction forced more women into multiple jobs with some part-timers working for 2 or 3 hours on several contracts to increase their earnings.

The decline in hours also meant that a greater number of women had weekly earnings below the national insurance lower earnings limit and were often excluded from employment protection insurance.

WOMEN'S PAY SQUEEZED BY CCT — The research shows that differences in pay levels between full-time and part-time workers have widened since 1988. Pay levels increased in refuse collection during the first round of tendering, primarily through the increased use of bonuses. In cleaning and catering pay rates did not increase and in some cases declined for part-time workers. Bonus pay was removed, local pay rates introduced and privatisation of some contracts resulted in pay cuts. Other findings included:

SURPLUSES GENERATED BY LOW PAID WOMEN — Surpluses on DSO trading accounts for the four CCT services totalled \$17.4 million in the 39 case studies in 1991-92. Female dominated services accounted for over 90 per cent of the surpluses. In some local authorities, low-paid women in catering and cleaning are effectively subsidising council expenditure.

COMPETITION VS COMMITMENT — What effect do change processes as dramatic as that of CCT have on the morale and the productivity of a council's employees? CCT is likely to be far from a cost-free process in terms of its effect on existing employees. The evidence in this respect is by no means clear and often anecdotal. However, an indicator may be a recent

membership survey undertaken by the ASU which showed that ASU members in local government rated job security as the issue of most importance to them before pay and conditions and health and safety.

A process that provides continuing uncertainty for employees will undoubtedly have a negative effect on staff morale. It is certainly inconsistent with building an enterprise based on commitment.

Although the implementation of CCT is relatively new in Victoria, early experience reveals a replication of the UK experience with experienced local government workers undergoing loss of morale and an ultimate sacrifice of pay and conditions in order to undercut private contractors and save their jobs. There is also emerging evidence that workers with higher skill levels are leaving councils and taking packages, to avoid the ongoing job insecurity.

6. CCT AND RURAL/PROVINCIAL COMMUNITIES

In some respects the worst affected by CCT will be those small rural communities whose future depends upon municipal employment and the local shire budget. Reductions in local government jobs will lead to a decline in levels of disposable income and expenditure, adding to the already formidable burdens of struggling local economies.

In addition to this direct impact, those local employers — the commercial viability of whom is directly linked to providing support products and services to their municipality — must suffer as local government operations are taken up by contractors and invariably relocated in provincial — —

Mr Dollis interjected.

Honourable members interjecting.

Mr BRUMBY — The Premier is a very slow learner, Mr Acting Speaker.

Once a small community reaches this stage, its very future is in jeopardy; as young people move away in search of better employment opportunities and various agencies (for example, branches of financial institutions) are forced to cease operations because of the depressed environment. These are but some of the hidden effects or impacts of CCT, yet they remain some of the most significant.

These examples highlight the fact that in many instances local government is more than simply a service provider or profit maker, instead, local government is often the 'lifeblood' of the community.

Similarly, local government not only provides for the tangible or physical needs of its community. Local government services and operations often facilitate unprofitable yet immensely valuable community programs and activities. However, cheaply run local government is not necessarily an effective or equitable local government.

A relevant commentary on CCT was provided by Mr Bruce Scott, the federal shadow Minister for Local Government and member of the National Party. He said:

We must acknowledge in some areas there may be special considerations where it may not be in the best interest of the community (to apply CCT) ... CCT may not be necessary for some already successful services.

A number of case studies are attached to this paper, and they are contained in the volumes the deputy leader has just brought into the house. I will proceed to move through those case studies one by one. I will say this about CCT: the fact is there is a better way of doing things with local government in Victoria. The view that Labor has put about CCT combines sound financial management and investment in people through quality health, education and community services, a clean environment, a flourishing democracy and a strong focus on industry and jobs. The vision we have is the right vision for Victoria, and local government is a key part of that vision.

In government Labor would restore democracy across local government. We would restore consultation and local participation to the operation of each municipality. We would ensure the provision of affordable quality services to local communities that are delivered on the basis of need and in accordance with local expectations. We would support councils to plan strategically to meet the needs of local communities, and we would promote fiscally responsible management across local government and encourage the prosperity and development of the resources of municipal districts.

The aim of every council must be to deliver quality services efficiently and effectively. Ratepayers and the community generally must get value for money. Councillors must consult widely and they must make decisions based on objective criteria that indicate whether in each case outcomes will be better or worse for the community. They must take account of people and not just figures. We must do the best job we can, and those council decisions

must be central to the long-term future of local government.

Key criteria in the decision-making process include quality, cost, access and equity, and the broader social and economic impact on individuals and communities. That is why Labor believes the forced tendering of services through the process of CCT is not the right direction for local government or for Victoria. CCT has shown in the United Kingdom, and is now showing in Victoria, that it cannot meet a combination of goals that are required to deliver good public policy. CCT has been forced on local communities with little or no debate. Its flawed introduction has been made easier by the sacking of local councillors and the installation of commissioners.

Labor believes the delivery of council services, including any decision to tender or privatise services, should not be made by unaccountable commissioners. Labor reaffirms the view that democratically elected councillors are best placed to understand the needs and wishes of local communities and to assess on a cost-benefit basis when it is or when it is not in the best interests to tender council services.

In terms of CCT the fact is that the undemocratic nature of the Kennett government's municipal changes, including the sacking of elected councillors, legislative rate reductions in a pre-election period and CCT are unprecedented in the western world. Debate concerning the present CCT experiment in Victoria must be understood in this light and must be seen as part of the Kennett government's broader industrial, ideological and political agenda, which ignores democracy and social outcomes.

Major problems are already occurring with CCT. They include: firstly, the loss of control over the delivery of services which are essential to communities; and secondly, higher service costs associated with the tendering process and the monitoring of contracts, and higher costs because of a bias against in-house bids. What we are seeing right across Victoria is a whole new army of red tape and bureaucrats being created, sitting in councils, writing up contracts and deciding who will get them. There are no cost efficiencies through this procedure, only additional red tape, additional bureaucracy and unproductive use of resources.

Thirdly, there are problems ensuring contract performance and the entry into the market of under-capitalised and inexperienced private

operators; fourthly, there is uncertainty around service delivery due to contracts that do not sufficiently identify service requirements; fifthly, there are low quality outcomes because of an inability of councils to manage the contracts they have entered into, and a lack of any meaningful benchmarking or any strategic approach to the tendering out of services.

The sixth problem with CCT is the continuing insecurity among service recipients about access, affordability and the quality of services among frail older people, people with disabilities and families with young children. The seventh problem is uncertain avenues for complaint resolution; the eighth is declining pay and conditions due to private companies seeking a competitive edge at the same time as requiring significant profit; and the ninth problem is massive job losses, particularly in rural and regional areas, and the potential for many more jobs to go, which will impact widely on many families and communities.

It must be remembered that a key part of the government's broader agenda involves driving down the size of the public sector work force and reducing the cost of services by reducing the cost of labour without giving consideration to broader issues. Recent examples include the loss of pay and conditions of staff of Melbourne City Council in all services won by in-house bids. In the case of staff at the city pool, this involved pay cuts of around 20 per cent. For aged-care workers it meant a \$3 reduction in already low hourly rates of pay and an extension of deemed normal working hours from 6 a.m. to 11 p.m. The changes have resulted in the loss of experienced staff and disruption to services.

In addition, the Kennett government has failed to address important social, legal and economic issues about CCT. That is right! While the Kennett government in all those areas is forcing down the pay and conditions of ordinary workers, there have been plenty of pay rises for department heads and for the heads of health region networks, and plenty of pay rises for Ross Wilson on the contract that the Treasurer signed for \$8 million — but no pay and improvement in conditions for ordinary working Victorians.

The questions that have to be asked include: how can the provision of local government services for profit be consistent with the commitment to provide high-quality social and environmentally responsible services? How can private contractors be held accountable for providing responsible and holistic

social services in the same way as public sector employees are accountable? Is it appropriate for the private sector to usurp and profit from services and social programs upon which vulnerable members of the community rely? What is the role and who is responsible for volunteers if services are privatised? Should private sector employees have the same access to information about client service recipients as public sector employees?

The question of how and to whom complaints are made if things go wrong and the legal relationships between those who receive services, private contractors and councils are also unclear. These are only some of the questions and issues the Kennett government has failed to address. Other issues such as public ethics and the role of the public sector, the cohesion of local government and its relationship to the community, notions of democracy and accountability and social responsibility have also been neglected by the government.

The CCT agenda of the Kennett government is ill conceived and puts at risk the services on which local communities rely. Accordingly, CCT is rejected as a legitimate policy alternative by most decent thinking Victorians. I have referred to the background paper the Premier expressed such interest in. I now want to move to the issue of competition in the electricity industry.

The ACTING SPEAKER (Mr Richardson) — Order! I draw the attention of the Leader of the Opposition to page 365 of 21st edition of *May*, which deals with the quotation of extracts from documents. I understand he is now proposing to move from reading a document that the house agreed should be read into the record to reading another document.

I put it to the Leader of the Opposition that the acceptance by the Speaker of the reading of the first document does not apply to his reading of a second document. The reference at page 365 of *May* is now relevant and he should not presume that he is now able to read an entirely new document into the record.

Mr BRUMBY — I am familiar with what *May* says at page 365 of the 21st edition. Earlier I said that because this is a debate about competition policy I would in due course give my views on the Victorian electricity industry and the need for competition as distinct from the privatising of it. Before I do that I wish to refer to nine appendices to the previous report on CCT because the Premier has asked me to read them into *Hansard*. I am reluctant to do that, so

I will take your advice on the matter. On the issue of material being read, page 366 of the 21st edition of *May* states:

The rule against reading speeches is in any case, relaxed for opening speeches ...

This is obviously an opening speech on a significant bill that deals with a big issue for Victoria and Australia. I refer to cuttings taken from newspapers at the time the Premier entered into the Hilmer agreement. The headlines include two from the front page of the *Herald Sun*, '\$4.2 billion win' and 'Reform pact earns Kennett's praise', and some from the *Age*, such as 'Now for the hard part: long wait for pact payouts', 'Hilmer: let's see quick results' and 'Deal is done for an era of competition'. This is a big issue. It warrants a significant and detailed response from the opposition, and I am endeavouring to provide that response tonight. I have referred at length to compulsory competitive tendering, and I intend to refer at length to competition.

Mr Deputy Speaker, prior to your taking the chair I was about to refer to the electricity industry, which is a big issue. The government has a program of selling off the industry.

Mr Leigh — Supported by the Keating government.

Mr BRUMBY — It is absolutely not supported by the Keating government. Not only do government members tell lies at question time, but they are telling lies now. They tell lies when the truth should do! To say the Keating government supports the privatisation of the electricity industry is not true.

Mr Kennett interjected.

Mr BRUMBY — I know what he says about you. He thinks you are a complete idiot.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The Chair does not intend to tolerate that level of interjection across the chamber. If honourable members want to play games the Chair will be happy to accommodate them. The Leader of the Opposition will continue, without interruption.

Mr BRUMBY — One of Melbourne's leading economic commentators, Mr Terry McCrann of the *Herald Sun*, has described what the Kennett

government has done as a \$3 billion disaster. The Premier can sit there and shake his head from side to side, but Mr McCrann has described the sale of the SEC as a \$3 billion disaster. Here is the newspaper cutting, Jeffrey! It says 'Our \$3 billion disaster'. Who did it? The Premier of Victoria did it.

The DEPUTY SPEAKER — Order! The Leader of the Opposition should not invite interjections across the table, and he should refer to honourable members by their correct titles.

Mr BRUMBY — In an article headed 'Our \$3 billion disaster', which was published in the *Herald Sun* of Thursday, 24 August, Terry McCrann states:

The sale of the bits of the old SEC is going to be a financial disaster for Victorians, costing us billions and billions of dollars as taxpayers/owners.

A reasonable figure would be around \$3 billion — over \$600 for every Victorian. Even higher figures are arguable. The arithmetic is simple, chilling and undeniable.

As well, small businesses and householders as customers are going to pay a further \$3 billion in extra electricity prices as a result of a deliberate state government decision to reduce the state debt quickly.

Government members may disbelieve it, but an independent financial commentator has said that the government's plan to sell off the electricity industry is costing Victoria \$3 billion, or \$600 for each Victorian. I should have thought that is a catastrophic loss, particularly in view of the pounding each Victorian family has taken under the government in the form of a \$1500 increase in taxes and charges.

Victoria has the highest taxing and charging Premier in its history. Every time a problem arises in Victoria he puts on a new tax to deal with it. It doesn't matter whether it involves Tattsлото, tobacco, fuel, motor registration, bank transactions, the SEC, the Gas and Fuel, kindergartens or TAFE colleges — the Premier sees a new tax as the solution to every problem that arises.

Because of the sale of the SEC every family must pay an extra \$600 on top of all the other costs that I went through earlier such as the sale of Heatane gas, vet labs, BASS ticketing, Tabcorp, the changes to Melbourne Water and the \$100 million loss on the Onelink consortium, which adds up to close to \$4

billion worth of losses that the Victorian taxpayers have to pick up because of the Premier's incompetence.

This is a government that can cut but cannot manage. It is a case of get the chainsaw out and cut, but the government cannot manage. Whatever major projects one looks at in this state, be it the ambulance service or the health system, which is in crisis; the education system; Onelink; privatisation of electricity, water and gas, or now City Link, the Premier has botched and bungled from beginning to end. Last night you sent your upper house lackey the Minister for Roads and Ports to be the fall guy to take all the flak, and you ran him out on *This Day Tonight* where he got cut around. Where were you on *This Day Tonight*? You know, all of the backbone, 'I'm a courageous leader' — —

The DEPUTY SPEAKER — Order! The Leader of the Opposition, through the Chair.

Mr BRUMBY — It is the same with all the Hilmer material: the Premier is happy to get up and say, 'This is a big thing I have done for Victorians', but as I asked at the beginning of this debate, when we go through the areas of competition are you going to put newsagents out of business? No. Are you going to put taxis out of business? No. Are you going to put B-doubles in back streets? You won't answer that one! Are you going to loosen building regulations? No. Are you going to loosen quality controls? No answer on all questions. You are happy to take the credit on the so-called good news but when it comes to the bad news, the hard part of government, you send your lackey from the upper house to wear all the pain of your mistakes as Premier. That's right, isn't it, Premier? Poor old Bill Baxter is out there taking the blame for your bumbles.

The government has bungled the City Link project from beginning to end. It bungled it first in relation to the size of the project. Despite all of the advice, it is an extravagant and over-engineered project way beyond what is necessary to meet Melbourne's transport needs.

Mr Kennett interjected.

Mr BRUMBY — It has a lot to do with competition policy.

Mr Kennett interjected.

Mr BRUMBY — This is the question you refused to answer when you spat the dummy today during

question time because you said on radio this morning, Premier, that you will provide compensation to the City Link-Transurban consortium.

Mr Kennett interjected.

Mr BRUMBY — That is what you would not answer today. Tomorrow you will get a chance during question time to answer those questions.

Mr Kennett — You're a loser.

Mr BRUMBY — Why didn't you answer the question today?

Honourable members interjecting.

The DEPUTY SPEAKER — Order! It is late at night — —

Mr BRUMBY — It will be a lot later before we finish.

The DEPUTY SPEAKER — Order! Do you want to take the Chair on?

Mr Brumby — I don't think I do, but the Premier did.

The DEPUTY SPEAKER — Order! While the Chair is on his feet it is customary that he be given the opportunity to deliver the message he is seeking to deliver. I ask all members to comply with that custom. The Leader of the Opposition, through the Chair. The Premier's interjections or any other interjections are also disorderly. If the Leader of the Opposition directed his comments through the Chair there would be fewer interjections across the table.

Mr BRUMBY — During question time today the Premier was asked a straightforward question about City Link and the inconsistencies between his remarks and the remarks of the Treasurer and the Minister for Roads and Ports. Earlier by interjection the Premier asked what this had to do with competition policy. It has a lot to do with competition policy. I would have thought that in the future we want a transport system that does have some competition in it between the road links, the freeways and the public transport systems. The deal that the Premier referred to and admitted to on radio 3AW this morning is one where he has said that once the City Link proposal is constructed, if there is any other form of competition that is provided by

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government — that is, other major roads or public transport infrastructure — the taxpayers of Victoria will have to cough up. That is abhorrent, disgraceful, unnecessary and extravagant, and will cost Victorians dearly.

The Premier must address the fundamental question of why there are so many disparities between the comments of his Minister for Roads and Ports — the fall guy, Mr Baxter — his Treasurer and the Premier himself in relation to the question of risk and competition.

As the Premier knows, this project could be built as a government project financed by the 3-cents-per-litre Better Roads levy instead of paying an effective cost to taxpayers of around 18 per cent, which is what the Premier wants to lock Victorians up for the next 34 years.

The Premier says that this is a project where there will be no debt for our children. The fact is that children born today will be paying for this project for the next 34 years. The Premier has created a contingent liability of more than \$7 billion for the people of the state. A \$1.7 billion project has become a \$7 billion contingent liability. People at the working age of 30 years will be paying tolls until the day they retire at age 65. Children born today will be paying it for the next 34 years. The next 10 governments in this state, Labor or Liberal, will be locked into contracts despite having no bipartisan support and no mandate from the Victorian community. Clauses have been signed by this government that prevent any future government from improving the transport infrastructure to an extent necessary to improve transport.

Mr Kennett interjected.

Mr BRUMBY — Mr Speaker, there are continuing inane interjections from the Premier. I shall respond to those interjections.

Mr Kennett — You're a poor little fellow!

Mr BRUMBY — You couldn't answer the question today; you were pathetic and hopeless today. Why is it, Premier, whenever there is a tough job to do you send out one of your ministers, but you cannot do the tough jobs yourself? No backbone; can't do the tough jobs yourself, so you had to send poor Bill Baxter out. Where were you on the 7.30 Report tonight? Why don't you face the press; what are you scared of on the 7.30 Report and on Today Tonight? The only time you went on

television was on A Current Affair and you mucked it up and committed a near contempt of court. You had to get rid of Bernard Bongiorno. Why don't you go on radio and television shows? No 7.30 Report, no Today Tonight; what are you running away from, Premier, and why did you have to send Bill Baxter out tonight to do the job for you on Today Tonight? It is your project; your new spirit of Victoria.

The DEPUTY SPEAKER — Order! The Chair has been patient and this is the last time. If the house is disorderly again I intend to suspend the sitting indefinitely and leave the chair. We cannot continue to carry on in this manner. I am talking about members on both sides of the chamber.

Mr BRUMBY — The fact is that this is important legislation and the Premier would have Victorians believe that this state is headed in the right direction. I ask: are we better off today with taxes and charges being the highest in Australia than we were three years ago?

Are we better off with larger class sizes? Are we better off with longer waiting lists or with the crisis in the ambulance system or with the \$3 billion disaster from selling off our electricity industry?

Mr Ryan — On a point of order, Mr Deputy Speaker, I appreciate that the Leader of the Opposition's remarks must be taken in the context of his having the first reply, but we are debating the Competition Policy Reform (Victoria) Bill.

The purpose of the bill is to apply certain laws of the commonwealth relating to competition policy as laws of Victoria. We have heard this diatribe from the Leader of the Opposition, and it is not a matter of any relevance.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The Chair cannot hear the honourable member for Gippsland South. If the Chair is to have any opportunity to rule on the point of order, I must be able to hear it.

Mr Ryan — Despite the diatribe, the Leader of the Opposition should be brought back to the purpose of the bill, and I ask that he confine his comments to it and not manufacture reasons for deliberately flouting the ruling you have just made so as to cause a purposeful disruption to the house.

The DEPUTY SPEAKER — Order! There is no point of order.

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Mr BRUMBY — This is a wide-ranging bill and it deserves such comprehensive debate. When the decision on competition policy was made back in April at the COAG meeting the *Age* reported it under the heading, 'Deal is done for era of competition'. The *Age* article under the subheading of 'The Big Picture' says that the states will compel their own authorities — electricity, gas and rail — to compete with the private sector and interstate firms.

The article says it will require state-owned commercial activities to face the same tax levels as private firms; it will make industries, professions and trades regulated by states subject to a national competition code which abolishes rules inhibiting competition.

The commonwealth will increase state grants permanently by an amount rising to \$600 million a year by 2001 and 2002, and indexed for inflation; and it will increase state grants to match both inflation and population growth each year. That was the agreement reached, and the opposition supported the new era of competition. But we make this distinction: there is a huge difference between competition and privatisation. For instance, in the casino industry in Victoria today there is no competition: there is only one casino and this government has signed up to the most anticompetitive regulations to which any government in Australia has ever signed up. The government is big on the rhetoric of competition, but when it comes to the practice of its mates running a casino it has the most anticompetitive regulations in place which restrict competition and maximise profit.

In the past few weeks the Premier has indicated in the house that he has accepted in-principle proposals to expand the casino. One has to ask: if the government is interested in competition, as it allegedly is, and if it wants to see real competition in the Victorian economy, why doesn't it add to the size of an existing monopoly and not create, for example, some competition to that industry?

We know why you would give additional machines, space and licensing capacity to the casino: you do that to maximise the anticompetitive aspect and to maximise the monopoly impact of that casino in Melbourne. You do it because you are keen to see those running the casino do even better in the future.

This government talks big about competition but in reality, when it comes to looking after its mates it is pretty happy to have cosy monopolies in place to

maximise profit and ensure that anticompetitive practices remain.

We see it in some other areas — not just in relation to the casino. We see it in areas where there is a lack of competition in the Victorian economy, which this government will not tackle.

I mentioned before the mistakes the government has made with privatisation, where it has confused competition and privatisation, where it has privatised corporations of the government into marketplaces which are fundamentally not competitive. The result has been that prices for consumers have increased and service levels have decreased.

We want to see a more efficient Victorian economy and an outward looking economy with a focus on trade opportunities in the Asia-Pacific region, but we want to see genuine competition, not just hear the rhetoric of competition. We do not want to see monopolies like the Crown Casino monopolies or the government mixing up privatisation and competition.

For example, the changes made in the electricity industry are a joke. I referred to the changes earlier, and they were referred to by Terry McCrann as a \$3 billion disaster for this state. It was a case of \$600 per Victorian because of the government's privatisation disaster in relation to electricity.

Make no mistake, the Victorian voters know about it and at the next election, should the government be re-elected, what it has on the agenda is the sale of Melbourne Water and the Gas and Fuel. It has already fattened up the retail divisions of Melbourne Water to ensure that that process can occur.

The next election will be a referendum on the issue of privatisation, and voters will have a clear choice not just on education, health, taxes, charges and democracy but on privatisation. If people want to vote to sell off the rest of the SEC, Melbourne Water and the Gas and Fuel, they can vote for the Liberal government, but if they want to keep those in public ownership they will vote for the Labor Party.

Honourable members interjecting.

Mr BRUMBY — We could have adjourned this debate an hour and 37 minutes ago but there is a fair way to go yet and we will just keep on going because the Premier is a very slow learner.

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Let me go to the issue of electricity, because the future of the industry hangs in the balance. Whether Victorians continue to benefit from low-cost, reliable and equitably reliable power which has been fundamental to economic and social development in Victoria depends very much on the choices made on the future of the electricity industry. We recognise that changes are occurring rapidly in the industry and, where appropriate, they should be embraced. However, we also recognise the need for balance between changing to improved circumstances and preserving what we have which is right.

In breaking up and seeking to sell off the SEC the Kennett government has shown that it does not understand this need for balance. Worse still, it has shown that it respects neither the wishes of the people of Victoria nor their democratic rights.

The fact is that the overwhelming majority of Victorians are opposed to the Kennett government's plan for the SEC because they recognise that its break-up and sale is not in their best interests. It will see a transfer of valuable publicly owned assets to overseas interests. A rushed sale at fire sale prices will seriously affect state finances, which will mean either higher taxes or less money for services such as schools, hospitals, trains, trams, and police and emergency services.

Victorians can see that the sell-off of the electricity industry will mean higher prices and more fees and that private companies seeking to maximise profits will simply neglect the environment.

Moreover, Victorians are opposed to the sell-off of the SEC because the Kennett government does not have and has never had a mandate to sell the SEC. Did we hear the Kennett government before the last election going to the people of Victoria saying, 'If we're elected we're going to sell off the SEC'?

Opposition Members — No!

Mr BRUMBY — Did we hear them say before the last election, 'We're going to sell off Heatane gas'?

Opposition Members — No!

Mr BRUMBY — Did we hear them say before the last election that they were going to set up the City Link with a toll for road users?

Opposition Members — No!

Mr BRUMBY — Did we hear them say that they were going to sell off the vet labs? Did we hear them say that they were going to sell off BASS? Did we hear them say that they were going to sell off Tabcorp?

Opposition Members — No!

Mr BRUMBY — The fact is that there is no mandate whatever for these sales, and that is why Victorians oppose them and oppose them vigorously. There is absolutely no mandate whatever to sell the SEC. This is a dishonest government. It didn't have the courage to raise these matters with the Victorian people before the last election and won't have the courage before the next election to reveal its true intentions in relation to Melbourne Water and Gas and Fuel and whatever else it can sell off in the future.

The government's plans for the SEC have always been shrouded in secrecy. They were shrouded in secrecy before the election and have been for the two and a half years since. Even now the sale information memorandum for United Energy is subject to the most extreme and unjustifiable confidentiality provisions. Other companies are given access to the balance sheets of Victorian electricity companies, but ordinary Victorians are not.

The Kennett government has already spent an enormous amount of time, effort and resources on moving towards the break-up and sale of the SEC. On the basis of the costs associated with the sale of the TAB, it is estimated that the government is willing to spend up to \$400 million to see everything sold off. This is after wasting around \$2 million on the advertising campaign. Do you remember the \$2 million advertising campaign prepared by DDB Needham? It did not and cannot explain how Victorians will be better off if the SEC is sold. It didn't work, did it? It was hopeless, like the current campaign with all those big signs about City Link and how they are fixing up the mess. They are not fixing up the mess; they are just creating a massive bungle. I will come back to that a bit later in the debate tomorrow.

In establishing our policy for the Victorian electricity industry, we on this side of the house have been driven by one very simple objective: what type of electricity industry is needed to best serve the interests of the people of Victoria?

With that aim in mind, policies have been established in a number of areas to ensure that:

firstly, public ownership of Victoria's electricity assets which provide essential services are maintained;

secondly, the sale processes commenced by the Kennett government are immediately halted when Victorian Labor is elected;

thirdly, majority foreign ownership and control of Victorian electricity assets is prevented;

fourthly, a safe and secure supply of electricity is provided to all households and businesses at affordable, equitable and competitive prices, including the maintenance of a uniform electricity tariff for domestic consumers;

fifthly, electricity is produced in Victoria according to strict environmental standards to protect present and future generations;

sixthly, demand management, fire abatement and a range of specified community service obligations are provided by or paid for by the individual electricity companies;

seventhly, a comprehensive system of government-funded community service obligations exists to protect pensioners and low-income earners;

eighthly, a fully integrated system of regulation and consumer protection mechanisms exist which protect the interests of ordinary Victorians by implementing community-approved minimum standards and conditions of service, covering areas such as disconnections, connection fees, supply charges, security deposits and so on, incorporating stringent reporting requirements and processes of accountability to both the government and the community at large and instituting a consumer advocacy and protection network; and

finally, direct access to competitive pricing arrangements from the wholesale electricity market is sustained and extended for large and medium-sized businesses and Victoria's public finances are not adversely affected in the long term by ill-conceived and hastily concluded sales.

We on this side of the house want to ensure that Victoria continues to enjoy the benefit of a strong,

efficient, reliable and publicly owned electricity industry capable of competing in the national electricity grid and able to take advantage of infrastructure opportunities throughout the Asia-Pacific region.

The opposition's policies are also designed to ensure that an appropriate balance is reached between social, economic and environmental goals, so that all Victorians share in the benefits of an efficient industry through lower electricity prices, that those less advantaged are protected and have access to a supply of electricity as a basic right and that environmental concerns such as greenhouse and global warming are addressed in a sensible and integrated fashion.

The challenge for Australia and Victoria is to ensure the development of an electricity industry that will assist us in meeting the challenges of the 21st century. However, the globalisation of the world economy and international competition simply force us to do better and not forget who we do better for.

In relation to electricity we have to ask the question that is crucial to the element of competition versus privatisation: why is it that the Victorian government is the only state government in Australia that is privatising its electricity industry? No other governments around Australia are selling off their electricity industries lock, stock and barrel. The only government doing that in Australia is the Victorian government. Why are we doing it? Are we doing it because it provides for competition? Are we doing it because it's a good deal for Victorians?

Opposition Members — No!

Mr BRUMBY — Are we doing it because it will generate better prices for consumers?

Opposition Members — No!

Mr BRUMBY — Are we doing it because it will mean a better deal for country Victorians?

Opposition Members — No!

Mr BRUMBY — Why are we doing it? Because it is ideologically driven and this government has an obsession with privatisation. We have to ask some questions about this government, don't we?

Opposition Members — Yes!

Mr BRUMBY — Are we heading in the right direction?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when class sizes have increased more than in any other state in Australia?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when we've got a crisis in the ambulance service?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when school retention rates have plummeted?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when our taxes and charges are the highest in Australia?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when all our essential assets are being sold off?

Opposition Members — No!

Mr BRUMBY — Are we heading in the right direction when this government is demolishing our democratic traditions? Are we heading in the right direction when jobs are being lost in country Victoria through compulsory competitive tendering?

Opposition Members — No!

Mr BRUMBY — The answer is that this state is not headed in the right direction. We saw classic evidence of that this week when ABS figures on the Victorian exodus were released. You know, Victoria on the —

Opposition Members — Move!

Mr BRUMBY — On the nose, and on the take. Victoria on the move — and where are Victorians on the move to?

Opposition Members — Queensland!

Mr BRUMBY — How many of them disappeared in the last quarter? I'll tell you — 216 Victorians every day of the week, 7 days a week, 365 days a year are leaving Victoria for greener pastures in New South Wales and Queensland. Why are they leaving? Two words —

The SPEAKER — Order! There seems to be some confusion about the roles of honourable members. It would seem to the Chair that the Leader of the Opposition is now assuming the role of a cheerleader. I ask him to ask those behind him to observe the forms of the house and to cease interjecting.

Mr BRUMBY — The monthly summary of statistics for August this year published by the Australian Bureau of Statistics clearly reveals the exodus figures I referred to earlier. The population and demographic statistics are a good indicator of the way Victorians view the Kennett government and its competition policies. It is worth looking at the net migration interstate rate for the year ended 30 June 1994. There are more recent statistics for the 1995 quarters.

The net migration interstate rate for New South Wales for that year was a loss of 13 000 people; for Victoria, a loss of 31 895; for Queensland, a gain of 49 000; for South Australia, a loss of 3466; for Western Australia, a gain of 3664; for Tasmania, a loss of 2162; for the Northern Territory, a loss of 1515; and for the ACT, a gain of 151. The state which clearly has by far the highest loss of population interstate is Victoria.

Mr Dollis — Why?

Mr BRUMBY — Two words.

Opposition members — Jeff Kennett

The SPEAKER — Order! I ask the Leader of the Opposition not to incite those behind him to interject in that fashion. The debate should be conducted in an orderly manner.

Mr BRUMBY — This is fundamental to the economic and growth prospects for Victoria. When you speak to the Master Builders Association or major construction firms in Victoria they will tell you the major problem with this state is that people are leaving because of government policies. If you are in the housing industry or the construction industry and you are looking at where you will base your investment in the future, you find that firms

are moving to Queensland in huge numbers. This is a net loss of 31 000 people. The gross loss is 260 Victorians every day. That means for the period of this government — three years — a city the size of Ballarat or Greater Bendigo will be totally demolished or removed from the state map, as represented by the number of people that have moved to New South Wales or Queensland.

It is a huge loss in terms of GDP. The independent calculations reveal that the loss is in the order of \$2 billion. In turn it has other impacts. The Premier does not seem to worry about the loss of Victorians from the state, and one reason he doesn't is because the analysis undertaken of the fall in Victoria's unemployment rate masks an unrealistic trend. If you factor back in the population numbers that have been lost through state migration the unemployment rate would be around 11.5 to 12 per cent. So the Premier is not unhappy to see this exodus from the state, even though it means in effect fewer jobs, fewer investment opportunities and less growth in the long term, because it artificially deflates his unemployment figures and brings them down into the 8 per cent category, whereas they should really be about 11 or 12 per cent if our population level had grown at the same rate as other states.

These are interesting statistics. These monthly summaries of figures show many things — and we have plenty of time tonight to discuss it — but one other statistic here concerns registration —

Mrs Peulich interjected.

Mr BRUMBY — You should talk to the Premier about that. We could have adjourned this debate at 10.00 p.m. but we are going through to 3.00 a.m. He is the one to blame. The Premier wanted the debate to go through to 3.00 a.m. We are debating it.

Mr Doyle — Do you always do what you are told?

The SPEAKER — Order! Will the Leader of the Opposition ignore interjections and address the Chair.

Mr BRUMBY — There are a number of other statistics which I will be referring to in this debate.

Mr Dollis — On a point of order, Mr Speaker, at this very late hour of the night I would like to inform Parliament that the Cohen family has just had a little girl, Sarah Jessica. I thought as the house was sitting

late we might as well congratulate them because the news just came across to Parliament House.

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

Mr BRUMBY — I was referring earlier to the City Link project which is an example of a project relating to competition policy. Certainly on the face of the undertakings given by the Premier this morning on radio 3AW they would seem to breach the very legislation we are debating in the house tonight. The legislation which the government has introduced is the Hilmer legislation, the competition policy legislation, and on radio 3AW this morning the Premier agreed with Transurban that if there are any transport improvements provided in the future which would cause a demonstrable loss of patronage to Transurban the government should compensate Transurban for that. I would have thought that was quite inconsistent with the legislation before the house.

It is clear that the banks are walking away from this government and the government has bungled and has made a series of mistakes in relation to the City Link project. The government bungled firstly in relation to the financing of the project. It ignored advice from EPAC and from the New South Wales Auditor-General that privately financed roads are much more expensive and lead to transport distortions.

Secondly, the government has made mistakes about the scale of the project. The City Link project is extravagant, overengineered and extremely expensive. It fails to take account of the Western Ring Road. The Western Ring Road is making dramatic improvements to transport movement times throughout the western suburbs. It took about 35 minutes to move from West Gate to Tullamarine prior to the construction of the Western Bypass. Once the Western Ring Road is complete that travel time will be less than 20 minutes, perhaps 15 minutes. The problem with the City Link project is that it is too big, it tries to do everything at once, it is extravagant and it will cost us \$1.7 billion.

The third problem is the mix of the project. There is no public transport link or rapid transport link, despite every road engineer, traffic engineer and town planner recommending that. Even worse, there appear to be adverse impact clauses which require or seek compensation to be paid by the government. The major mistake the government has made relates to toll roads. This is a huge mistake. Vicroads gave

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the government of the day advice in 1984. The advice from Vicroads was quite categorical: don't use tolls; people will avoid using freeways; and if you do that the numbers simply don't add up.

The survey conducted by the RACV showed that each day about 80 000 vehicles in the northern suburbs of Melbourne would avoid using the Tullamarine Freeway and about 70 000 vehicles would avoid using the South Eastern Arterial. Approximately 150 000 cars a day at \$4 each a return trip — or \$5 or \$6, as some people say — adds up to about \$600 000, or in excess of \$4 million a week. So approximately \$200 million a year of prospective tolls will not be collected, which is why the project is not viable.

**Sitting suspended 12 midnight until 12.32 a.m.
(Thursday)**

Mr BRUMBY — Prior to the suspension of the sitting I referred to some aspects of the government's privatisation program and how that was being confused with competition. I pointed out that in many cases the government had privatised assets in the name of competition only to produce a less competitive environment. I referred particularly to BASS Victoria, Heatane gas, Tabcorp and Centaur International Pty Ltd, but there is worse to come.

The imposition of compulsory competitive tendering in local government is forcing massive cuts in child and maternal services, preschools, child care and libraries. It will not be long before electricity service charges rise, and I refer to the inspection of homes and broken wires and connection fees. How soon will it be before elderly Victorians and single-parent or low-income families have to pay for the introduction of pre-payment meters? How soon will it be before electricity blackouts damage small businesses, as has already happened with dairy farms in rural Victoria? Recently I read reports in the Portland and Warrnambool local newspapers about power blackouts and surges causing great damage to dairy farm operations. That has occurred only since the corporatisation of those utilities.

For how long will Victorians have to continue paying the highest taxes and charges in the country rather than enjoying the benefits of services paid for from the dividends of public utilities? If the government is re-elected more publicly owned assets will be sold. That will mean the electricity, gas and fuel and water utilities will be sold.

It is fair to say that there has been no consistency in the way water industry reforms have been implemented throughout Australia. The South Australian government is attempting to franchise all its operations. The New South Wales government is corporatising the Sydney Water Board, but that is being retained in public ownership as a government monopoly. The Victorian government is splitting up Melbourne Water and our water utilities are on the auction block.

The opposition believes the disaggregation and privatisation of Melbourne Water is absurd public policy. It does not make sense and is the wrong direction for Victoria. It will not only result in significant losses through economies of scale and scope but also lead to the degradation of Melbourne's parks and waterways. The privatisation of Melbourne Water will occur only if the Kennett government is re-elected. I doubt that those policies are consistent with the legislation, because the privatisation of Melbourne Water will create a monopoly that will not act in the public interest.

Environmental protection requires a coordinated response throughout Melbourne, which is difficult in a nominally competitive environment. Competing companies would have little incentive to implement processes that protected common areas such as Port Phillip Bay and other outflow areas. The lack of a coordinated environmental strategy will not only damage Melbourne's parks and waterways but place serious pressure on water quality. The formation of a single integrated water system last century was designed to guarantee water standards and overcome environmental problems.

The problems associated with the disaggregation of Melbourne Water have been exacerbated by a system of regulatory controls that are at best rudimentary, with four government departments overseeing various aspects of the water supply. The Kennett government's pricing decisions and the introduction of the so-called toilet tax highlight its lack of understanding of the water industry and the damage that is caused by misplaced economic incentives. Privatisation will lock in those changes, an unfortunate part of the proposals. They will create private monopolies in the water industry and not ensure open competition. The *Herald Sun* commentator, Terry McCrann, has described the privatisation of the electricity utilities as a \$3 billion disaster, but under this government's policies the disasters will not stop. Everything will be up for

grabs if the government is re-elected — and Melbourne Water will be history.

I conclude with a few comments about the City Link legislation and the conflicting comments about the issues that are involved. I note that the Premier has now squibbed it, although he initially wanted the debate to continue until 3.00 a.m. He also squibs debate on the *7.30 Report* and *This Day Tonight*. He does not want to be held accountable. I refer to the wildly conflicting statements made by government ministers about the sharing of risks and whether the government has said that it will effectively underwrite City Link. I raise those issues because if the government has given such commitments questions will be asked about the competitive policy reforms being debated tonight. If the government has given commitments relating to compensation for adverse impact, serious questions will be raised about the legality and objectives of the legislation.

On the question of the risk in underwriting, the Minister for Roads and Ports said in his press release last night that 'the public purse will not be underwriting this scheme'. I put the emphasis on the word 'not'. In May this year in another place the minister said that 'the successful consortium is to take all the commercial risk'. I stress the word 'all'. The Treasurer has a somewhat different view. At the meeting of the Public Accounts and Estimates Committee in September he said:

... at the moment we have not given any guarantee but ... the sharing of risk between the government, the taxpayer and the private sector is something that is being looked at.

He continued:

There will be certain risks that are better for the government to bear.

The Premier has a different view altogether from the views of the Minister for Roads and Ports and the Treasurer. The Premier seems to agree with the Treasurer about sharing some risks but goes on to give a blanket guarantee where the government puts in place other transport infrastructure. This morning on 3AW he said:

... where we do something that deliberately disadvantages the project now or in the 34 years, which has a demonstrable effect on the project, then of course we should be prepared to make up any loss. Right.

Neil Mitchell then asked:

And you will be, will you?

The Premier answered:

Yes.

There cannot be a more categorical statement than the one made publicly by the Premier this morning on 3AW. When asked whether there will be compensation if anything a government does in the future has a demonstrable effect on tollway throughput, the Premier said yes. That is clearly a material adverse-impact clause.

The Minister for Roads and Ports has said on the public record and in another place that there is no underwriting and the consortium carries all the risk; the Treasurer has said there are no guarantees at this stage but there is a shared risk between the government and the consortium; and the Premier has said something different again, conceding there is a shared risk plus a guarantee on material adverse impact. The government needs to clarify its position, but that is not the end of the matter.

In an opposition briefing in September representatives of the City Link Authority confirmed that governments would pay Transurban compensation if there was 'any material adverse impact' on the project as a result of major changes to transport policy.

The City Link Authority and the Premier have said a material adverse-impact clause requires the payment of compensation by any government in the future that makes changes to transport policy that have a demonstrable effect on tollway revenue flows. The spokesperson for the Minister for Roads and Ports last month denied emphatically that there was any such clause or agreement. There are a number of wildly conflicting statements from government spokespersons — the Minister for Roads and Ports, the Treasurer, the Premier, the City Link Authority and the press secretary to the Minister for Roads and Ports — on whether there is a material adverse-impact clause.

Speaking hypothetically, the public wants to know what would be the impact of such a clause given that the Premier has referred to roads such as Alexandra Avenue, Toorak Road and other roads that could be affected by the proposals Transurban has in mind. If, for example, Transurban were interested in removing clearways along Toorak Road, thereby ensuring that leaving the freeway was a less attractive option, what would be the legal

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implications for the government? If, for instance, Transurban wanted to make major changes to Alexandra Avenue, either closing or narrowing it, what would be the implications for the government?

Victorians are concerned the government has gone too far in its proposals regarding the Melbourne City Link Authority. It has mucked up its financing and scale; it has mucked up the mix between public and private transport; and it has made huge errors on toll roads.

This is landmark legislation. The opposition wants to see a genuinely competitive Victorian economy, but that cannot be when the government confuses competition with privatisation. The government has privatised Heatane gas, BASS ticketing, regional veterinary laboratories and a range of instrumentalities, but that has produced not a more competitive market but a monopolistic market. The consequence has been predictable.

Far from achieving lower prices and better service for consumers, higher prices and lower levels of service have resulted. Inevitably, the same will occur with the provision of electricity. Terry McCrann has described what has occurred as a \$3 billion disaster for the industry. Competition is not being created. The federal government has not required that states privatise services to meet the requirements of the national competition policy.

The Labor Party's proposals keep the electricity industry in public hands and meet all requirements of the national competition policy. In fact, Labor's policy creates more competition, particularly for small business users, than the government's policy proposals.

I have already expressed my concern that water services remain for all time in public ownership. Once governments start selling water or franchising water distribution arrangements, inevitably they lose control of that vital asset and phenomena such as that seen in Britain occur — higher prices, lower levels of service and, in many areas, major problems with the quality of the water leading to problems such as hepatitis.

There are many other issues I could touch on tonight but the hour is late. The opposition has also produced major papers on competition in health. The government is obsessed with privatisation. The Minister for Health announced today that there will be a new private hospital in the Latrobe Valley. The

government seems to believe the only way of providing services is through the private sector.

As I pointed out earlier, the costs to taxpayers of the government's decisions are already extraordinary: \$3 billion was lost on the sale of electricity services; \$100 million was lost because of the government's failure to introduce the Onelink program; hundreds of millions of dollars were lost when TAB shares were sold for \$1.25 below their market value; and money was lost when Heatane gas and BASS concerns were sold. Onelink can probably be thrown on the pile. Some \$3 billion to \$4 billion has been lost to Victorians for all time through the government's mismanagement. The government has shown it can cut and cut, but that is all it can do; it cannot manage the health system, the ambulance system, privatisation programs, corporatisation programs, taxes and charges — —

Mr Bracks — Government members cannot manage their behaviour.

Mr BRUMBY — It is true that government members cannot manage their behaviour.

Honourable members interjecting.

Mr BRUMBY — That woke a few of them up. The opposition supports the legislation. The debate tonight has been important. I thank particularly opposition members, and those on the government side who have given me such support tonight; I thank them for their contribution to the debate!

It is important that we have the time to debate important pieces of legislation. Obviously, the debate would have been better scheduled tomorrow morning when it would have been more relevant, rather than being between 11.00 p.m. and 1.00 a.m. today. This government so often runs away from debate and public scrutiny.

Last year the Leader of the House scheduled the reply of the Leader of the Opposition to the budget to this time of night. What is it about this government that makes it scared of major public scrutiny, of having major bills debated during the day? That is a matter for the Premier who will not make himself available for any current affairs programs and for the Leader of the House who schedules these debates during the night.

Dr DEAN (Berwick) — One of the disadvantages of being the next speaker is that I have been forced to remain in the house, while others have vacated

the place, to listen hour after hour to what has been called by the Leader of the Opposition his contribution to the debate on what is clearly one of the most important bills ever to come before this house.

When the Leader of the Opposition came into the house tonight, and before he totally overreacted and decided to use this debate on this bill as simply a political exercise — a juvenile political exercise at that — he said, firstly, that he supported the bill and, secondly, that he regarded this as a very important piece of legislation. That is probably the beginning and end of my agreement with the speech of the Leader of the Opposition and his behaviour tonight.

When he announced that this was one of the most important pieces of legislation to come before this house — with which I totally agree — the Leader of the Opposition had the opportunity to take hold of the ball for once and explain to the house where the opposition stood on this legislation. He had the opportunity to delve into the legislation in depth, to talk about the COAG meetings, to tell us the potential it has for Victoria and, if necessary, to disagree and explain where the opposition differed from the government.

He spoke of CCT, of local government commissioners and of question time. He engaged in a process of abuse against the Premier. He did all these things, but not once did he grapple with those parts of this legislation that need to be discussed because of the importance of this bill.

The six elements, none of which he referred to, include the extension of part IV of the Trade Practices Act and the likely implication on competition in this state as well as the effect on real production in Victoria which, I might add, is estimated Australia-wide to represent nearly \$23 billion over eight years, of which this state will obtain a large proportion — in fact, it will obtain about 30 per cent more than the other states. I would have thought that would be the first port of call for the Leader of the Opposition.

The second thing he could have talked about relevant to the discussions between the Premiers and the Prime Minister is the possibility of price oversight in the states, which has not yet been a matter of state operation. He could have talked about competitive neutrality and what that meant, about how it will affect us in Victoria and what reaction we are likely to have as a consequence of that new concept.

He could have talked about the structural reform of public monopolies and compared his policy with our policy. He could have told us whether he wanted to privatise or not privatise, to corporatise or not corporatise, or what he would do with newsagencies and other areas; he could have called for a response from the government on such matters. He could have said, 'You do not have a response, but I do'. Nothing was heard about that.

He has come into the house and decided that this is an opportunity not to grasp this new legislation with such massive impact, but simply to knock the government. At any time, anyone from the opposition can engage in an exercise of negative knocking. It takes real foresight and ability to say, 'This is what the legislation does, we agree with it. This is what we want to see done'.

He could have talked about a review of legislation that restricts competition. He could have talked about a review of all legislation across Victoria, to see which areas of legislation restrict competition. He could have talked about the access to essential services. I wonder whether this bill and the COAG agreement is simply too big for the Leader of the Opposition. Does he really know what is meant by access to essential services? Does he understand what Professor Hilmer was doing?

One of the extraordinary things he said tonight and which alerted me to the fact that he possibly does not understand what Hilmer was on about, or about what every Premier and the Prime Minister were trying to achieve, was his reference to the privatisation debate.

As can be seen from a study of his report, Professor Hilmer went through a process whereby we can use competition to increase productivity to an extent that Australia will take giant steps forward. The way in which Hilmer said this could be done was to take government enterprises and extract from them the natural monopolies and those areas that must remain regulated, and put them to one side; then, to say, 'What we have left are those areas of these enterprises that can engage in competitive conduct'. We must then take these competitive areas of government enterprises and put them in the market.

The very basis of the Industry Commission report, in line with the thinking of Hilmer, is that you will do that by a process that includes privatisation. Hilmer makes it clear that the trend worldwide is towards privatisation. He makes it clear that privatisation is probably the most efficient way of achieving that

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goal. One must ask: does the Leader of the Opposition understand that? Has he read the Hilmer report?

The Leader of the Opposition refers to a number of areas, and says, 'Do you intend to privatise this? Will you introduce competitive mechanisms into those areas? Why have you not done that?'. He does not understand what COAG has decided.

The first thing it decided is that this is a process; we are at the start of the process and it will take a number of years to effect, but we will go through this process.

Clause 51 provides that each state will have the opportunity to exempt certain areas. Why? Because the states and the federal government have realised that for them to all agree and go down the same line is not what federalism is all about. Federalism is all about the states cooperating so far as possible, but each retains its own individual government and its own independent ability to make decisions. New South Wales will make different decisions to Victoria and the federal government will make different decisions to other states. Some will exempt some areas, others will exempt other areas. It is all within the agreement. It is not necessary for all states to agree about an identical approach; that is the process. One must ask whether the Leader of the Opposition understands the process.

One of the most important things the Leader of the Opposition could have approached was the way in which the mechanism or this particular process of competition policy would achieve its ends.

It is perhaps the absolute essence of this whole process that competition will be used as a tool or a weapon or a template to redistribute resources throughout this country. It is not some black and white concept whereby individuals must go one way or the other. It is a process whereby competition allows you to redistribute resources. I sometimes believe the opposition has a complete misunderstanding of how competition will be used to create this productivity increase through reallocation of resources. I sometimes think the opposition believes productivity means simply employee labour — that you have to work harder or be more efficient or that somehow the working unit of labour has to increase its output. This is a total misunderstanding of the notion of productivity. Productivity is simply a measure whereby you take the total output and you divide it by the size of the work force. That is the only way you can find

whether the end result is one where the country's standard of living has increased.

If your output has increased but your work force has increased at a greater rate, then you have gone backwards, so productivity is just a measure. It is not a process where increased production is necessarily created through longer working hours or different working programs. What it does —

Mr Bracks interjected.

Dr DEAN — Just listen because you're one of the greatest offenders! Listening to you on wage policy makes it clear to all of us that you have little understanding of what competition is about.

Mr Bracks interjected.

Dr DEAN — I will get on to that area of competition. Taking competition, competition reform and a given level of resources, the output from those resources will increase. It is effectively the only time in our lives that, by being smarter and using this competition force to reallocate resources, we will end up with more production from the same resources. It is a notion of something for nothing by being smarter and more intelligent about the way we work.

You take given labour, you take given resources, you take given capital, you add the competition process and the end result is a greater output of goods. That is a simple process that seems to be completely misunderstood by the opposition. Unless it grasps the simple concept of how that process of competition can be injected, it will miss out on the developments that are occurring on a worldwide basis.

The results that can be obtained from this process are massive. If you look at the anticipated benefits from this simple process introduced by Hilmer you will see that increases along the lines of \$26 billion is something this country cannot afford to do without. It is important with this competitive model — and again it is something that the Leader of the Opposition entirely missed — that we use this as a tool; it should be our servant and not our master.

Economists have gone through processes for a long time now whereby they will follow one particular area of theory to its end point. We have had the Keynesian theory where Keynes made the point that demand and controlling the demand will control the production process, therefore we will be able to

increase production infinitely. Everybody ran down that line and it was found that that was not the total panacea. It was found to be a little like revving a car without putting it into gear: you get a lot of noise and a lot of light, but unless you get the production occurring the Keynesian-demand-type philosophy did not work.

Then along came the Friedmanites. They said, 'Let's look at the supply side. If the demand side does not create the end result perhaps the supply side will, so we will fiddle with infrastructure and monetary policy and that will create more investment and that will create more supply'. Again, that was not an end of itself. I sometimes think both Keynes and Friedman never expected it would be a total panacea.

The interesting thing underlying those two concepts ever since economists have got together to analyse the way in which economies work is competition. Ever since Adam Smith talked about the invisible hand and how competition worked in a situation where you had infinite numbers demanding resources from an infinite number of well-informed consumers, whether it was Keynes or whether it was Friedman, at the basis of everything was competition. It is only now that we are finally realising that this weapon of competition if used to its end point — that is, as far as it can go — will be a magnificent tool with which we can work.

Effectively that is what Hilmer has said. He has said, 'Stop talking about the old welfare economics model where you tried to take a government enterprise and pretended it was a private enterprise. Where you gave it targets, you gave it false taxation and you tried to pretend that it was going to operate competitively'. He said competition quite clearly is at the root of all our success in all our economic models and that we must put as much as we can into the market to allow that competition to operate.

That is what the Victorian government has been doing. The United States has been doing it for a long time and it has now been done throughout Europe and the UK. New Zealand has been doing it longer than we have, and that why is it is getting the results it is getting.

Unless the opposition takes some account of the way this process works and strives to understand it, it will never be able to catch up with the advances being made in the rest of the world. One of the things this particular legislation is driving towards is the notion that we have established the market. Hilmer has told us we must use competition and get

as much as we can into the market, but how are we going to ensure that that market remains a free and open market?

The Trade Practices Act has been in operation since 1974; it emanated from the Sharman Act in the United States where the oil companies were attempting to monopolise the US economy. It emanated from other areas throughout the world where it was identified that you had to create a free and open market. There is some criticism — and I certainly criticised it when it first came out — on the basis that our economy is a small economy and we need large companies and organisations to be able to compete on an international basis. However, as I have watched the operation of the Trade Practices Act in Australia since 1974 I have become an absolute convert to its ability to ensure that the market is kept clean and open and that competition is kept strong.

It is a simple act; it is one of the cleanest acts we have. If you compare it with acts such as the Credit Act and other acts which take hundreds of pages to get to simple points, part IV of the Trade Practices Act sets out in three or four pages the way the Federal Court has been able to maintain competition at a high level in the Australian economy.

I will take a couple of minutes to set out in simple terms how this important and specific act operates. The Trade Practices Act simply does it by dividing the infringements of the market — that is, those aspects which inhibit the operation of the market. The act divides them into two areas: market power and conduct. The legislation simply makes six or seven major points. Once you read the sections and know the points you know how the whole process operates.

Firstly, the act says that if you are already dominant you cannot use your market power to prevent competition. That is very simple; it prohibits the misuse of market power. That section is policed by the commission and, eventually, by the Federal Court.

Secondly, it says that you are not allowed to merge or enter into acquisitions that will create monopolies and dominant market power. So when the taxi companies decide they want to amalgamate they may well find that the commissioner says, 'No, you cannot do that because that will create a monopolistic impurity in the market and competition will suffer'. They are the two market power aspects.

Next the act looks at conduct; and again, the provision is very simple. Firstly, it says that someone cannot say that if you buy from me you cannot buy from him. It may take a page to do it, but that is what it says. It also says someone cannot say that unless you buy from him you cannot buy from me. Those two aspects of the act are simply referred to as exclusive dealing provisions. If in any way, shape or form you breach that conduct section, the commission will knock on your door.

The act also says you cannot combine with others to hurt somebody else in the market. It may seem simple, but that is what it says. That conduct is referred to as either a primary or a secondary boycott, and you cannot engage in it. The act also says that if you sell X to a person for Y price, you cannot refuse to sell it to me for the same price. It is a very simple concept. It may take up another page, but that is what it says. That is called price discrimination. Then the act says you cannot agree with others to all sell at the same price. That is called price fixing, and you cannot do that. Together with one other section, that constitutes part IV of the act. That is what it says in a page or a page and a half, and that is the mechanism that has kept Australian markets and the Australian economy clean and competitive since 1974.

The last section, the drafting of which is an absolute delight and which was taken from the American legislation, is a catch-all section. It simply says that you cannot enter into an agreement, arrangement or understanding if the probable or likely effect of it is to substantially lower competition. That is the Trade Practices Act.

The commonwealth jurisdiction is greatly limited, which is something else about the way the whole thing operates that the opposition does not understand. The reason why the commonwealth has the power it has is not that it has a wide jurisdictional base; in fact, it has an extremely limited base. The only reason the commonwealth has the power it has is that around about 1945 it gained the ability to take over the collection of income tax as a consequence of the decisions of the High Court in the uniform tax cases. From that moment on it held the purse strings. The commonwealth could make special grants and otherwise do what it liked because it had the money — and it has used that power to get control.

Nevertheless, its jurisdiction is extremely limited. When it introduced the Trade Practices Act the only areas it could affect were those over which it had

jurisdiction. They were corporations — which means that all partnerships, all sole traders and all state government bodies were not affected — telecommunications, postal services and interstate trade. However, the commonwealth effectively ensured the act went as far as it could. It was hoping it could extend its corporations powers right across the board to affect people who were not corporations but who had dealings with corporations.

In *Dingjan v. Wagner*, which was determined in September this year — it may have been a bit earlier — the High Court made a decision that has affected the whole ball game. It said you cannot extend the corporations power. You cannot say that if A and B are not corporations but do something that affects corporations it comes within your jurisdiction.

That meant the commonwealth needed us. It meant the commonwealth could go no further with the Trade Practices Act without the agreement of the states. That was good news for the states. As a consequence the whole process has operated as federalism should operate — through the states and the commonwealth getting together.

It is clear that the states want the process as much as the commonwealth wants it. As a result, the benefits have been distributed among the states and the commonwealth. The commonwealth did not decide it would give us \$400 million in the first year, \$600 million in the second and \$800 million in the third just because it has a kind heart. It did so because it needed our co-operation and because it understood that it too would benefit greatly. In fact, it will gain far greater benefits from the process than will the states.

This is picked up in various articles. I refer to the 21 March article by Roger Wilkins in the *Business Council Bulletin Competition Policy Supplement 1995*, in which he says:

The third thing to understand is that what constitutes a fair share is more than the states and territories would accrue in their own revenue. Why? Look at the figures disclosed by the Industry Commission ...

By the way, that is the final report of the Industry Commission, not the draft report, which it got wrong and the views in it eventually had to change. Roger Wilkins goes on to say:

... the commonwealth gets 66 per cent (\$5.9 billion) of the dividend;

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the states get 33 per cent (\$3 billion) of the dividend ...

That is, without any redistribution, effectively because the commonwealth gets it in income tax. But according to the Industry Commission figures:

the commonwealth does 20 per cent of the work;

the states do 80 per cent of the work.

If you accept the idea that a fair share is a share that reflects effort, then 80 per cent not 33 per cent of the Hilmer dividend should go to the states.

That is why the commonwealth has agreed to reimburse the states with many millions of dollars. This process by which the Trade Practices Act will be extended to include government enterprises, sole traders and partnerships is but one part of the whole. It is important to realise that we have a long way to go. This the Leader of the Opposition simply does not understand. Now is not the time to say which particular areas will be privatised, corporatised or whatever. This is the beginning of a process.

Firstly, you unleash part IV across the board to affect all state operations. Secondly, you take away the unfair advantages government enterprises have. That is effectively the old welfare economics argument I was taught when I was studying economics, which says you cannot have any advantages simply because you are a government enterprise.

You then distil from government enterprises the natural monopolies — the railway lines, the transmission lines, the ports and so forth — and put them to one side. You then take the competitive elements and put them in the marketplace. That very simple process was set out and agreed to by COAG.

You then look at all the legislation you have and you take out any unnecessary protection that may exist, whether it is for professions or whether it is for other areas, and you say, 'That is out', unless of course there are certain reasons why particular parts of that legislation should be left in. Effectively COAG has agreed that if you are going to do that, that is fine but it is a reverse onus of proof: you have to prove that it is necessary that you leave it in, so the onus is on you to show that. There are many areas both in the professions and in other areas where that is easily shown.

Then there is the access to natural monopolies, which effectively ensures that all those natural monopolies that you took out are equally accessed by the new competitive bodies. This is the way the world is going and it is the way this state must head.

Mr BRACKS (Williamstown) — The Leader of the Opposition supports the national competition policy and this reform bill. He also supports the outcome of the COAG meeting, made possible by the efforts of all the states in the commonwealth, and joins with the government in endorsing what is template legislation.

I will comment on some of the points raised by the member for Berwick in what was an attempt to say there is only one way to achieve competition. The member for Berwick's course, which he described, was simply to privatise. When there is any doubt about how to achieve competition, the member for Berwick said privatisation is the most efficient method.

Dr Dean — I was quoting from Hilmer.

Mr BRACKS — Yet by his actions the state Treasurer is not saying that privatisation is the most efficient way to achieve competition. He has said whether or not the outcome is competitive we will privatise first and ask questions later about the competitiveness of the regime. It might mean moving from a government state-owned monopoly to a private monopoly. That is the outcome the Treasurer has pursued when you look at some of the examples and the efforts that he says achieve competition. In reality all it does is shift ownership and management; it does not necessarily achieve the outcome the bill seeks to achieve, which is proper competition.

The member for Berwick sought to say that productivity is the key notion of our competition. If we are to test how competition has been accomplished, it is all about achieving outputs, reducing overheads and costs and working smarter. He referred to the 'invisible hand' as the best way to ensure that that competitive regime will be met. The member for Berwick did not debate that point. He failed to take it to the next step and say that this always means we should privatise.

The member for Berwick failed to mention that effective competition can be achieved through many models — by seeking private sector competition and by proper management.

If the member for Berwick is saying the government cannot manage a state-owned enterprise to achieve a competitive regime, to achieve productivity gains to get the public sector state-owned enterprise to reduce its overheads and achieve a smarter outcome, and that it cannot manage the process, why are you in government? If you cannot achieve effective competition through management outcomes why are you in government?

Let us look at some of the examples that clearly meet the competition requirements of the Hilmer report, yet still look at alternative models to that, which is simply to change from a public to a private monopoly. We have only to look at some federal examples conveniently overlooked by the member for Berwick.

Dr Dean — The airlines, ANL!

Mr BRACKS — Let us look, for example, at the competition for the introduction in the telecommunications industry of the competitor against Optus. Look at how sharp and focused and much more competitive Telstra has become because of a private company competing with a state-owned enterprise. That is a positive model. It is not a model the member for Berwick talked about because it is a one-dimensional government.

Dr Dean — It is a halfway house.

Mr BRACKS — He has admitted it himself. It is a one-dimensional government that says there is only one way to achieve competition. But of course what the government is doing is clouding its own ideological preference, which is to achieve privatisation with the real outcome, which is about competition. If you are serious about competition you look at the whole model. You establish the menu and ask, 'What is the best fit for this particular enterprise?'. For example, in the electricity industry sharpening up the state-owned enterprise — the SEC with a private competitor — may have achieved a better outcome. It probably would have achieved a better outcome than if the government had set up regional monopolies. The government is effectively setting up regional monopolies to replace what was a state-owned, state-wide monopoly.

I am certain there are better ways of achieving a competitive regime in electricity without looking at simply setting up and replacing a state-owned monopoly with a regional monopoly.

Let us look at other models the government chose to ignore and the member for Berwick forgot to mention. Looking back 10 or 20 years Australia Post was an inefficient retail outlet needing key reform. Although there is a long way to go, by creating competition within Australia Post for some of the functions, and while still keeping the whole of Australia Post in public ownership, in seeking retail outlets it has sharpened its performance and is much more customer focused. If we look at those two models we can see that there are other ways of achieving competition in the range of options available to sharpen up the public sector, to better manage it, to get better outcomes, to achieve what the member for Berwick said he would like to achieve — productivity gains, better outputs and reduced overheads. That cannot always be achieved by a one-dimensional model that seeks to simply replace a state-owned enterprise with a private monopoly. To illustrate the Competition Policy Reform (Victoria) Bill I refer to the second-reading speech and one key clause, which states:

Under the national competition policy adopted by all Australian governments, all jurisdictions will cooperate to ensure universal and uniformly applied rules of market conduct apply to all market participants regardless —

these are the key words —

of their form of ownership.

The government admits in the second-reading speech that a uniform national competition policy can be achieved by conducting the market test described by the honourable member for Berwick to, as the third paragraph of the speech states:

... apply to all market participants regardless of their form of ownership.

The government's own second-reading speech states that competition can be effectively achieved without necessarily privatising because the form of ownership is not relevant to the desired outcome of effective competition and effective productivity gains.

Time and again the government has admitted by its actions that as the custodian of the state's revenue-earning assets — the state-owned enterprises — it has chosen not to manage those assets itself to achieve productivity and competitive outcomes. In privatising the TAB through Tabcorp the government has effectively replaced a

government monopoly with a private sector monopoly. Heatane gas has been sold and is now a private monopoly. Centaur has been sold off to one private sector organisation in an aggregated form with no competition.

In all those cases the government has said, 'We will get out of it. We will not even leave a bit in the public sector for us to sharpen up and provide competition. We will hand it over'. The Premier says, 'Let's not beat around the bush: by definition the private sector will always do it better'.

That is what the government is about. Without any scrutiny and without picking what are the best fits for particular industries, the government assumes that, *per se*, the private sector will always do it better. There is a lack of regard for the government's role as a manager of the public purse and public assets in that approach.

A clear illustration of the government's one-dimensional view is the sale of the SEC, which was referred to by the Leader of the Opposition. Approximately five or six months ago I attended a Treasury briefing during which the following key question was asked about the privatisation of the SEC: what is the net financial benefit to the Victorian public?

The benefit to the Victorian public of selling off the SEC would seem to be that the value of the forgone contributions to consolidated revenue over several years would be outweighed by the amount of debt that would be retired as a result of the sale. However, the response from the Treasury officials was unequivocal, as has been clear from the Treasurer's own actions since: even if the government gets a worse deal by retiring debt it will still do it because it believes the private sector will do it better and more efficiently.

A clear and fundamental difference between the government and opposition is that the opposition has not abrogated its responsibility to be a manager of public assets. Obviously the opposition wants to see the state-owned, revenue-earning enterprises sharpened up so that they are competitive and can offer cheaper prices to Victorian consumers, but it does not want to abrogate its responsibility by getting rid of them because it is all too hard. That is what the government does day after day by its actions.

Another area of inconsistency between the bill and the government's actions is the government's

anticompetition transport proposals. In the Melbourne City Link proposal the government proposes to introduce a monopoly project that is anticompetition because it will prevent a series of competitive roads being developed around the Melbourne City Link.

The project is about downgrading subsidiary roads, such as Footscray Road, Toorak Road and Alexander Avenue, and ensuring that state-owned roads will not compete as alternative road systems to the toll roads being developed by the government through the Melbourne City Link Authority. The Melbourne City Link Authority Bill is anticompetition legislation and the Melbourne City Link project is an anticompetition project. That project is about securing the toll revenue base for the consortium picked to develop the project. One way of doing that is to avoid any effective competition such as alternative arterial road systems or rail links to the northern road system and the Tullamarine Freeway. The Melbourne City Link project seeks to prevent that competition.

If one looks at a catalogue of what the government is doing by its actions rather than what it is saying in the bill, one realises that it is pursuing a series of privatisation projects that do not and will not produce effective competition but will simply produce monopoly situations in the private sector of which the state will be a hostage. The Melbourne City Link project will introduce an anticompetitive transport system that will prevent City Link access roads, alternative roads and fast rail systems from competing with the toll road system.

As the honourable member for Berwick said, the Trade Practices Act provides one mechanism to ensure that competition policy is adhered to. However, the second-reading speech explains there is an ability for state governments to exempt themselves from the provisions of the Trade Practices Act in certain circumstances, although the government says that would happen only in extreme situations. The second-reading speech states:

Given the Victorian government's strong commitment to the spirit of competition, a significant case would be needed for exemption to be provided.

Nevertheless the opening is there for the Trade Practices Act to be exempted in certain cases by the state. The second-reading speech continues:

In most cases it is expected that anticompetitive conduct should be modified so that it ceases to be anticompetitive rather than an exemption sought.

The bill and the second-reading speech provide the opportunity for the government to exempt itself from the Trade Practices Act. It would need to do so in practice with projects such as the City Link project for which the government is currently negotiating. I have no doubt that that negotiation is about securing anticompetitive arrangements for the City Link project for Transurban to secure toll revenue. This is one of the most risky projects that this state has ever seen, and it will be exposed because there is no doubt that there is only one way the project can go ahead, and that is if the government in some form guarantees the project. It may guarantee no competition for the project on subsidiary or arterial roads or may be guaranteeing that there is no effective fast rail link from the airport to the city. It may be guaranteeing in some way that there is compensation for change in circumstances where the toll revenue, because of demand, usage, avoidance or change of government policy, might be affected.

In any of those circumstances we are talking about a guarantee of \$1.7 billion of risk being borne by the Victorian taxpayer. That risk is one which the state would assume if the consortium is unsuccessful in the project and does not achieve the figures that it is hoping for. The RACV has assessed the situation, and if the revenue is diminished and the project does not succeed, who picks up the risk and takes over the project? There is only one body to take over the project, and the Premier knows it: it is the Victorian government. That is what it is negotiating now. The government may dress it up in many ways in talking about downgrading roads, narrowing roads and stopping avoidance to secure the toll revenue, but for a \$1.7 billion project to succeed there must be anticompetitive measures and some sort of government backing and guarantee. The opposition is right in scrutinising the government's activities.

Mr Kennett interjected.

Mr BRACKS — If the Premier were prepared to reveal some of the arrangements that have been made with the Transurban consortium we would have a more transparent and open process. What the Premier is now saying across the table may be substantiated. We have no way of proving whether the Premier's comments across the table are right because the figures are not being revealed.

A schedule in the Melbourne City Link Authority Act shows that the figures will never be revealed because they are under commercial in confidence. The interjection by the Premier about how wrong we are cannot be proved because he will not reveal to the public the arrangements to put to rest once and for all the claims that deals are done behind the scenes, that there are commercial in-confidence arrangements that are guaranteeing the project and the government will pick up the risk if there is any failure in the performance with the build-own-and-operate scheme.

The disturbing thing is that the government is about the rhetoric of competition; it is about positioning itself as a government that is seeking to ensure there is competition. One does not judge a government by its announcements; one judges it by its performance on each of the tests so far, such as electricity, Tabcorp, Melbourne City Link and so on; it is all about private monopolies for which the government will be a hostage.

The Premier should, if he has nothing to hide on projects such as the City Link project, reveal to the Victorian public what the government's exposure is to the project and what the parameters are for the negotiations. The Treasurer said today, and the Premier confirmed, that there should be some discussion on the sharing of risk between the government and the consortium. There is already an admission that there will be a sharing of risk. For the Premier to say that this is a private sector deal is wrong because these are projects that have traditionally been undertaken by the public sector contracting out to the private sector, but there have not been projects on this scale on a BOOT scheme of \$1.7 billion in Australia's history. We are talking about something that is different. The government is leading Victoria into an extraordinary exposure of a risk of \$1.7 billion. Who will pick up the risk? The only body that will pick it up, and be required to because of government guarantees, will be the government and the Victorian public.

The Premier is wrong when he says that it is like any other private sector job. What he is seeking to do with this project is to avoid not only competition but to avoid all the usual checks on government to ensure that there are checks and balances and scrutiny on projects of this sort. He is using the BOOT scheme of construction to avoid global borrowing limits to seek to have this undertaken in a regime that would otherwise not enable it to happen.

The reality is that we do not need a project of this type. We need a competitive transport system, an intermodal system between road and rail and links in the road system. We certainly have a common view on the links, but what we do not have a common view on is the extent of the project, the unnecessary and anticompetitive nature of it, which is one-dimensional in its outcome and will not stand the test of time. It will be a project that will prove to be flawed when we look back in 10 or 20 years time. It will not solve what the government hopes to solve.

In summary, the opposition supports the bill and the efforts of the federal government to initiate a national competition regime across all states, a regime that ensures that state borders are not there to ensure there are anticompetition arrangements as we have seen historically in the states' development.

In supporting the policy the opposition would seek to ensure that not only is the policy adopted by the state government but also the expression of the policy and its outcome, which is an effective and efficient public sector — an effective and efficient state-owned enterprise that is able to compete with the private sector and not take a one-dimensional view as the Treasurer has done: he has convinced the rest of the cabinet that one will always achieve competition by privatisation.

The causal link is not always there, and it is a flawed link. Sometimes you might, but often you won't achieve it, and in this state you will see the replacement of public monopolies with private monopolies.

Mr RYAN (Gippsland South) — Having listened to the opposition members tonight, I am almost speechless — but not quite. I support the bill and in so doing I direct my comments to two fundamental areas. The first is the actual legislation, which I shall quickly summarise, and then I shall take up some of the points raised by the opposition.

Firstly, I commend the honourable member for Berwick for his contribution. In times to come when people want to read a definitive outline of what the legislation means they should pick up the contribution made by the honourable member for Berwick tonight and have a read because it gives a tremendous outline of the bill.

In my view the bill is one of the most profound initiatives ever to have passed through this chamber because it marks a new beginning for this state, not only in terms of its relationship with the other states

and territories of Australia but also in relation to its association with the federal government.

It is a recognition that we have elements of our market with which we must be content across our state and territory borders, but it also recognises the fact that Australia sees itself coming of age in the world market, and sees itself as having to conduct itself in a fashion which places it better on the world stage.

It is a departure from many of the things that were put in place by way of parochial diversions when Federation occurred almost 100 years ago. It is moving away from many things that happened over the subsequent decades, and indeed is the complete antithesis of many of the elements that have torn this country apart over the years in the sense of being able to properly develop the many aspects of its various resources.

It arises, of course, from the Hilmer committee report and the work undertaken by Professor Fred Hilmer and his associates. Essentially the report recommended the implementation of a national competition policy. The policy involves six elements. The first is the extension of part 4 of the Trade Practices Act; the second is the prices oversight of government business enterprises; the third is competitive neutrality; the fourth is structural reform of public monopolies; the fifth is a review of legislation that restricts competition; and the sixth is access to essential services.

The bill implements the first of those six stages. That occurs as a result of three agreements entered into by the states and territories at the Council of Australian Governments meeting on 11 April this year. Those three agreements which all the states and territories have signed are, firstly, the conduct code agreement; secondly, the competition principles agreement; and thirdly, the agreement to implement the national competition policy and related reforms.

The first of those — the conduct code agreement — postulates that we will see the introduction of a competition code. The bill does that. In effect, as has been explained by the honourable member for Berwick, the bill introduces the use of part 4 of the federal legislation in Victoria. It will see a huge departure from what has occurred previously in this state and country because of the almost template legislation which will operate around Australia as a whole. It will be a massive departure in the sense of competition policies across our state borders.

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The competition principles agreement establishes the agreed principles for the element of the national competition policy, including the program for the review of legislation restricting competition. That will be an ongoing process.

The third agreement is the one to implement the natural competition policy and related reform, and it is a crucial aspect of the three agreements signed on 11 April. That is so because that is where there is the real sting in the tail. Essentially, it is the mechanism by which the state will be able to draw back the funding that is so much a fundamental aspect of why the parties have at last laid down their arms and come together on a bipartisan basis for the betterment not only of the states and territories but the nation as a whole.

That is so because the states and territories have signed up to involve themselves in this national competition policy through the conduct of these three agreements; but it is through the third agreement that the payments will flow back to the states.

It will happen in a way that will mean these payments are separated out from the normal financial assistance grants which come to the state. They will be paid in three parts: \$200 million in 1997-98; \$400 million in 1999-2000; and \$600 million in the period 2001-2002.

But crucially, it must be remembered that once you have signed up, you have to comply with the agreement. If you do not comply you do not get the payments, and that is an essential element of that third agreement. The states effectively have 12 months from 12 July 1995 to get their act into gear and have the legislation passed so that they can take advantage of these payments which the federal government has on offer to them through the operation of this scheme.

In the sense of the mechanism behind the operation of the bill and its rationale and a full explanation of what it will mean by way of a benefit to the states, territories and nation as a whole, I suggest that reference be made to the contribution of the honourable member for Berwick.

I turn now to some of the comments made by the Leader of the Opposition in particular. He went through a long diatribe on CCT and the sorts of terrible things that will happen as a result of it. One of the references he made was to art galleries, particularly in country Victoria.

It is a shame he was not in the fair city of sunny Sale about two weeks ago because there on the Friday night we had the opening of the brand-new Sale Regional Art Gallery. This wonderful initiative on the part of the Victorian government has been funded by a grant of \$621 000 through the Community Support Fund, and it is an absolutely outstanding achievement for country Victoria.

Part of the former Esso office was vacated when Esso saw fit to walk away and leave us to our own devices a couple of years ago. The office was acquired by the municipality and part of it has now been devoted to this new and magnificent establishment. It has been made possible by the government initiative to which I have referred.

The Minister for the Arts, Mr Haddon Storey, came to Sale for the evening, and what a gala occasion it was. We trooped off to dinner later on and Sir Rupert Hamer was there as guest speaker. There we had a superb outcome arising directly from an initiative of the government that would not have happened had the government not been in power.

The Leader of the Opposition was chirping about the supposed damage to our galleries around country Victoria, but I would like him to come down to Sale. I will even greet him myself and show him around, because it is an outstanding example of what country Victoria has to offer in terms of galleries.

The other point I take up with the Leader of the Opposition concerns his remark regarding electricity and his views on privatisation of the electricity industry.

One of the issues he was highlighting was that there has been no privatisation anywhere else: 'It's not going to happen' — that was his clear statement of fact. When one has regard to the comments of the Leader of the Opposition over the past few months, one finds they have not always been absolutely consistent with his current position. I refer to the comments the Leader of the Opposition made in this house on 29 November 1994. He made them in the context of the debate on the Electricity Industry (Further Amendment) Bill and he referred to a report of a speech made by Mr Ross Bunyon, the chief executive officer of Pacific Power in New South Wales. He was at that time, of course, fighting a fierce rearguard action knowing full well that upcoming events were going to cause him some degree of disturbance.

In the course of his reference to the speech made by Mr Bunyon, the Leader of the Opposition said:

He went on to talk about the position of Pacific Power. That has not occurred with Pacific Power. It will not occur with a change of government in New South Wales in March. There will not be a breaking up of the generating industry into little bits, which is what will happen in Victoria. There will not be the breaking up of distribution companies into little bits that is being implemented by the Victorian government.

He went on, but given the hour I won't read the rest of it. He got part of it right, because in March there was a change of government — God help them! — in the state of New South Wales. But he got part of it awfully wrong, because we have seen subsequently that events overtook the position put by the Leader of the Opposition. I will come to that in a moment. The other bit he got wrong is that it is not a question of breaking up the distribution companies — New South Wales had 25 of them before. They have now been amalgamated into five — so he wasn't too good on that part, either.

In the same speech the Leader of the Opposition went on to say, while making comments about a report from Generation Victoria:

The Generation Victoria report goes on to talk about the system and how it will work. It is saying that if you break up the Victorian system into little bits, Pacific Power — the New South Wales government are not mugs compared with the Victorian government and Bob Carr, the Leader of the Opposition in New South Wales, is not a mug because he will not break it up, either — will come across the border and close up our industry. We will lose jobs and we will lose our competitive advantage.

They were the views the Leader of the Opposition gave us on 29 November 1994. What subsequently happened? I have here a document that bears the date August 1995. It is the report of the review of the structure of electricity generation in New South Wales. It is accompanied by a letter that does not bear a date. The letter is addressed to the Premier, Mr Bob Carr, MP, and it reads:

Dear Premier,

I have pleasure in enclosing the report of our working group, as well as an appendix containing the major analyses and reports on which our recommendations are based.

The work has been completed well ahead of the deadline of year end set by the government. In summary the report recommends that:

1. Pacific Power be disaggregated.
2. A choice be made between two options for disaggregation, each of which is consistent with the government's goals of low prices, industrial development and a commercially sound industry.
3. Governance, management and financial structures consistent with real competition be established for each of the new generators.

Then it makes a couple of closing comments. It is signed, 'Yours sincerely, Frederick G. Hilmer, Chair'. I might say that there are five other signatories to the letter, one of them being Mr K. P. Baxter.

I will move on and have just a quick look at the contents of the report because a couple of aspects of it bear mentioning in the context of the debate. At page 3 it says:

The proposed reforms are unlikely to be the end of structural change in generation. As the market develops, pressures for further change will undoubtedly emerge. The recommendations both anticipate and are consistent with further change. Our aim has been to create the conditions that will allow the market to reshape the industry over time, rather than impose a rigid bureaucratic solution.

Can we hear it coming, Mr Speaker? On page 4 it says:

The reforms proposed for this state are not intended to 'fix' either operating or balance sheet problems. Instead they are aimed at spurring continued improvement, and over time allowing the industry to further develop in what will be a growing and dynamic energy market.

Then at page 12 there is an interesting discussion. It says, when discussing the two options offered in the paper:

There is a second issue that is raised by option A under which Eraring is separated out.

Eraring is one of the power generators in New South Wales. It goes on:

In the review group's view, if option A is chosen, the additional opportunity exists for government to consider a range of structural and ownership options for Eraring such as joint venture or float (whole or part)

prior to expiration of the existing lease-back arrangements with Westpac Banking Corporation. There are a number of advantages in such an arrangement.

It then goes on at page 14 to consider various advantages that would be available by looking at Eraring in its own right. The second of those is recited as being:

Second, the value of Eraring in the national market is likely to be greater if owned by a firm with a generator(s) in other states. Such a firm would have operational, marketing and financial advantages and opportunities not as available to single stations.

It goes on:

Third, if the government wished to sell Eraring, most of the debt in Pacific Power could be retired.

The fifth point it makes is:

Fifth, the new company, especially if an Australian-listed firm (such as under a Qantas-type arrangement) would be a more appropriate vehicle for offshore expansion and risky research and development than a wholly government-owned company. It is rarely either politically or commercially possible for a government corporation to use taxpayers' money in risk ventures overseas. In contrast, this is exactly what private Australian-based firms are and should be doing.

Finally it deals with other issues and it says in paragraph 1 on page 15:

Coal structure and ownership. Currently Pacific Power supplies about 40 per cent of its requirements through the wholly owned subsidiary, Powercoal Pty Ltd. Whether and how this should be restructured, spun off or sold wholly or in part is an important question.

The Leader of the Opposition says, 'No, they're only going to corporatise. They're not going to sell it'. No, they won't sell it! It's a bit like the cow on the dairy farm down on the property in the country like the area I represent — when the AI man comes along to visit the cow she knows something's happened but she's not quite sure what it is. I'm here to tell you that up there in New South Wales there is a little bit of AI under way.

In conclusion, this is tremendous legislation for this state. It will further our position as a leader in the country in bringing about the changes so

desperately needed to ensure that everybody gets his or her just and proper share of the resources of this wonderful state and this wonderful country.

Mr KENNETT (Premier) — I thank the members who have contributed to this debate, with the exception of the Leader of the Opposition. I say that because although the opposition supports the bill — and we take that on notice — we have seen tonight a very different approach being taken by the Leader of the Opposition and the honourable member for Williamstown. I hope members on this side of the house, in observing the Leader of the Opposition — and I suspect many on the opposition side — have seen a good example of how not to lead from the front. The Leader of the Opposition's speech was not in line with an individual seeking to carve out a position of leadership in the community. The very fact that he had to talk for 2½ hours when there is a very important lesson in politics — —

Mr Brumby interjected.

The SPEAKER — Order! I ask the Leader of the Opposition to remain silent. If we go down that track, it will end up in a hullabaloo.

Mr KENNETT — A very good adage in politics is that you don't have to spend a lot of time speaking to make a good speech, and often the most effective speeches are those that are shorter. Tonight we heard three contributions from the honourable members for Berwick, Gippsland South and Williamstown, which were all 30 minutes or less. The Leader of the Opposition took two and three-quarter hours and said nothing. While we don't agree with the comments of the honourable member for Williamstown, I must say his comments were reasonably lucid, although not necessarily accurate.

Without a doubt the comments of the honourable member for Berwick tonight were a good illustration of how a person can make a contribution. I am not criticising the honourable member for Williamstown. I am just saying that one speech tonight was very succinct and many people would have learnt a lot about the bill. Unfortunately we heard nothing from the Leader of the Opposition.

We heard a different point of view from the honourable member for Williamstown; in 30 minutes he put forward an opposition view a lot more effectively. The Leader of the Opposition continues to condemn himself and his party through his own actions.

This piece of legislation is important, as has been indicated by members on both sides of the house. It is part of template legislation that came out of a meeting of minds through a COAG arrangement. It is breaking new ground. It seeks to introduce competition to enable us to get tremendous benefit from the resources we have within our society.

Yes, there are different ways of doing things and no-one argues with that, whether it be the honourable members for Berwick, Gippsland South, Williamstown or me. There are different options and menus and everyone should be able to look at those. However, honourable members should understand there are examples in this state where there has not been a commitment to privatisation right through to the final analysis, and the best example is probably the TAC, which was one area the coalition thought it would privatise before the last election. We did a great deal of work and the benefits didn't seem to be overly obvious and therefore we retained it in state ownership. I think every activity of government must be individually assessed and those who have the authority of the day in government must make a decision based on all the information as to the best method to use to advantage the community.

The honourable member for Williamstown would prefer to have no privatisation. That is not the view supported by us, the New South Wales government, the Queensland government or the federal government, which is undertaking a large program of privatisation. It is not across all areas, but it sold off 20 per cent of Qantas in a trade float to British Airways and is now floating the rest. The house will recall what the federal government is doing with the Commonwealth Bank and Telstra. They are all fundamental institutions that will be privatised in whole or part by a Labor government.

The real test for us all in considering competition is not only to look at Australia but also to look at what is happening in other parts of the world. It is true to say that in most other countries in the world there has been a major move towards competition and, in the main, to privatisation. It is not just in the Western countries, but particularly in the old communist countries, partly because those countries need to attract capital to build the infrastructure they desperately need to put in place to get into a competitive situation. We cannot as a country ignore that trend. If we are going to be relevant in the 21st century we must do a lot more with our resources than we have done in the past and we have to be a lot more competitive.

The Leader of the Opposition is the antibody. He is anti-everything. He does not want change. He would rather turn the clock back to when Labor was last in government because he would then feel comfortable in government. The reality is that most people in the community understand — and they have demonstrated that over the last three years — the importance of change and the need to be relevant, and therefore you have to test new ideas.

The Labor Party raised a number of issues tonight in terms of specific projects. As we have seen, I don't think there is one project that we have been involved in that the Labor Party has supported. I cannot think of one major project which the opposition has openly embraced. Labor Party members argue that their role is to oppose, but in opposing so consistently they have now earned a reputation of being whingers, knockers and anti-Victorian. That is reflected in the way most of the public views the opposition today. With only a year at most to go before the next election the public is still looking for an opposition who may actually put up a counter point of view, not in opposition but in actually carving out a new form of opportunity. We are quite happy about the way things are going politically for us at the moment and we hope the honourable member for Broadmeadows will continue to lead the opposition until the next election and beyond. But it is not giving the people of Victoria or the Labor backbench any solace and certainly not giving generally the sort of intellectual thrust and competitive force that is necessary.

Mr Brumby — You've got a lot of that!

Mr KENNETT — Again, that is your easy jibe. The honourable member for Williamstown was down at the tourism meeting this morning when we were talking about competition and the competitive edge we have generated in that business through the efforts of the Deputy Premier and the private sector, but I cannot remember the Labor Party ever talking on tourism. I don't know who your spokesman is. Who is it?

Mr Bracks — Me!

Mr KENNETT — When did you last make a statement on tourism?

Mr Bracks interjected.

Mr KENNETT — There is a very good illustration. There you are.

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The SPEAKER — Order! The house is on a collision course again. I ask the house to come to order.

Mr KENNETT — I have a very good illustration. Today a very good meeting of tourism officials from around Australia took place. They heard about the tourist commission's new logo and performance, which Victoria raised because it is doing much better than the national average. It is a competitive area, and the only comment the shadow minister whose name I didn't know made was anti-something, whereas we were trying to get another event to Melbourne. He took satisfaction in the fact that it didn't come. That is fine; I understand it. Where is the positive element? Where is the leadership? Where is the competitive leadership that you argued about for 30 minutes a few moments ago? There is none. That is why we on this side of the house continue to give this community the leadership it requires and which was necessary with the change of government.

We are now at most 12 months away from an election and we still have not heard from the opposition any policy on any issue that actually takes a leadership position. Tonight you have heard other comments made about the City Link project, and as we said earlier today and as the Treasurer said, you could almost see the saliva running from the mouths of the opposition members as the statement was made last night and we pursued the banks to get a better deal to protect the public interest. They actually think.

Mr Brumby — You stuff up one after another.

Mr KENNETT — This is the point I find so amazing. The Leader of the Opposition sits there and uses an unparliamentary word, saying that we have continued to stuff things up time and time again. If we had stuffed up so many things why are the Leader of the Opposition and his party getting only 1 out of 5 votes from the Victorian community at the moment? Why is the public not rising up and saying, 'Give me John Brumby'? Why are they not saying, 'Give me the Labor Party'? The reality is they are not saying that. The bill reflects the creative thinking of those charged with leadership in the country over the past three years. The former Chief Minister of the Northern Territory was a major contributor and he has gone, as has the former Chief Minister of the Australian Capital Territory, the Honourable Rosemary Follett. The former Premier of New South Wales, Mr Fahey, has also gone. The legislation shows that some people are thinking long

term and are prepared to frame a document that will demand that each and every one of us rise to the occasion and deliver the goods.

Clause 51 allows an exemption under certain circumstances. Indeed, the federal government specifically exempted industrial relations from competition policy. The fact that the exemption clause is part of the bill demonstrates the goodwill that exists in framing the legislation. We have great hopes for it. It is working well in developing the national electricity grid and the national rail authority, as well as other things happening in the community that are either reflected in the bill or in the processes laid down by government.

I admit that there are different models, and there is nothing wrong with that. Ultimately individuals charged with the responsibility of providing leadership will have to make the right decision. I am glad the legislation will pass. I am glad there is a difference in the expression of views of the honourable member for Williamstown — not that he reflects the views of the Labor Party — and members on this side of the chamber because that reflects the competitive nature of the legislation.

This is only the start and I am pleased that the Prime Minister continues to support this government and the work it is doing — that is obvious by his comments during the past few days. The only sad element of this debate has been the inability of the Leader of the Opposition to show leadership. The Labor Party will continue to flounder unless it has a leader who can think long term and who does not automatically oppose everything.

The SPEAKER — Order! As the required statement of intention has been made pursuant to section 81(5)(c) of the Constitution Act 1975, I am of the opinion that the second reading of this bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Acting Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr GUDE (Minister for Industry and Employment).

ADJOURNMENT

Mr GUDE (Minister for Industry and Employment) — I move:

That the house do now adjourn.

Public transport: northern suburbs

Mr ANDRIANOPOULOS (Mill Park) — I direct to the attention of the Minister for Public Transport the former Labor government's announcement in December 1991 regarding improved public transport services in the northern suburbs of Melbourne. The then government particularly referred to the extension of the Bundoora tram service to Mill Park. Indeed, in 1992 the Labor government secured \$17 million of federal funding from the Building Better Cities program.

When the coalition government was elected to office the Minister for Public Transport ordered a review of public transport priorities, with the result that the Mill Park extension was downgraded. In fact, some \$5 million was transferred to other projects, particularly the city tourist tram service.

Later today the minister will open the half-finished section of the project, but the tram should be extended to Childs Road, Mill Park, as was originally planned, to allow the 30 000 residents of Mill Park to make use of that public transport service.

I call on the Minister for Public Transport, when he comes out to Mill Park to open the half-completed project, to finally commit the government to completing the project and ensuring the extra 1 kilometre of line is built so that the project terminates where originally intended — that is, in the centre of the Mill Park suburb at Childs Road.

Education: disabled student transport

Mr MAUGHAN (Rodney) — I raise with the Minister for Education the concern of my constituents Mr and Mrs Donald Brown of Nathalia about the transport of their son Luke to a primary school in Shepparton. Luke is five years old and suffers from severe loss of hearing and a pervasive development disorder. Mr and Mrs Brown have enrolled Luke at the Guthrie Street Primary School for 1996. The type and level of support offered by that primary school is very much appreciated by Luke's parents.

The minister will be well aware of the facilities at Guthrie Street because earlier this year he responded positively and sympathetically to representations by me and my colleague the honourable member for Shepparton on behalf of hearing-impaired children, leading to the establishment of a great facility for those children. That facility will be opened later this month.

Luke Brown is enrolled at the facility. The parents' problem is transport. The family lives north of Nathalia some 30 minutes from the nearest connecting bus, which is at Numurkah. For Luke to catch that bus would entail about 30 minutes travelling morning and night, amounting to 2 hours travel every day, for his mother and his 2 siblings, a 4-year-old and a baby of 14 months. Luke will then have to travel by school bus for a further three-quarters of an hour each way, arriving in Shepparton where he will have to be transported to the Guthrie Street Primary School.

The Browns have applied and been refused taxi travel. To expect any five-year-old, in particular one suffering from profound hearing loss, to travel as described is expecting a little too much. I ask the minister to reconsider the matter to see whether there is any way a better transport system can be arranged — for example, a taxi from the family's home at least to Numurkah and preferably Shepparton — for this severely disabled child so he can enjoy the standard of education every disabled child in the state is entitled to and so the disadvantages of this family can be overcome. I ask the minister to give his sympathetic consideration to the case.

Rail: passenger safety

Mr BATCHELOR (Thomastown) — I ask the Minister for Public Transport to investigate another terrifying incident on Melbourne trains. I have been

advised by a Thornbury woman, Mrs Nancy Warnock, of an incident that caused her great concern when travelling on a train from Flinders Street on 25 September.

Mrs Warnock described to me, in graphic terms, an incident that occurred as the train approached Footscray railway station. I would like the minister to thoroughly investigate and report back to me on the incident.

Mrs Warnock reports that a gang of five hoons who had previously boarded the train proceeded to burn a hole in the seat fabric, then to pull out the upholstery material from behind the fabric and to burn that. They then threw it out the window of the train. She was concerned about the possible effects of the toxic fumes from the burning material because burning upholstery foam tends to emit poisonous fumes. The burning material was of concern to Mrs Warnock and the other passengers.

She was also concerned by the threat posed to her, other family members, and other travellers because she felt intimidated by the number of people in the gang. When she arrived at the Footscray station she reported the incident to the station staff who, it might also be reported, were not checking passenger tickets. The staff said they would report the incident to stations further down the line, to try to apprehend the culprits.

What has happened? Were genuine attempts made to catch the vandals after the incident was reported, or was it yet another occasion when that could not be done because there were insufficient staff at stations beyond Footscray station when the incident occurred? Will the minister give a full explanation? What has the PTC done to offer comforting words not only to Mrs Warnock but to other people who may find themselves in similar situations?

Winton motor raceway

Mr DOLLIS (Richmond) — I direct to the attention of the Minister for Planning a matter regarding the amendment to the Delatite planning scheme. Three inquiries have been held into the Winton raceway and its operations, including those by the Lands Board in 1979, the AAT in 1992 and the minister's own panel of inquiry in 1995. Each inquiry has identified major problems with the Winton site.

The minister will be aware that the latest panel inquiry heard expert evidence about tourism,

planning, noise control, traffic control, real estate valuation, economic development and so on, and the hearings were wide ranging. A large and comprehensive report was finally submitted. The panel report was exhaustive and made the point that no further value would be derived from further inquiries into the matter.

The panel appointed by the minister came to an unequivocal finding that the present site at Winton is unsuitable for a major motor racing facility, including drag racing, and should not be allowed in residential areas. None of the shire commissioners attended the panel hearing. The planning officer attended for about 2 hours of the four-day inquiry.

A media release issued by the shire indicates that the commissioners intend to reject the central recommendation of the panel report that there should be no drag racing strip at Winton. The shire has made an appointment to discuss the revised amendment.

It appears the commissioners have failed yet again to consult the local community. Following meetings between the community and me, I decided to raise the matter with the minister because the community expressed its concern about reports in the local media about the Deputy Premier's call for the establishment of a parliamentary review panel. If there is any substance to this report, it will be a gross departure from the accepted planning processes and the implications that may have for future planning issues will be substantial.

The critical issue here is the proposed use of the site for drag racing. The Benalla Auto Club has put it on the basis that unless it has a drag racing strip it cannot justify the other extensions and new activities proposed, and the viability of its existing operations will be questionable.

The panel's recommendation on drag racing is clear and unequivocal — namely, Winton is not a suitable site for drag racing. Its conclusion has been based on tried and true criteria — that is, noise. The fact is that previous inquiries have rejected —

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

Children's Court Clinic

Ms GARBUTT (Bundoora) — I raise with the Attorney-General the Children's Court Clinic. I am seeking reassurance that it will continue to be

properly funded. The clinic is an important service to the Children's Court. It provides professional psychiatric and psychological assessments of children who are appearing before the court. These are children who appear before both the criminal and family divisions in matters of protection applications.

Honourable members will remember that this clinic was transferred to the responsibility of the Justice Department following Mr Justice Fogarty's recommendation in his report and a public outcry that it should be transferred so it could be independent of the Department of Health and Community Services which was often contesting cases.

The clinic provides vital services for magistrates, for children and for families in crisis. Since its transfer it has encountered severe budget problems. More assessments than originally estimated were needed because magistrates were requesting more, but instead of funding it properly a number of totally unacceptable options were proposed.

One of the options is that magistrates may be told not to ask for so many reports. It would be absolutely outrageous if magistrates were denied a professional report on cases before them. Another of the options is the application of a cap on the cost of each report that can be ordered. The maximum might be of the order of around \$200. The best people in the field would simply not be able to be accommodated at that price and cheaper professionals would have to be used. The best professionals in the field and the best specialists would not be available for the job, and it is important not only to the magistrate but also to the families and children involved that the best information is available when the magistrate is making a judgment that affects the lives of children and families.

I am seeking assurance from the Attorney-General that these options will not be pursued, because they are not acceptable. More appropriate arrangements should be put in place so the budget can be met and so magistrates can continue to seek as many assessments as they feel are necessary at the price charged by the best specialists.

Mordialloc-Cheltenham Community Hospital

Mr THWAITES (Albert Park) — I raise for the attention of the Minister for Health the

Mordialloc-Cheltenham Community Hospital. The matter I raise is the continuation of important services at that hospital, particularly maternity services. There is a great deal of concern in the local community that maternity services and other services may be taken from the Mordialloc hospital. At a recent public meeting held at the Monash Medical Centre the new chairman of the Southern Health Care Network, Mr Olaf O'Duill, said it was too early to tell what the future held for obstetric services for the Mordialloc hospital. He guaranteed the continuation of casualty services at Sandringham, which is certainly something we can be thankful for and which presumably results from active lobbying by the honourable member for Sandringham.

It seems that the honourable member for Mordialloc has not been able to achieve any sort of commitment to the maintenance of the obstetric services at the Mordialloc hospital. Fortunately, the very active ALP candidate for the area, Robyn McLeod, has sent a letter about health issues to more than 4000 homes.

Amazingly, the letter has been replied to by more than 450 people. I am pleased to report that more than 11 per cent of the people who received the letter from Robyn McLeod have replied stating their concerns about health services in the Mordialloc area. The level of concern is high because of the threats to maternal and other services at the Mordialloc-Cheltenham Community Hospital.

I seek from the Minister for Health a clear commitment that the services at the Mordialloc hospital, particularly the maternity services, will be retained. Robyn McLeod and other residents in the area want a guarantee that the hospital will not lose its important maternity services. Clearly the minister has the power to give that commitment, because she is responsible for the administration of health in this state. It will not be good enough if she tries to pass the buck to the network boards, which is what she has tried to do to date.

City West Water: water quality

Mr SEITZ (Keilor) — I bring to the attention of the Minister for Natural Resources a matter several of my constituents have raised with me both over the past week and today.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Keilor is entitled to raise a matter on the adjournment and to be heard in silence.

Mr SEITZ — The matter concerns the discolouration of the water supplied to their homes. My constituents are having great difficulty in obtaining from City West Water clear, clean and safe drinking water. The affected district is around Kings Park and Delahey, including the area I live in.

A number of neighbours in my area have installed their own whole-of-the-house filters because the standard and quality of the water has deteriorated. City West Water says that is not its problem. It claims it is supplying clean water and that the householders' pipes are contaminated. However, the householders maintain that the district is only five years old and that some of the houses are brand new. Therefore I ask the minister to look at the situation with City West Water so that it supplies safe water and so that the water that comes out green — —

Honourable Members — Green?

Mr SEITZ — The advice given to the householders is that even if they boil the water it will still not be safe to drink. Parents are concerned about their health and the health of their children.

I ask the minister to take up the matter with City West Water to see whether the poor water quality is due to the corporatisation or privatisation of the maintenance section of Melbourne Water, and I ask him to ensure that those people are provided with clean water. After all, that is the charter of City West Water. I assume the minister wants City West Water to provide safe drinking water to the households that are paying for the service — rather than their having to resort to installing water filters or in some cases backyard water tanks to catch rain water. People are losing confidence in the water that is being supplied by City West Water, which is a big concern.

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

Rail: Springvale station

Mr MICALLEF (Springvale) — I raise for the attention of the Minister for Public Transport the relocation of the Springvale railway station.

The Springvale railway station is the location of one of the major bottlenecks and traffic hold-ups in the metropolitan area. It certainly creates a lot of delays, especially during peak periods when the gates are closed. Anyone who has travelled down Springvale Road through the crossing will know the gates are sometimes closed for more than 25 minutes between the hours of 5.00 p.m. and 6.30 p.m., creating long traffic delays.

I have written to the minister asking him to consider relocating the railway station. After a meeting I attended with members of the government we listened to a report from the City of Greater Dandenong commissioners and officials about the redevelopment of the shopping centre, which would move the centre of gravity of that shopping centre from Springvale Road to east of Springvale Road. It will probably be necessary therefore to consider another crossing, and the possible relocation of the railway station would help to alleviate the necessity for the gates to be closed for such a long time during peak periods.

The irony of this is that if you want something done to your railway station you ask for it to be moved. The department, I understand in consultation with the City of Greater Dandenong, has set up a working party to look at the station's relocation. While this working party is being set up the Met is currently refurbishing the railway station and spending a fortune. I would have thought the department might have waited until it saw the outcome of the recommendation of the working party set up to look at the relocation before it set about refurbishing the station — spending money that may be wasted if the station is eventually relocated.

I ask the Minister for Public Transport to investigate this case of absolute stupidity and possible blatant waste of the taxpayers' money. I certainly appreciate that if the station is not going to be relocated money should be spent on refurbishing it, but if the station is to be relocated the money is wasted.

Responses

Mr HAYWARD (Minister for Education) — The honourable member for Rodney raised the matter of five-year-old Luke Brown. Luke has profound hearing loss and, as the honourable member pointed out, the government has established a special hearing facility unit in the Guthrie Street Primary School in Shepparton and it is very important for Luke to travel to that facility.

As the house knows, the government has a very deep commitment to the needs of students with disabilities. The honourable member raised the matter of transport assistance for Luke to travel to the Guthrie Street school in Shepparton. I will certainly be happy to investigate the possibility of transport assistance. A taxi service may be possible at least part of the way to the school.

I thank the honourable member for the outstanding work he is doing on behalf of the students and the schools in his electorate; he is untiring in his concerns and interests in relation to his constituents. I thank him for that.

Mr MACLELLAN (Minister for Planning) — The Deputy Leader of the Opposition raises the question of the Winton raceway and the proposed report of an amendment to be made to the local planning scheme to accommodate changes to the operation of that raceway.

As is the case with a number of motor sport and other sporting venues, conflicts often arise and have three characteristics: they involve people who have previously owned property in an area and are regarded as the original residents in the area, people who have moved into the area since the facility was developed and the use of the sporting facility. Often those who have moved in since the facility was developed are as critical as anyone else about the use of the area.

The panel has made a forthright report that is being considered by the council. I understand that in reaction to the recommendations of the panel the council proposes to forward to me an amended proposal for an amendment. I will give consideration to that, together with the panel report and submissions and any other relevant matters, before coming to a decision on the matter.

On the interesting suggestion made by the Deputy Leader of the Opposition about a possible parliamentary process to help in examining the matter, I have to say there is a wider question about where the raceway would be accommodated if it were not to be accommodated at Winton. That question was certainly not considered by the panel, at least not in detail. It may be that solutions can be found or recommendations can be made on broader issues than those that were before the panel on the particular amendment in question.

I have visited the site. I have not been there while the raceway has been operating, and one can get an

impression only of the spatial elements and not of the noise or traffic conditions. I understand the facility attracts wide and popular support from spectators and those who wish to operate vehicles there. Certainly there are residential properties in the immediate area. Although they are separated by distance from the raceway, the noise carries some distance.

I am conscious that in an area I formerly represented a raceway that operates once a month in the township of Poowong is accepted by the community and has operated for many years. It is a great fundraiser for the local community, and the township people and the raceway have coexisted for many years.

It is not always the case that people are totally insensitive to the possibility of coexistence with a facility that might, on occasions when it operates, cause inconvenience to nearby property owners. It is not always possible to have such a separation of distance that everyone gets a perfect environment and, therefore, coexistence may be necessary.

There are existing uses at Winton which, I assume, will continue unrestricted. However, it may be that in the course of consideration of this amendment there are opportunities to vary the uses that have taken place in the past while at the same time accommodating new uses and coming up with what one could regard as planning compromise. These are the sorts of things that must exercise the minds of both the council and the panel.

Ultimately recommendations are made to me as minister. From me they come to Parliament and eventually become the new planning rules. As I am bound to do, I will give consideration to all the issues, as well as to any recommendation I get from the department. I do not have any particular concluded view on the matter. I will inform myself as widely as possible.

Mrs WADE (Attorney-General) — The honourable member for Bundoora asked me for an assurance that the Children's Court clinic will be properly funded. She outlined options which she said had been considered in relation to that clinic. I am unaware of the options. I wonder who, if anyone, is proposing these options and who, if anyone, is considering the options.

I am inclined to think that this may be a similar situation to the one that was outlined by the honourable member for Footscray some nights ago

ADJOURNMENT

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when he suggested that funding for legal aid was being cut; again something on which I have made absolutely no decision and of which I am absolutely unaware. There is either some mischief going on in the Department of Justice or the honourable members have not fully informed themselves of the particular circumstances.

I am pursuing the issue that has been raised by the honourable member for Footscray to discover anyone who is putting around stories or information regarding the legal aid budget. I will certainly pursue the issue raised with me tonight by the honourable member for Bundoora.

Mr GUDE (Minister for Industry and Employment) — The honourable members for Mill Park, Thomastown, Albert Park, Keilor and Springvale raised matters for the attention of a variety of ministers. I shall draw those matters to the attention of those ministers.

Motion agreed to.

House adjourned 3.02 a.m. (Thursday).

Thursday, 12 October 1995

The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.05 a.m. and read the prayer.

PAPERS

Laid on table by Acting Clerk:

Adult, Community and Further Education Board — Report for the year 1994-95

Australian Grand Prix Corporation — Report for the period ended 30 June 1995

Board of Studies — Report for the year 1994-95

Education Department — Report for the year 1994-95

Gas and Fuel — Report for the year 1994-95

Gas Transmission Corporation — Report for the year 1994-95

Geelong Performing Arts Centre Trust — Report for the year 1994-95

Infertility (Medical Procedures) Act 1984 — Report pursuant to section 29 (12) (a) on an approved experimental procedure

Libraries Board of Victoria — Report of the year 1994-95

Public Authorities (Equal Employment Opportunity) Act 1990 — Report describing the implementation and evaluation of Equal Employment Opportunity Programs in Public Authorities for the year 1993-94

Public Record Office — Report of the Keeper of the Public Records for the year 1994-95

Small Business Victoria — Report for the year 1994-95

State Training Board — Report for the year 1994-95

Subordinate Legislation Act 1994 —

Minister's exemption certificate in relation to Statutory Rule No. 125.

AUDITOR-GENERAL

Special report no. 37

The SPEAKER presented special report No. 37, Promoting Industry Development: Assistance by Government.

Laid on table.

Ordered to be printed.

PUBLIC BODIES REVIEW COMMITTEE

Mr GUDE (Minister for Industry and Employment) — By leave, I move:

That Mr Sandon be discharged from attendance on the Public Bodies Review Committee and that Mr Bracks and Mr Seitz be appointed instead of Mr Sandon and Mr Dollis.

Motion agreed to.

BUSINESS OF THE HOUSE

Adjournment

Mr GUDE (Minister for Industry and Employment) — By leave, I move:

That the house, at its rising, adjourn until Tuesday, 24 October 1995.

Motion agreed to.

PERSONAL EXPLANATION

Mr THWAITES (Albert Park) — During question time yesterday, the Minister for Health alleged that I used a forged invitation to attend her announcement about the future of the Latrobe Regional Hospital. Forgery is a criminal offence and the allegation made is a very serious and damaging one. The allegation is completely untrue.

I attended the Latrobe Convention Centre where the announcement was to be made yesterday morning at the request of, and as the representative of, the honourable member for Morwell, who had been invited to the announcement. I noted that there were other people who attended the announcement as representatives, including a representative for the federal member for McMillan. The invitation to the honourable member for Morwell was in writing and was not forged.

When I entered the foyer of the Latrobe Convention Centre, I handed the attendant the invitation to the honourable member for Morwell. I told him my name was John Thwaites and that I was representing the honourable member for Morwell. I also said I was the shadow Minister for Health and confirmed to one of the attendants that I had been speaking to some of the health workers outside.

At that stage one of the attendants took the invitation and left the foyer, apparently to get instructions as to whether I was to be allowed into the function. Subsequently the attendant returned. She and a security guard, from what appeared to be a private security company, told me that I could not enter the meeting room where the minister was speaking. The security guard also told me that I had to leave or I would 'be done for trespass'. I said, 'That is incredible' and asked to speak with his superior, but was refused.

There were at least two security guards who wore numbers but not names. I asked one of the guards to return the invitation, which he refused to do. I subsequently left the convention centre.

FISHERIES BILL

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

That the following order of the day, government business, be read and discharged:

Fisheries Bill — Resumption of debate on the question — That this bill be now read a second time — and on the amendment — That all the words after 'That' be omitted with the view of inserting in place thereof the words 'this house refuses to read this bill a second time until there has been adequate consultation with the various interest groups involved with the fishing industry.'

and that the bill be withdrawn.

Motion agreed to.

STATE TAXATION (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill to amend the Business Franchise (Tobacco) Act 1974, the Financial Institutions Duty Act 1982, the Gift Duty Act 1971, the Land Tax Act 1958, the Pay-roll

Tax Act 1971, the Probate Duty Act 1962, the Stamps Act 1958 and certain other acts and for other purposes.

Read first time.

APPROPRIATION (PARLIAMENT 1995-96, No. 1) BILL

Second reading

Debate resumed from 5 September; motion of **Mr STOCKDALE** (Treasurer).

Dr COGHILL (Werribee) — The opposition will not oppose the bill, but a number of points should be made. The Victorian Parliament should aim immediately to reach world-best practice in its conduct and affairs. I have already referred in my speech on the Appropriation (Parliament)(Interim 1995-96) Bill, which I delivered on 10 May 1995, to a number of the matters I would put under that umbrella. I do not intend to recap all of that material but some of those matters are particularly topical at the moment.

Firstly, on radio this morning the Treasurer made comments which were relevant to the powers, rights and authority of Parliament. He was referring to the agreement presently being sought to be negotiated between the government and Transurban on the City Link proposal. The Treasurer seemed to be saying that the government was somehow able to abrogate or abdicate or waive the sovereignty of Victorians in the agreement it might strike with Transurban and Transurban's financial backers.

As you would be well aware, Mr Speaker, the sovereignty of Parliament ultimately rests on the people of Victoria and cannot be abrogated or waived by the Parliament, much less by a minister or the executive government. There is no way the Treasurer or the government as a whole can guarantee that there will be no future abrogation of any agreement which might be struck in 1995 between Transurban or any other developer of the City Link project and the Victorian government. Nor is there any way the Treasurer or any other member of the executive government can give a guarantee or provide any certainty that in the future Parliament will not take some action that will affect the viability of the City Link project.

The Treasurer is not in a position to sign away the sovereignty of the Victorian Parliament or of the people of Victoria. Similarly, he is in no position to

give a guarantee that there will be no future legislation that will affect the viability or even the existence of the agreement presently under negotiation. The Parliament is sovereign and its sovereignty is qualified only to the extent that it rests ultimately on the people and that Victoria is part of a system of concurrent federalism.

The Treasurer's position might be a bit stronger if there existed in our constitution a provision similar to the provision in the commonwealth constitution that guarantees and provides for just compensation, and if that provision had been entrenched so that it could be removed or amended only by referendum. However, although the opposition has made such a proposal, that proposal has not been accepted by the government and is not presently part of the government's proposals.

The negotiations taking place between the Treasurer and the government on the one hand and Transurban and its financial backers on the other are not negotiations between two equal commercial parties — they are quite unequal negotiations. In those circumstances there cannot be the level playing field that is the ideal of the government and of the national competition policy which was endorsed by this house last night. At the end of the day Parliament is sovereign and Parliament — —

The SPEAKER — Order! The Chair has listened carefully and given a certain latitude to the honourable member for Werribee in explaining the sovereignty of the Parliament, but I ask him now to come back to the bill.

Dr COGHILL — I was simply pointing out that this Parliament has powers which are related directly to the Appropriation (Parliament 1995-96, No. 1) Bill. The very purpose of the bill is to provide the funding necessary for the Parliament to exercise its constitutional responsibility. I was just on the point of concluding my remarks in this respect to point out that it is simply impossible for this Parliament to provide any regime whereby the Treasurer can offer to share risk, because even that sharing of risk in any agreement which he might sign could be abrogated at any future time by the Parliament, no matter who might be in control of it.

I come back to the general theme with which I started, that is that the Victorian Parliament should immediately aim to reach world-best practice in how it conducts itself, and how the system of government operates in Victoria. I hoped that the Treasurer would have displayed the same commitment to

world-best practice in the parliamentary sphere as he advocates in other spheres of the operation of the system of government in Victoria. I hope that he might now decide that this is something to which he can turn his attention and commit himself.

Other countries have made huge strides in involving their citizens in lawmaking and keeping government in check, while Victoria has stood still — or perhaps in some respects even gone backwards. The fact is, as you are painfully aware, Mr Speaker, Victoria is stuck in a rut of outdated procedures which deny people a role in their own democratic institutions and allow the government to work as an elective dictatorship.

One can turn to various illustrations of that in Victoria. I suppose the one the public sees most is question time. One would have to say that question time in Victoria must rank with world's worst parliamentary practice, certainly not world-best practice by any measure. That is not to say that what we are doing in Victoria is particularly different from what one might see in other places in Australia. The reason I was not here during question time yesterday is that I happened to be in the New South Wales Legislative Assembly watching question time there. I could hardly say that our procedures were significantly different from theirs. As the Speaker of the New South Wales Parliament said yesterday in response to a point of order, of which there were many, 'this is a robust chamber'. It certainly was. I do not say that ours is either better or worse than theirs; I do say that question time in Victoria must rank with world's worst parliamentary practice. I do not need to emphasise that to you in the chair, Mr Speaker.

Questions and answers do anything but reveal the facts of major issues of government policy and government management. Evasion and abuse are substituted for information whenever serious problems need answers. As I have long advocated — and you, Mr Speaker, in your previous capacity were party to that — the rules should be totally rewritten to exclude personal abuse and to force ministers to practise truly open government, with full and open answers. We all recognise that is going to be a bit uncomfortable from time to time for ministers and governments, but it is in the best interests of the people of Victoria and in the best interests of the good government of Victoria.

We need to take into account what applies in other Parliaments around the world. I seriously suggest that we look not only within the Westminster system

but beyond the Westminster system, because some of the lead has been taken outside the Westminster system in the post-war period, that is, since 1945. Even the British Parliament at Westminster — that home for us of parliamentary tradition — has abandoned some of the archaic rules that are still used in the Parliament in Victoria to stifle democracy.

Mr Acting Speaker, one needs to think back only to the events of Wednesday of last week when an adjournment motion was proposed. One can see from that example that major issues can rarely be raised at short notice because of the absurdly restrictive old British rules for urgent motions — rules long abandoned by Westminster and by Canberra. Those rules were abandoned by Westminster, when its old standing order no. 9 was repealed on 14 November 1967, 28 years ago — almost 30 years ago.

In 1967 the House of Commons abandoned the rules we still apply in this Parliament, which have the effect of severely restricting the right of any member — usually of the opposition but technically any member — to raise an urgent matter of public importance. Since 1967 it has been much easier in Westminster with a greater and more reasonable discretion in the hands of the Chair and, as many members would be aware, it is also much easier in the federal House of Representatives and, as I observed yesterday, also much easier in the New South Wales Legislative Assembly, to raise urgent matters of public importance from the floor of the house when they are topical, rather than being forced — as we are in this Parliament — to put motions on notice, knowing they may not be debated for months or years.

Ms Marple interjected.

Dr COGHILL — If ever, as the honourable member for Altona points out. As the Speaker himself last week on 4 October acknowledged in his ruling on the adjournment motion that had been proposed by the Leader of the Opposition, the provisions which we still apply in Victoria are archaic — indeed, the Speaker said ‘archaic though they may be’ in making his ruling.

Despite that acknowledgment, there is still no sign of reform, no sign that this government is prepared to act to bring this Parliament up to modern parliamentary practice to aim for world-best practice in the way this Parliament operates. How can that possibly be in the best interests of the people of

Victoria? It is not in the best interests of this Parliament and not in the best interests of the people of Victoria that this Parliament does not itself aim for world-best practice in the way it conducts its affairs.

Mr A. F. Plowman — What did you do after 10 years, though?

Dr COGHILL — The honourable member for Benambra makes a disorderly interjection. Be that as it may be, with your indulgence, Mr Acting Speaker, I invite him — over a cup of coffee, if he likes — to review the steps I attempted to take as Speaker. I will not spend a lot of time in this debate going through that, because the honourable member was not here during that time and missed the experience. During that time there was a willingness on both sides of the house to initiate a process of reform and that process which enjoyed the active participation of both sides of the house suddenly came to a halt in October 1992.

Irrespective of that history, let’s commit ourselves to world-best practice in this Parliament. What’s the argument against it? It’s all very well to say: something happened or didn’t happen during the past 10 years. That is no excuse for saying we can’t go forward from here on in. That is the point I am trying to make. Certainly some of the things that were attempted between 1982 and 1992 may well be picked up as part of that process but I suggest we can go a long way beyond that.

One of the things the honourable member’s interjection highlights is that we do not have any process in this Parliament, unlike many other Parliaments, for providing training, understanding, or education, if you like, for potential members of the Parliament — candidates, prospective members — and new members of Parliament about parliamentary principles. We tell them about salaries and allowances and a few of the basic standing orders, but there is no induction program or training program that any similar sized organisation employing people with comparable responsibilities would exercise in other institutions and, indeed, in Parliaments in other parts of the world. There is simply no attempt to provide a program of education and ongoing education — seminars, lectures, whatever they might be — for current and prospective members of Parliament which would improve their own individual understanding and performance, and the operations of the Parliament. I came to the house probably no better or no less informed than the average new

member of Parliament, and I really did flounder for quite some time trying to understand the principles on which this place operates. It is pretty easy to read the standing orders and the Speaker's rulings —

Mr Hamilton — Even if you don't understand them!

Dr COGHILL — You get some idea of what you have to do, even if you don't understand why you have to do it. If this Parliament is to be truly concerned about adopting world-best practice, that should extend to the way the Parliament operates. It must provide an opportunity for prospective members and members to improve their own understanding and knowledge. I commend the honourable member for Benambra — at least he has been an active participant in the Victorian chapter of the Australasian Study of Parliament Group, which meets here. I was pleased he was an active participant at the last meeting at which the President of the upper house was the guest speaker.

It should be accepted as a responsibility of the Parliament to provide that kind of information service and educative process by which members can improve their performances. Given the very nature of Parliament it can never be compulsory. But if the opportunity is there and there are incentives for members to participate in such programs, I am sure many members will take advantage of them — just as the honourable member for Benambra has taken advantage of the activities of the Victorian chapter of the Australasian Study of Parliament Group.

I further suggest that similar consideration should be given to the training available to parliamentary officers, not only in Victoria but elsewhere in Australia, because the current arrangements are parlous. Those officers with the initiative to take short courses or even degree courses in their own time, or with leave from the Parliament, are to be commended, but it is not a properly structured program. Certainly, there is some in-house training for parliamentary officers, but again it is strictly limited.

This deficiency has been emphasised on my visits to other parliaments to see how they operate. We assume that the New South Wales Legislative Assembly works the same way as the Victorian Legislative Assembly, but even with my experience I was surprised to see some of the procedures that were followed in the New South Wales Assembly yesterday. They are probably not particularly

important in terms of world-best practice, and it may be that some of those procedures are a bit more archaic than some that are used in Victoria. The point I make is there is a variation in the way parliaments operate both within Australia and internationally, and there is even some variation between the operation of the chambers in this Parliament — for example, question time in the Legislative Council does not have a rigid time limit.

There is an important opportunity which should be taken — and which I hope to assist with in time to come — through the graduate school of government at Monash University, where courses could be developed and made available to candidates, to members and to parliamentary officers to help in developing and adopting world-best practice in the way this Parliament operates to the benefit of government in Victoria.

I shall provide another example of the limitations relating to private member's bills. In recent times it has been almost unknown for members to introduce private member's bills, and that is a consequence of the parliamentary arrangements for the introduction of non-government business, which in practical terms makes it impossible for a member to give notice of a private member's bill, have it read a first time, and then have the second-reading debate. In practical terms it is impossible for that to occur, so it is really only ministers who can introduce bills.

That procedure effectively denies ordinary members of Parliament the right to initiate, much less debate, private member's bills. The rules should be changed so that an MP with an idea, whether he or she has developed that or it has come from a constituent, a community organisation or other source, can at the very least have the issue debated in Parliament. If we were to adopt some of the practices applying in other places such as Britain, we would find individual members — government backbench members or even opposition members — initiating legislation which ultimately becomes law. We are not seeing any of that happen because the rules do not allow it.

Another of the restrictions I referred to previously is the number of sitting days. If we were to adopt world-best practice, one would reasonably expect the Parliament —

Mr W. D. McGrath — We wouldn't sit like we did last night, if we adopted world-best practice!

Dr COGHILL — I will come to that. We would have more of an opportunity to debate the major issues affecting the state of Victoria and Victoria as part of this federation and of the world community, but our sitting times deny many such opportunities.

The Minister for Agriculture referred to the circumstances last night when the house concluded its debate on the Competition Policy Reform (Victoria) Bill at about 2.30 a.m. Games were played last night, and I don't pretend to be privy to all the reasons why the debate was brought on when it was and extended through the night rather than being adjourned at 10.00 p.m., but that bill last night, without commenting on its detail, contained some of the most significant legislation to pass through this Parliament in the postwar period. That legislation dramatically changed the constitutional relationship between Victoria and the commonwealth by delegating to a body set up at national level, with the cooperation of the states, many of the significant powers over the rights and responsibilities of individuals which hitherto had been the sole responsibility of the sovereign Parliament of Victoria. Yet we had the debate buried in the middle of the night and at such an hour that many of us, myself included, felt it was quite unreasonable to prolong the debate by speaking on that measure.

They were absurd political or parliamentary tactics for reasons that are not entirely clear to me, and they should never have occurred. There should have been an automatic adjournment at 10.00 p.m. and there should have been sufficient time for the debate to be held at a reasonable hour of the day when members could have felt free to contribute and members of the press could have been present, had they been particularly interested — although one acknowledges they have not recognised the significance of that particular legislation.

This is another example where world-best practice has not been followed, where it was not in anyone's best interest to have that very significant piece of legislation debated in the dead of night, where there was not an opportunity for the public to listen to the debate, and where effectively members were denied a reasonable opportunity to participate in the debate.

Mr A. F. Plowman interjected.

Dr COGHILL — I suggest to the honourable member for Benambra that we all have a responsibility in this matter. Turning a consideration of how Parliament can best function into some petty partisan debate does not serve our individual

interests, the interests of our parties or the interests of Parliament. I appeal to the honourable member to turn his attention to the wider issue of how Parliament can be made to function at its absolute best by adopting world-best practice.

It is difficult for members to abandon their party affiliations and personal political views, but on this occasion we ought seriously to consider what can be done to make Parliament function better in the interests of Victoria. Members should set their sights on adopting world-best practice; finding out what that might entail; and developing, applying and implementing that in Parliament.

I referred to parliamentary committees extensively in my May speech and will now recapitulate my main points.

Parliamentary committees operate in New Zealand, Britain and many other modern democracies, particularly in Europe and the United States. In many ways Australian parliaments are lagging behind their counterparts in other modern parliamentary democracies. The role of parliamentary committees in monitoring government departments, providing opportunities for public input and reviewing legislation could be of enormous benefit to government administration in Victoria by boosting and maintaining its quality, but Victorians are denied that advantage because the committee system has failed to develop in that direction.

Without wishing to reflect too much on the other place, the operation of Parliament would also be enhanced if there were a genuine house of review that set about systematically and conscientiously reviewing both legislation from this house and public administration generally. All honourable members would have observed that over the past three years the other house has not performed that function. It has been almost unknown for legislation to be returned from the other place with amendments on which our concurrence has been sought. Even where amendments have been made, they have almost invariably been initiated by the responsible minister in the other place.

One of my party colleagues in the other place pointed out that she had drawn attention to the duplication of the word 'and' in a bill and that that had been corrected by the Legislative Council. Such agreement is reached occasionally!

APPROPRIATION (PARLIAMENT 1995-96, No. 1) BILL

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ASSEMBLY

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There are occasions when parliamentary privilege is used as a licence to defame — I do not confine that observation to the Victorian Parliament — and there is no attempt to force honourable members to limit its use. A personal explanation made a few minutes ago drew attention to the apparent use of parliamentary privilege in such a way that in the long run may well be regretted.

Parliament should allow defamed citizens an opportunity to clear their names, as does the Senate. However, it should go further than that and, in appropriate extreme cases, should censure members of Parliament who make baseless claims. I am not saying they should be expelled from Parliament or anything like that, but there should be a culture in Parliament according to which it is deemed unacceptable, through peer pressure if nothing else, for members to defame other members or people outside the house by making claims for which they have no basis.

It is proper and necessary that members have the right to make claims that have a sound basis. Members have done that in the past, and on occasions it has served a useful purpose. I raised the Joe Talia case. Following consultation with the National Crime Authority, I drew the scam in that case to the attention of the house, stopping it dead in its tracks. That example usefully illustrates why the opportunity of doing that must be retained if members are to be able to act in the public interest. However, members who abuse parliamentary privilege should be made to pay a price. More importantly, there should be a culture in the house that does not allow that to occur.

The other aspect of privilege I raise is the way the Privileges Committee of the house has operated. During my time here, particularly since 1982, the Privileges Committee of the Legislative Assembly — it is a one-chamber committee — has not functioned principally in an objective manner and has tended to be far too partisan. I have been pleasantly surprised to find that that is not the experience of other Australian parliaments. Representatives of other parliaments are surprised and concerned to hear that that has been the experience in Victoria.

The way the Privileges Committee of this house has operated requires serious consideration and review. We must commit ourselves to world-best practice. We should look at parliaments such as Westminster and at how the referral of matters might be improved in the future.

In conclusion, the government has indicated in a number of instances that it is committed to the adoption of world-best practice in government administration. I ask not only the government but also Parliament to commit to and act on the adoption of world-best practice in the operations of Parliament. At the end of the day Parliament has a professional responsibility to the people of Victoria, and meeting that responsibility requires the adoption of world-best practice by our legislative bodies.

Mr COOPER (Mornington) — The Appropriation (Parliament 1995-96, No. 1) Bill is an opportunity each year for members to talk about the operation of Parliament and various other aspects of parliamentary democracy as practised in this state and perhaps elsewhere. For example, the honourable member for Werribee has drawn our attention to the operation of other parliaments. I have always regarded the debate of the parliamentary appropriation as a healthy debate where partisanship takes a back seat to what is in the best interests of the Parliament and the community it serves.

I am pleased to see there has been an increase in the overall appropriation to Parliament, which should be welcomed by all members. In times of stringency and funding cuts, when it is difficult for governments to find money, parliaments tend to take the last chunk of the cheese. Parliament has not been immune in previous years, and certainly not in the 10 years I have been a member of the house. I am delighted at the increase in the overall appropriation. All members who have an interest in the operation of the various aspects of Parliament would say not enough money has been made available particularly to improve facilities in Parliament House, but we will always complain about that.

As I have said in previous debates on parliamentary appropriation bills, this magnificent building, which is a great heritage structure in Victoria, is still incomplete. I remind the house that this building has no north or south wings. I hope the Premier will pay some attention to the needs of Parliament in the Agenda 21 program of major construction and restoration of public facilities in Victoria and finish the construction of this magnificent building for the benefit of future generations.

Given the enormity of a construction project to finish those wings, I doubt very few members currently serving in this house will be here when it is

completed. We must think about future generations, as did the people who constructed this building in the last century — they had a long-term vision for Victoria. It is more than appropriate that as we approach the end of the 20th century we, as a Parliament, examine the long-term future of the Victorian Parliament and particularly of Parliament House.

One of the outstanding issues that confronts Parliament at the moment is the housing of the joint parliamentary committees; that subject is relevant to the need to complete this building. As honourable members will be aware, the joint parliamentary committees are currently housed on one and a half floors of Nauru House. Parliament pays extraordinarily high rent on that accommodation, the rental agreement for which is due to expire at the end of this year.

Mr President and Mr Speaker are now faced with having to make difficult decisions regarding the future housing of those committees. Members of the committees will be aware that the facilities at Nauru House are not as satisfactory as they should be for the efficient operation of the committees. I had hoped more permanent accommodation could have been obtained, but it appears that has not occurred.

I draw to the attention of the house the necessity for some finality to this matter. We cannot continue using bandaid solutions for that problem. We should remember the importance of our committees and house them properly. We should not have our parliamentary committees roving like a pack of gypsies throughout Melbourne, moving from building to building every five years or so.

I noted that the honourable member for Werribee spoke about the need for reform of parliamentary committees, and he said reform had not occurred. Although I agree with the generality of his comment, I draw to the attention of honourable members the fact that this government formed the important Scrutiny of Acts and Regulations Committee. I hope in future years that committee will play an increased role in the business of this Parliament.

Another matter on which I shall comment briefly concerns the budget for electorate offices of honourable members. The bill increases the budget for the operation of electorate offices. In view of the reported inappropriate behaviour of some people in the vicinity of electorate offices — and indeed, inside some electorate offices — that increase, particularly

as it relates to increased security at those offices, is most appropriate. Many will remember ugly incidents at electorate offices in recent years where staff and some members of this place have been put under grave personal threat. I recall the incident a few years ago when a person wielding a knife invaded the electorate office of the Honourable Barry Pullen, a member for Melbourne Province in another place, and attempted to stab his electorate officer. Fortunately, Mr Pullen was in his office at the time.

Last week the honourable member for Knox raised a matter in this house about a group of people he described as thugs and morons who recently invaded his electorate office and, in his absence, threatened his female electorate officer. No honourable member would support or welcome that sort of action. I hope those sorts of incidents can be stamped out.

The increase in the incidence of such attacks has manifested itself on many occasions in the circulation to members of threatening letters and telephone calls. About 10 days ago the honourable member for Morwell spoke to me about the circulation of a letter of some 36 pages from a particular gentleman to a select group of members in which the gentleman makes implications regarding the personal safety not only of members but also of the families of members.

The lack of security or the need for increased security is a modern phenomenon. Australia has been isolated from the worst types of such behaviour through its geographical location, but it takes little time for the worst kinds of behaviour overseas to penetrate Australia. Honourable members will remember the murder in recent years of John Newman, a member of the New South Wales Parliament, and they may be aware of threats made against members of other Australian Parliaments. We are aware of similar threats now being made in Victoria.

The question of security for the staff and families of members of Parliament, and of members themselves, cannot be put on the backburner. No member would want to participate in a condolence motion in this place for another member or a member of his or her family simply because of a lack of security. We must ensure that that stable door is closed well before the horse even thinks of bolting! I welcome the increase in funds for the operation of electorate offices and I stress that the need to

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increase security for members, their staff and their families is most urgent.

I now address one of the major issues on which the honourable member for Werribee concentrated — that is, the need for reform of the standing orders of Parliament. He particularly drew attention to the need for the abolition of what he referred to as the absurdity of the old English rules which prevent matters of public importance being raised in this house.

Mr A. F. Plowman — What did he do about it during the 10 years of Labor government?

Mr COOPER — I do not know what happened during the entire 10 years of Labor government, but I do know about the period between 1985 and 1992. During that time this house had two Labor Speakers: the former honourable member for Pascoe Vale, Tom Edmunds — a frightening Speaker — who was succeeded in 1988 by the honourable member for Werribee.

I remember the constant complaints made to me when I sat on the opposition benches from members who had attempted to obtain permission to raise what they considered to be matters of public importance but who had been wiped off in the most brutal terms. Permission was rarely granted between 1985 and 1992; in fact, you could count on the fingers of one hand the number of occasions when matters of public importance, as we defined them, were able to be raised in this house. In fact, you would not have needed all the fingers of one hand to count the occasions on which that happened.

I do not want to appear mean spirited, but I recall that the honourable member for Werribee was pretty ruthless in the way he vigorously enforced the standing orders. He was the Speaker and he had to do the job in the way he saw as right. It is no good his coming back as a backbencher in the opposition saying, 'Now I am no longer there rigorously enforcing these standing orders I don't like them and I want them fixed'. Although I agree — I think most members would — that the point made by the honourable member for Werribee had some validity, I believe he raised it tongue in cheek.

I say to the honourable member for Werribee that as a member of this house I will pursue the issue because I believe it is worth pursuing. I understand that the honourable member for Werribee has raised the issue in the vigorous and strong way he has today perhaps in the belief that he might not be

around here much longer. This may well be his swan song, his last parliamentary appropriation bill.

Dr Coghill — I'm quite sure it was!

Mr COOPER — The government would hope that it is not. It may not be so, but it understands that the member's own branch in Werribee has recently passed a resolution calling upon the Labor Party to reopen preselections in Werribee. The government welcomes this apparent vote of confidence in the honourable member for Werribee by his own branch. It hopes that will manifest itself in the Labor Party doing what the Werribee branch has called upon it to do — that is, re-endorsing the honourable member for Werribee. Government members would welcome him back, particularly considering what we know about the man who is ready to take over. He does not seem to be anywhere near as good a representative as the honourable member for Werribee has been. We hope this does not turn out to be the swan song for the honourable member for Werribee and that we will see him back here or at least see him standing for the seat of Werribee for the ALP at the next election. The government hopes a Liberal candidate will win the seat, but if that is not the case then it would welcome back the present honourable member for Werribee.

I compliment the contribution of the Presiding Officers of this Parliament to the appropriation bill. I compliment Mr Speaker on the excellent job he has done under difficult circumstances in the three years he has presided over this house. I look forward to his future contribution to it, and I endorse the bill.

Ms MARPLE (Altona) — As has been said by both previous speakers, the Appropriation (Parliament 1995-96, No. 1) Bill is an opportunity for people to share their observations of having worked in this place. I am pleased to add my short contribution to the bill. I shall briefly comment on the physical conditions we work under, the culture of this Parliament and the contribution made by the staff who support us.

Without doubt it is a new world when you walk in to work here as a member of Parliament. I say that a little tongue in cheek because walking into Parliament is like walking into the past. The honourable member for Werribee referred to the need for some of our rules to be reviewed and brought up to date. Many honourable members on both sides of the house would agree with that. I hope in the future that we are able to overcome

partisan stands and join together to do what is best for the Parliament.

One of the issues I raise for honourable members to consider is how we start each day. We start each day here with the Lord's Prayer — that is, the Lord's Prayer for the Christian members of our society. I believe it behoves us to now reconsider that. Although the prayer is beautiful, particularly for Christians, it is something we should now reflect on in our society given that we live in a multicultural society. We now have people representing society in both houses who come from cultural backgrounds different from the Christian one. We also have people who are agnostic, and that needs to be acknowledged.

If possible we should put our minds together to produce a statement which expresses human spirituality for all of us in various ways and which may be accepted by members of our society across the board. I believe we need that time for quiet meditation before we start our day so we can reflect on who we are supposed to be representing in this Parliament. I put that forward as a suggestion and I hope it will be taken up.

I want to touch on the physical aspects of how we work here. We all appreciate this great heritage building. It is something to be proud of, and I know each honourable member is proud when showing the building to visitors. However, the working conditions — and this has been spoken of by honourable members on both sides of the house in previous debates on the subject — are not conducive to modern communications. Even our phone system is not up to date given what many of us have in our own private homes, including word processors and other forms of communications such as fax machines. Even now we are moving past fax machines towards modem systems that are connected between word processors and fax machines and other things I have not even contemplated.

The conditions we work under here could not be found in many business houses. In fact, considering how modern society functions, with modern communication systems, we are starting to become irrelevant. I know previous Presiding Officers have spoken on this subject and have been aware of what is needed in the future. I hope governments of the day, whatever colour they may be, are conscious of those needs and realise the benefit to Parliament of bringing it up to standard so it is relevant for our society.

It is important that our physical conditions are considered. We would all dearly love to see this building completed in the way intended in the first place. We should look towards how the Parliament will function next century to consider if the building is relevant for the next century. There would have to be some radical thinking and we would have to bring the community along with us. It will cost money, and that is a difficulty when a government goes to the public and says that it wants to improve conditions of the Parliament not only for the parliamentarians but for the staff.

We need to consider our staff and the conditions they work under. Some staff members do not even have a decent place to have a cup of tea, to have a break or to change. Some do not even have a decent place to work in and deliver the services we need. That matter should be addressed.

I was interested to note the honourable member for Werribee's comment — and he has a far greater knowledge of the place than me — that we need to look at the rules of procedure. He said that some rules are not used, some are misused and some are undemocratic. As honourable members know, we work under rules which have been taken from our British heritage, but some of them have already been dispensed with by the British Parliament. We are still working under conditions, rules and regulations that have not been changed in more than 20 years.

People are now encouraged to visit Parliament House, which is of great benefit to the community as a whole. We should expand that by educating the public about what we do and how we work. Everything that is done in this place should be used to help raise the standard and ensure that our parliamentary system and the work we do are more highly regarded. No doubt individual members of the public are happy to speak to us, but we know that collectively parliamentarians are the butt of many jokes, something that is encouraged by newspaper reports and in general conversation, and are seen as not being as good as they should be.

I am extremely conscious of the importance of the issues concerning question time referred to by the honourable member for Werribee. There is a difference between being robust and being abusive in debate and between rambling and even offensive statements and true answers — and that needs to be changed. I have observed that in the end a generally aggressive atmosphere has an effect on everybody's behaviour. One does not get any ticks unless one reacts to aggressive behaviour by being just as

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aggressive and even rude — and then everyone else starts to behave in the same way. That is the culture that prevails here under what could be described as archaic rules. Those rules need to be changed to encourage members to bring to the attention of this place the things society is calling out for without their having to deal with such aggressive attitudes.

I would certainly like to see conditions changed, both physically and culturally, so that the standards of this Parliament can be raised to the level that we and the people we represent want. We could then all be proud of this Parliament, and the people we represent would look to us to give them laws which they understand and feel comfortable with and which protect them and take their needs into account.

In conclusion I hope those who have the power will look to ensuring that, as the honourable member for Werribee said, we bring in the changes we need. Although as individual members of Parliament we want to put those things on the table and see how they can be changed, there is no process that allows us to do that. If members believe that is possible, they could begin by taking seriously my comments about changing how we start our day to reflect the multicultural society we are so proud of. If that happened, people of all religious beliefs would feel comfortable working in this house.

Debate adjourned on motion of Mr TANNER (Caulfield).

Debate adjourned until later this day.

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Second reading

Debate resumed from 11 October; motion of Mr MACLELLAN (Minister for Planning); and Mr LEIGHTON's amendment:

That all the words after 'That' be omitted with the view of inserting in place thereof the words 'this bill be withdrawn and redrafted to provide for the immediate return of democratically elected councils in each of Victoria's 78 municipalities.'

Mr COOPER (Mornington) — Last night the honourable member for Preston led the debate on the Local Government (Elections) Bill on behalf of the opposition. He advised the house that the

opposition opposed the bill and went on to move a reasoned amendment.

The bill has a number of key provisions, which I shall outline. They provide that the number of councillors that can constitute an elected council be no fewer than 5 and no more than 12; they provide for payment of allowances to councillors and mayors, the maximum and minimum amounts of which are to be fixed by order in council; and they provide for allowances to the councillors and the lord mayor of the Melbourne City Council, which may be up to 50 per cent higher than the amounts fixed for councillors and mayors in other councils. The bill also makes various improvements to electoral arrangements by creating two offences relating to postal voting in municipal elections and removing from the act the positions of deputy mayor and deputy lord mayor.

In light of the briefing that was given to the opposition, I was surprised to hear that the opposition opposes not just part of the bill but virtually every aspect of it; and I was also surprised by the vigour with which the honourable member for Preston outlined that opposition. For example, in talking about clause 3, which relates to the number of councillors that can constitute an elected council, he said the requirement that the number be somewhere between 5 and 12 is wrong, as is the government's argument that councils should be smaller. I find his arguments slightly strange.

As we all know, prior to the amalgamations the vast majority of councils comprised 12 councillors. The bill gives councils and commissioners the option of deciding there should be fewer than 12 — if they so desire. There is no requirement for the number to be fewer than 12; the bill simply says councils have that option. The government believes any more than 12 would be inappropriate. Very few of the 210 councils that existed before the amalgamation had more than 12 councillors. The point made by the honourable member for Preston was slightly technical and exposed his inability to understand the new and expanded roles of councillors under the restructured municipal system.

He then paid a lot of attention to the supplementary rolls, arguing that they were desirable. Given the briefing he and his colleague from the other place received from the Office of Local Government, I found his objection strange. The honourable member was told that, given the time lines involved in the preparation of voter rolls, the concept of a supplementary roll that enabled a voters' roll to be

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kept completely up to date would be impossible. It is impossible on any kind of time line, yet the honourable member for Preston — who I assume has that briefing in his mind, the knowledge from it and the reasons why this change is being made — simply refuses to accept it and is blindly opposed to that particular change.

He then went on to oppose clauses 8 to 9, saying the opposition does not like those clauses. Clauses 8 and 9 provide for penalties for offences against the voting provisions. It seems that the honourable member does not care about that. He simply does not mind those offences occurring.

He then opposed clause 10, saying he wants deputy mayors retained. I do not know who the honourable member for Preston has been speaking to, but he has certainly ignored the results of the enormous amount of consultation by the Local Government Board on all matters contained in this bill, and this one in particular. There is a notable lack of support throughout Victoria — not just by commissioners, but by communities — for the retention of the position of deputy mayor.

We have to look deeper into the reasons why the member for Preston and the opposition might be in favour of the retention of the positions of deputy mayor and deputy lord mayor. To do that you have to go back to the Local Government Act and look at the provisions for payment for councillors, and particularly payment for mayors. When you look at the act as it is presently constructed you find that if a council wants to it can pay the deputy mayor or the deputy lord mayor the same amount that it can pay the mayor or the lord mayor.

Those of us who have read the act know that the maximum payment for a mayor is \$100 000 on top of the normal council allowance. Certainly no council in Victoria has paid anywhere near the \$100 000 maximum figure, but that is not to say that might not occur in the future. It appears that the underlying opposition to this proposal in the bill to eliminate the position of deputy mayor might well come back to that good old thing that is so well-known in Labor Party circles as the 'snout in the trough', because it would appear that here they are going to have an opportunity to get one of their mates up in all these Labor councils as a deputy mayor and give him a great big slice of the action. He doesn't have to do anything. You and I have been councillors, Mr Acting Speaker, and so has the honourable member for Preston. We all know that in councils that have deputy mayors or deputy shire

presidents, those people do nothing; they are called to sit at the table and maybe — once or twice — take control of the meeting if the mayor goes out to the toilet or has a pecuniary interest in a matter. That is all a deputy has to do.

The sob-story of the honourable member for Preston and the garbage that came out last night about how important it is for councils to have a deputy mayor, or for Melbourne to have a deputy lord mayor, is exactly that: an absolute load of rubbish that has its genesis in the possibility that deputy mayors can be paid up to \$100 000 by any council that wishes to do so.

If the honourable member for Preston had any kind of honesty or decency when he was standing up objecting to clause 10 of the bill he would have come up with that and said, 'Look, we believe these deputy mayors should be retained because we have a lot of mates out there on councils with loaded majorities who might want a ride on the gravy train. We want them to get their snouts in the trough like the mayor'.

Like every other local government bill the government has introduced, this bill is designed to protect the ratepayers — the people who pay the bills — not to make it nice and cosy for councillors. It is certainly not designed to allow people to get a job that has no responsibilities and to be paid up to \$100 000 for doing nothing.

If the member for Preston wants to continue with his opposition, in committee or any other time, in regard to the proposal to eliminate the offices of deputy mayor and deputy lord mayor, the government will certainly accommodate him — in here, out there, anywhere — because the community reported back to the Local Government Board when they sought consultation on this issue, and they said, 'Eliminate the office; it is meaningless'. If there is a necessity for somebody to sit in a chair at a council meeting because the mayor has to leave the chamber for a short period of time or is ill and cannot take that meeting on that particular night, the council will just elect one of its members and that person will take that meeting for the night. That is the way it should be, that is the way it always should have been, and for the honourable member for Preston to make a big issue about this matter is unbelievable.

He then said there has not been enough consultation on clause 11. Clause 11 relates to allowances for councillors. I do not know where the honourable member for Preston has been for the past year or so,

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but the amount of consultation that has taken place over allowances has been phenomenal: everybody in the community has been asked to make a contribution to this. The Local Government Board certainly has been inundated with considerations and suggestions from right around the state. The honourable member for Preston comes in here and says, 'I don't like that, so we are going to oppose it'.

He then said he is not too keen on some of the provisions in clause 14, which deals with people throwing local government elections into a shambles by nominating and then, after nominations are closed and candidates have had their how-to-vote cards printed, withdrawing. This has happened on many occasions: politically inspired resignations by candidates to try to accommodate somebody's easy trip into the council. It is not in the best interests of genuine candidates. It is not in the best interests of the community, and the government will do something about eliminating that practice. But the honourable member for Preston says, 'No, I want to keep that there; it is democracy in action'.

The ability for people to withdraw on a whim is not available to candidates at state and federal elections so why should it be available to candidates in local government elections? The honourable member for Preston seems to believe that is something that should be left there.

After setting out all this stuff the honourable member for Preston then went on to move his reasoned amendment that:

... this bill be withdrawn and redrafted to provide for the immediate return of democratically elected councils in each of Victoria's 78 municipalities.

We all know what the destination of this reasoned amendment will be because there is no way the government will accept that. But I am grateful to the honourable member for Preston for moving his reasoned amendment and opening up the debate in the way he has, because otherwise I would have been restricted, Mr Acting Speaker, to the provisions in the bill and I would not have been able to refer to a few of the things I would like to refer to. But now that the honourable member for Preston has made his major tactical blunder of moving this reasoned amendment, he has opened up the whole debate, and I thank him very much for that.

In the remaining minutes available to me I want to concentrate on a few of the issues I think are important. Firstly I want to concentrate on some of

the issues the honourable member for Preston raised during his contribution on his reasoned amendment. One of the first things he did was to go on a little trip around some selected municipalities in the state saying, 'Isn't it awful? Isn't it terrible? Isn't it shocking? Look at what they are doing'. One of the first municipalities he visited was the Frankston City Council down my way. That municipality is not in my electorate but I know the Frankston area quite well — not as well as the honourable member for Frankston East knows it, but quite well. For his authority on what is allegedly going on at Frankston City Council the honourable member for Preston quoted Mr Colin Hampton. He was not prepared, until challenged, to divulge who this man is. Mr Hampton is an ex-Frankston councillor, a member of the ALP, and the endorsed Labor Party candidate for Frankston East! He is going to have a fair and reasoned sort of approach to this issue, isn't he? Mr Hampton has alleged to the honourable member for Preston — and the honourable member for Preston was not shy about bringing the allegation in here — that the chief commissioner of the Frankston City Council has failed to declare a pecuniary interest in matters relating to his job as a commissioner of the Frankston City Council. After I challenged him by interjection he then went on to say that the chief commissioner of the Frankston City Council had told lies! When I told him to go out on the steps and repeat that he said, 'I am not going to do that; I can say it in here but not out there'. Clearly by that response he knew what he said was untrue and had no validity. But he is prepared to stand up here and slander the chief commissioner of the Frankston City Council on the word of an endorsed Labor Party candidate for the Frankston East seat at the next state election, and a man whose reputation should be a severe embarrassment to the Labor Party. This man has filled the empty head of the honourable member for Preston with these allegations.

The ACTING SPEAKER (Mr Cunningham) —
Order! I caution the honourable member for Mornington about reflections on members.

Mr COOPER — The honourable member for Preston is taking the word of this man, Colin Hampton, the endorsed ALP candidate for Frankston East, that the chief commissioner at Frankston had lied about his pecuniary interests in his job as chief commissioner of the City of Frankston. This man Hampton has a very chequered record. For example, in the three or so years prior to the amalgamation of councils when Mr Hampton was a councillor of the City of Frankston he did

more than \$50 000 worth of printing for the council without declaring his pecuniary interest. This is the man the ALP has endorsed: the man who is cited by the honourable member for Preston as an authority for the allegations against the chief commissioner. This man should give the Frankston community and all Victorians an explanation about having had his hand in the till when he was a councillor.

He also opposed the building of the Frankston Cultural Centre: said that it should not be built, but accepted printing contracts from the centre. He was happy to rent the cultural centre for a Labor Party function that was attended by the Leader of the Opposition. Mr Hampton is a hypocrite with a capital H. For him to fill the head of the honourable member for Preston with such allegations about the chief commissioner of the City of Frankston is a disgrace. It is also a disgrace that the honourable member for Preston would accept those allegations from a person of such low repute and character. More will come out in the coming months about this ALP candidate for the seat of Frankston East. This is just the good stuff about him. Wait until the rest comes out!

Then the honourable member for Preston went down the Princes Highway to the Cardinia Shire Council, because obviously he had been reading the newspapers in the parliamentary library. But at the time the honourable member raised the allegations in Parliament against that council the Minister for Planning was at the table. The honourable member for Preston had the unfortunate experience of having sitting opposite him the member of Parliament for that area. But that did not stop the honourable member: he said that the commissioners were all on the gravy train and were spending huge sums of money on street signs. That is a shock, isn't it, to tell people the name of a street!

The honourable member for Preston also said that the council was spending an inordinate amount of money on taxis. To give the Minister for Planning his due, he gave the honourable member for Preston the opportunity to walk away from that. He raised a point of order saying that one of the commissioners is a lady who has a severe physical disability and whose only method of transport is by taxi, and that is why the taxi bills at the Cardinia Shire Council are relatively high. The minister said that perhaps the honourable member for Preston was not aware of that and that he should be aware of it now.

Did the honourable member for Preston show any sign of embarrassment and say that he may have got

it wrong? No, he stood there with his mouth open and his mind in neutral, clearly flustered: he could not utter a word. All he could say to the Minister for Planning was that the minister would get his right of reply. What a disgrace! The honourable member for Preston is the opposition spokesperson for local government in this place and he is tackling the Cardinia council commissioners over the funds that it provides for taxis. Why didn't the honourable member apologise and say he did not know it was because one of the commissioners was severely disabled and then go on to another matter? He decided that this was a good slow-moving target. Certainly a physically disabled commissioner is a slow-moving target for the honourable member for Preston, but what a target! What a disgrace he is to this Parliament, to the Labor Party and generally to all of us in making that kind of outrageous allegation.

I do not intend to say any more about that matter except to say that the performance last night of the honourable member for Preston was a disgrace.

The honourable member for Preston went on to make allegations about library services, and referred in particular to the City of Brimbank. He made a generalised attack upon this government and said that what it was doing to library services was shocking, but did not provide information. I am prepared to provide information about library services because the performance of this government compared with that of the former Labor government is to be commended. We all know that under the Cain and Kirner governments not only was library funding slashed, but payments were backdated and the money was paid at the end of the period rather than at the beginning. What effect did that have? It caused councils to borrow, which meant that they had to pay interest on those borrowings. It was a burden on the ratepayers. The government has reinstated the payments up-front and increased library funding each year it has been in office, and libraries are now getting the best deal they have had for years.

For example, the Peninsula library has increased the number of hours it is open and increased book stocks. That library cannot believe how good things are in comparison with conditions during the last three to five years of the Labor government. Labor Party members are making allegations that libraries are worse off under a coalition government. What an absolute load of rubbish! It is the Goebbels principle in operation: if you keep repeating the lie somebody might start to believe it. Libraries are better off

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under the coalition government than they were under the Labor government. People involved with libraries throughout the state know that and will not be sucked in by the nonsense that has been bandied around by people like the protecting libraries group, which is an ALP front.

I notice that an article in this morning's newspaper states that the group will hold a public meeting this coming weekend, probably in a telephone box. The same old Labor Party members will go along. They will not worry about the facts: all they will say is how bad things are. In reality the opposition is picking a bad target by making allegations against public libraries.

The Labor Party's record regarding public libraries is appalling. The coalition's record is head and shoulders above that of the former Labor government.

I was surprised by the blanket criticism of the role of commissioners by the honourable member for Preston. It would have been nice to be able to achieve reforms when elected councillors were in place, but we know that was not possible. It was not possible when the former Labor government wanted to make reforms and it was not going to be possible under our government. The people of Victoria understand that and they will understand it even better now that the first rate notices are going out.

I found it staggering that the honourable member for Preston moved a reasoned amendment which said, 'We don't want these people. We want the immediate return of democratically elected councils'. He ought to get on his bicycle and ride down to the Mornington Peninsula and talk to the 95 per cent of the community who are to receive a rate reduction. Some will receive a 50 per cent cut in their rates. There are only a handful of properties on which there will be any rate increase at all, and those rates will be increased because of the value added to the properties.

The honourable member for Preston is trying to suggest that the commissioners have not done the job, but he should look at the savings they have made and where those savings are going. They are being delivered back to the people who pay the bills. The government is not on about protecting a group of people who have jobs in local government or those who are local councillors, but it is on about protecting the people who provide the money — the ratepayers — so that they get a better deal.

When you go to councils such as Frankston, Mornington Peninsula and Casey you must look closely to see what has occurred: firstly, lower rates; and secondly, an increase in services. Is it a terrible thing to deliver these things to the ratepayers and residents of these municipalities?

I should have thought a party that purports to stand for the ordinary blue-collar working man would support that kind of approach, but it appears that this is opposition for opposition's sake! We saw that last night during debate on the Competition Policy Reform (Victoria) Bill when the Leader of the Opposition said the ALP supported the bill and then for 2½ hours ranted and raved about what he did not like in it.

This bill is one that ought to be supported and that only a dill would oppose, yet the honourable member for Preston has moved a reasoned amendment which opposes the bill. Why oppose a bill that brings benefits to communities, eliminates voter fraud and stops those councillors who as deputy mayor get their snouts in the trough and receive up to \$100 000 extra a year? The Labor Party opposes this! That is its contribution to local government reform.

It is the Labor Party's destiny to sit on the opposition benches for decades to come and say, 'We oppose the bill. We don't know why we oppose it, but we oppose it. We don't have a policy on the matter; we don't have any ideas about the issues'. The opposition does not stand up for the hour and 15 minutes that the honourable member for Preston addressed this house and say, 'This is a better way of doing things'. All the opposition does is to say, 'We oppose it. We don't like anything you are doing'.

We cannot talk about credibility, reputation, honesty and decency and also use the words 'the honourable member for Preston' in the same sentence. The contribution by the honourable member did not surprise me one little bit. If he thought he was going to shock me by saying what he did he will be disappointed because I have come to expect nothing more than the lowest common denominator from the honourable member for Preston. We know he is a joke in his party. We know he is a joke around the state.

Mr Phillips interjected.

Mr COOPER — As the honourable member for Eltham said, he is probably a joke in his own home.

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It is the kind of performance that we have come to expect from the honourable member for Preston.

I would have liked to be able to compliment the government on the bill and to say a lot more positive things about it, but it was necessary for me to use the time available to rebut the smears, allegations and outright lies put to the house last night by the honourable member for Preston.

Mr CARLI (Coburg) — I support the reasoned amendment moved by the honourable member for Preston which calls for the withdrawal and redrafting of the bill to allow for immediate democratic elections of councillors in the 78 municipalities in Victoria.

The honourable member for Preston indicated that the Labor Party has a number of objections to the bill. More importantly, it believes the process of amalgamations and the process in which the toecutters and bean counters have taken over local government have placed enormous costs on the communities. The benefits that the honourable member for Mornington spoke about have been, at best, illusory. We are talking about major problems in local government which the government refuses to concede because of its contempt for local government, which it has always seen as an area where there are snouts in the trough or where there is no real participation. It has put its foot down and smashed any participation or local control over the respective councils.

That is an important issue because local government has been a major area of participation for the people. It is an area where people can demonstrate civic responsibility, because many of the services in local government require a certain level of volunteerism. It is a building block of the community, and it is that area that has been fractured and dislocated. Those are not just the words of the opposition; they come from the work done by the Public First campaign, which is a coalition of church groups that studied the effects of the Kennett government's activities on communities, particularly rural communities.

Services have been removed: compulsory competitive tendering has removed services from small towns. It has removed the building blocks of the community and left an enormous vacuum, which has meant high unemployment. In the East Gippsland area 300 local government employees have lost their positions in small towns such as Orbost. That has caused enormous dislocation,

lowered the skill base and put the area into a state of depression.

It seems to the opposition that the issue of competition in local government is important, but it should not be simply competition on price. The reasoned amendment says, 'Stop the whole process — get back to democratically elected councils. Get people back into the process of making decisions so that they feel they are making a contribution'. People feel they have been kicked in the guts; they cannot participate because they have no role and have been disempowered. We need to take up the challenge of democratically elected councils as soon as possible so that communities are empowered to take up the challenge of the super councils; increasing efficiencies but at the same time ensuring that there is strong community focus and participation.

The rosy picture of local government reforms that was painted by the honourable member for Mornington is not borne out by the facts. Recently Mr Rob Spence, the chief executive officer of the City of Brimbank, at a conference of the Australian Society of Certified Practising Accountants put up some of the limitations, effects and damages of the reforms to the fibre of communities and the organisation of local government. He said:

... councils were at a disadvantage in a competitive environment as they had little idea of determining unit costs for efficiently delivering services under compulsive competitive tendering.

He said the council and its employees were often at a disadvantage compared with the companies that took over. Responsibility for delivery of services was taken away from local rural communities and given to private providers or community providers from provincial centres or Melbourne. That really took away the ability of the locals to compete because there was no effort to give them the skills or abilities needed to establish efficient tenders.

In addition, efficiency was seen as being purely price sensitive — it was based on a price-sensitive response rather than on issues of familiarity, quality or other issues that could help determine the tender. Therefore, tenders were narrowly defined and consumers were not involved in them. The net result was that city slickers took over services in rural sectors, there was a loss of skills and jobs and the services did not meet the quality requirements of communities.

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Mr Spence also noted that although competitive tendering was sometimes achieving efficiency and productivity increases, the process had hurt staff morale because employees working in areas being tendered out risked losing their jobs. He stated:

Morale is rock bottom, productivity has decreased significantly and customer service is seriously affected.

So, rather than increasing the overall performance of local government, the process was counter-productive because morale was dropping, people were leaving and the history of the council was being lost.

The area that now comprises the City of Moreland has a history of close community participation in service provision, yet the service provision function is being lost. Staff have disappeared, morale is low, private tenders are being let and a dog-eat-dog environment has been created. No-one trusts anyone else. Community groups and council staff who need to work together will not do so because each basically sees the other as a threat. The ability to cooperate, which is essential in the provision of services in local government, has been fundamentally fractured and adds to the cost of services to consumers.

I know from my experience in Moreland, which is made up of three former councils, that there has been a high level of consumer participation in service delivery, yet we are starting to see a demoralised service staff, a reduction in quality and the introduction of highly paid bureaucrats or technocrats who write tenders that do not meet the needs of the local community.

The reasoned amendment is important because its call for elections has a very important purpose: to bring people back into and to create greater civic responsibility in local government. The proposed amendment also says that the toecutters and bean counters that run local government are not providing the best quality services for the development of the community. It is a major concern of the opposition that they are concerned about price at the cost of quality.

The honourable member for Preston has a number of concerns about the bill, one of which is the issue of postal votes. The opposition opposes compulsory postal voting or the use of postal votes to run an entire election. The ability to vote at the ballot box is a fundamental right in a democratic society and the use of postal votes on a massive scale provides

incredible possibilities for rorts. There is nothing more democratic than a secret ballot conducted entirely on the one day. It is a major principle of the opposition that there should be a democratic ballot and we oppose any imposition by councils of a complete and universal postal vote.

The opposition is also concerned about the loss of the position of deputy mayor. The honourable member for Mornington seemed to suggest that deputy mayors were being paid \$100 000 a year. That has not been the experience of any council in Victoria. Deputy mayors perform important functions and are in a position of responsibility, yet they rarely receive more than a councillor. The position needs to be retained. It is ludicrous to suggest that it is all about snouts in the trough. There are no snouts in the trough when it comes to the position of deputy mayor.

The bottom line is that the decision on whether the position of deputy mayor is to exist should be made by councils and not imposed by the government. But the nature of the government and its relationship with local government is that it wants to impose the most draconian measures wherever possible. It has done that with compulsory competitive tendering, to the disadvantage of local communities. It has also done that through its sacking of democratically elected councils and by its wanting to dictate how councils run their businesses, what the future of the councils should be, and who and what types of people should be on them.

The honourable member for Mornington suggested in his speech that council elections should be postponed to a date in the future simply because neither people in local government nor the will of the people can be trusted. That is an absurd reason and a fundamentally undemocratic argument. Governments are in power as a result of the will of the people and elections are held because there is a need to find out what the people want and are prepared to accept.

The opposition accepts that a democratic and pluralist society does not apply in the government's relationship with local government. This is a matter of principle and the values that fundamentally underpin our democratic system. The reasoned amendment moved by the opposition has been seen to be part of its extensive consultations. Anyone who consulted widely with the Victorian community would accept that the people want a return to democratically elected councils as quickly as possible.

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The opposition believes there has been a rather restricted approach to consultation that has concentrated on minute elements of legislation rather than dealing with what people want and that, therefore, the proposed amendment would have the fundamental support of the broad Victorian community. We stand by our belief that the Victorian community believes in the principles of one vote, one value, as well as participation and civic responsibility, and wants a return to democratically elected councils.

It is not good enough to have services delivered at the lowest possible price if it is at the expense of quality, familiarity or other elements that make the services important.

The breaking up of council responsibilities, separating service delivery from client services, is a false distinction. Councils must relate to their clients and consumers — that is, the ratepayers — and at the same time deliver services. We are moving to a situation best described as technocracy in local government. Councils will be run by people whom I define as toecutters and bean counters who have little rapport with the people, seeing them as clients rather than as ratepayers who are members of constituencies or groups with different needs and demands.

Those needs and demands are best reflected in the results of elections. The divergences of opinion in local government are represented not simply by client choices but by the electoral process — that is, the running and the outcomes of elections.

I refer to the work done by the People First coalition and a study conducted by a coalition of churches on the effects of the Kennett government's policies on communities, particularly those in rural areas. The study focused in large part on the effects of the removal of elected local councils on rural communities, which have resulted in job losses, the disappearance of services from small towns and the emergence of large fractures in the social building blocks of those communities. People First seeks a commitment from the government that will allow people to again be involved in deciding how the services they need should be delivered, which will build up people's civic responsibilities.

Voluntarism is another area of focus because it is an important element of providing services in local government. People who put a lot of time, effort and energy into providing those services now feel hard done by. They see themselves as having suddenly

lost the ability to do voluntary work, which the government has devalued. That is clearly identified in the study undertaken by the coalition of churches. It is a major concern. We cannot become a society that is simply market driven, because it would be at the expense of our social fabric.

The opposition wants efficient and competitive councils. We support larger councils, and that has always been our position. However, local government must not be reduced to a dog-eat-dog world. A certain level of cooperation must be maintained. At the moment weaknesses are apparent. I see that in Moreland, where agencies that should be working together to provide services are not prepared to do so. They are not prepared to exchange information because they fear each other — and that is because they are competing against each other.

We can create a blend of cooperation and competition, which is certainly part of modern production systems. For example, the Japanese manufacturing tradition mixes cooperation between leading firms and smaller auxiliary firms with a level of competition. It is not purely tender driven; it ensures that there is enough competition while maintaining a level of cooperation. The same can be done in local government. Councils can achieve a balance between contracting out and day labour. That can be done by communities making decisions not only about the prices services should be delivered for but also about the quality of those services, how they can best be delivered and in what areas.

It needs a much more sophisticated approach than CCT, which uses the proverbial sledgehammer to crack a nut. It is a blunt instrument and has not been as effective as it should have been. It is clear that efficiencies can be gained in local government. They should be achieved more effectively and efficiently and with a greater level of sophistication than has been the case to date. The opposition objects to the legislation because it is further evidence of this government's contempt for and narrow-minded attitude to local government.

I will comment on the vision the honourable member for Mornington has of local government — that it is suddenly blossoming and blooming and everything is rosy. That is not true; it is not my experience of local government. Over the past months local government services have deteriorated. Staff have become demoralised and the skills base of local councils has been lost. Some of the contracts

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have gone to groups that are not prepared or do not have the capacity to fulfil the associated obligations. There is a risk that those groups will be seeking the renegotiation of their contracts because of the way the bidding was done. Over the next 12 months we will see contractors falling flat on their faces because of the way the process has been rushed through, given that it has been driven by a very narrow and ideological view of competition.

The only way we can move quickly against the process is by agreeing to the reasoned amendment moved by the honourable member for Preston, which would lead to the redrafting of the bill and allow for the reinstatement of democratically elected councils. It would ensure that we do not have commissioners imposed from above and that there are some restraints on the bean counters and toecutters who are now taking over various areas of responsibility in local government.

In summing up, the opposition objects to a number of elements in the bill. More importantly, the bill demonstrates the government's contempt for local government. The only way to strike back is to allow the democratic election of councils by the earliest possible date.

Mr PHILLIPS (Eltham) — In supporting the Local Government (Elections) Bill I will touch on one or two issues. We should not forget either the reasons why we are debating the bill or what would have happened if local government had had the fortitude or the political will to restructure itself. Local government, which is the third tier of government, tackles most issues responsibly. I was a local councillor in the northern suburbs for some 14 years, so I am certainly aware of how local government operates — perhaps more so than many of the speakers on the opposition benches.

I have often said to those who have dared to make even minor criticisms of the restructure of local councils that if they want to blame someone they should blame local government. As I said, local government should have had the will to restructure itself. If changes had been made before now, perhaps we would have ended up with 150 councils instead of 78.

If people are suggesting that in 1995 it is appropriate to have shires with 800 or 900 residents — such as Pyalong — or cities with between 10 000 and 12 000 residents — such as Fitzroy, Richmond and Collingwood — they are living in Noddyland. The Shire of Diamond Valley, where I served as a

councillor, had some 60 000 residents. The shire was split into four ridings, and in my riding I represented some 16 000 residents. To suggest that it is appropriate to have 12 or 15 councillors serving 800 or 900 people is just ridiculous!

I will spend some time on clause 11, which provides for the remuneration of councillors. The bill provides councils with the opportunity of increasing remuneration for each councillor to between \$5000 and \$12 000 a year. The practice before amalgamations was that councillors were allowed to receive an out-of-pocket allowance of \$3000. That amount was to cover all their expenses during their time serving on the council.

When I was first elected in 1980 councillors didn't receive a sack. I took on the job knowing that to be the case, but I often argued that only a limited number of people became councillors simply because there was no out-of-pocket reimbursement for those people not in a position to fork out thousands of dollars of their own money to serve the community. That was sad. I often argued that local government should have been able to reimburse those people, not pay them but certainly reimburse them for things such as wear and tear on their motor vehicles and petrol. In my case I had to buy some additional clothing because my employment didn't warrant my having a number of suits. There were many good community people, family people, both male and female, trying to raise families, pay off mortgages, or run small businesses, who were not in a position to put themselves up as councillors knowing they would be \$5000 to \$10 000 out of pocket.

When I was a councillor I used to put in 25 to 30 hours minimum per week; that was my choice because it was a developing municipality. Many other councillors are in the same boat. I support the opportunity for councils to determine an out-of-pocket allowance of between \$5000 and \$12 000 as recommended by the Local Government Board. I assume many councils will set the maximum of \$12 000. If you consider that most councils have one or two meetings a week or fortnight and that most councillors attend one or two meetings a week or fortnight that may take up to 7 hours, it is not hard to get 15 to 20 hours a week. If we divide \$12 000 by 48 weeks of the year it works out to be a pittance. I wholeheartedly support the remuneration allowance of between \$5000 and \$12 000 for individual councillors and suggest there should be some opportunity in the future, when that

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figure may be affected by the cost of living or inflation, to increase the upper amount.

It is nonsense for the opposition to suggest we should go back and start again from scratch on the bill simply because it is running the line about undemocratically elected people running the councils, and I hope the opposition runs it as one of its main policy issues in the next election. If the opposition does that, a few of the 27 Labor members now here will be gone as well. People have more brains than the opposition gives them credit for. They understand there has to be a transition period. It is hypocritical of the opposition to suggest that undemocratically elected commissioners are not appropriate. It was the Labor government — and I am going from memory — that sacked the Keilor council, the Richmond council and, I think, the Melbourne council, and put in commissioners. The opposition's memory is short when it comes to undemocratically elected people.

Who are the commissioners in many of these municipalities? In the Shire of Nillumbik, two of the three people were currently serving councillors in another municipality. Many of the commissioners in other municipalities were serving councillors or had past experience as councillors, so many of them were in a position to know exactly how local government worked. They were the best people to be appointed. There was a mixture of both Liberal and Labor people and certainly a cross-section of community representatives and business people.

Overall the system of commissioners is working very well. This government has committed itself to getting councillors back in as quickly as possible. As I previously stated, there has to be a transition period so budgets can be set into place, staff and awards can be restructured and assets amalgamated. The Shire of Nillumbik is made up of parts of Eltham, Diamond Valley, Healesville and Whittlesea shires, which each had between 9 and 12 councillors. Is the Labor Party suggesting that some 40-odd people should be running a municipality? Never would such a decision be made. It is impractical to suggest some transition period is not needed, so we are really arguing about the length of time for that transition.

We believe it is appropriate that at least a full 12-month budget is put into place. In the Shire of Nillumbik most decisions, if not the majority, have only endorsed the policies of the Eltham shire council — decisions on asset sales and restructures made by the previous council of democratically

elected councillors. If there has been any issue that has been a non-event in the Eltham electorate, it has been the criticism of not having elected people running the council. It has been the least of all the issues. There are more important issues in the community than people worrying about elected councils. People are concerned more about getting a reasonable rate, or a rate reduction, as has been promised under this government, and maintaining services. Let us be honest: in its day-to-day running, who runs the council anyway? The CEO and executive staff run it.

Mr Haermeyer — That may have been the case when you were a councillor.

Mr PHILLIPS — It wasn't the case when I was a councillor. The honourable member who interjects would not know. He has never put himself before the community as a local government representative because he would not tackle something that was on an honorary or free-of-charge basis. He has never done anything in his life for free!

Mr Haermeyer — Have a look at how well you did.

Mr PHILLIPS — Although I shouldn't take up the interjections of the honourable member, he says you only have to look at how well I did. My track record as a local government representative spans 14 years, from 1980 to 1994, and during that time I was opposed at every election, yet I was re-endorsed by the community. The Labor Party continually put up people to try to get rid of me and my vote increased every time — perhaps the honourable member would like to go back and check the records. When I stood for the seat of Eltham the community asked me what I would do if I was still a councillor in the event I was elected to Parliament. I said I would continue to be a councillor and representative of the Parliament on the basis that I would not create an unnecessary by-election and put the community to a cost. I was elected to state Parliament and continued as a councillor with 100 per cent support from the community. The honourable member's comments are so far from the truth it is laughable. My record is 100 per cent.

It is typical of the opposition simply to oppose, carp, whinge and be negative about what is a good bill. The opposition should be positive and say it supports the bill but has one or two concerns. It could ask that the government consider those concerns.

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Honourable members interjecting.

The **SPEAKER** — Order! Before the honourable member for Yan Yean starts his speech, I ask that government members remain silent. It is disorderly to interject and, as I said last night, it is a heinous crime to interject out of one's seat.

Mr HAERMEYER (Yan Yean) — That is especially the case when I am speaking! The government's arguments are curious. The main issue I want to address is the need for the reasoned amendment moved by the honourable member for Preston, which effectively states that elected local councils should be returned as soon as possible. I cannot see what possible objection any well-meaning, democratically minded member could have to the reasoned amendment.

The rationalisation put forward by government members in support of the abandonment of local democracy for more than two years is rather strange. Effectively they are saying that commissioners are making local government more efficient. I thought the argument was that the restructuring of local government through the rationalisation of local government boundaries and the introduction of economies of scale, not the appointment of unelected commissioners, would achieve efficiency. The house is now being told that that rationalisation in itself will not achieve efficiency and that unelected commissioners will have to run the show for some two years.

The rationalisation of local government has been achieved by its restructuring, which the Labor Party has always supported. I am intrigued by the discovery of the concept by honourable members opposite. They were most malicious, vindictive and short-sighted when they opposed the Cain government's proposed rationalisation of local government in the 1980s. It is hypocritical for government members to get on their high horse on this issue.

The opposition opposes the notion of unelected commissioners holding office who have no affiliation whatever with the area they purport to represent. In most cases commissioners are members of the Liberal Party or government cronies, yet they are making long-term decisions on matters affecting areas with which they have no affiliation. When they will leave those municipalities, presumably some time in 1997, the people living in those areas will have had no say in but will have to bear on their backs the cross of those decisions.

Commissioners are selling assets that ratepayers of those municipalities have paid for over a long period by paying municipal charges and rates. Those assets belong to the ratepayers, yet commissioners, who have no interest whatever in the various municipalities, are making decisions about them. Commissioners are selling assets willy-nilly without any reference to constituents. In some cases they are saying, 'We are talking to you, the people, but in the end we reserve the right to ignore you'. It is totally untenable that commissioners who do not have to live in the areas under their control or bear the consequences of their decisions are making long-term, irreversible decisions that will affect the nature of those communities.

It is possible to restructure local government boundaries in a fairly short period, set up new rolls and let elected councillors that represent constituents make the decisions that affect those who reside in the area, rather than leave those decisions to unelected commissars.

The government's attitude is personified in the honourable member for Eltham. An article that appeared in his local newspaper states:

Local member for Eltham, Mr Wayne Phillips, has suggested that his government may have to legislate to prevent councillors who held positions prior to amalgamations being re-elected for up to five years after amalgamation.

A former Diamond Valley councillor himself, Mr Phillips suggested that the government might have to legislate to ensure that the turmoil at Geelong over the past week does not happen statewide ...

Mr Phillips felt that a five-year period would be sufficient before former councillors would be permitted to stand again for council and this would allow new municipalities to start afresh.

The honourable member for Eltham is saying the government does not want the people to have a say in how their local councils are governed and in setting local government priorities; it wants to ensure that people cannot choose to elect former councillors.

The honourable member for Eltham attended a meeting at the Diamond Creek community centre and was thoroughly booed off stage, and honourable members will understand why when they hear what he had to say. He said the

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government does not want former councillors to undo the good work of the Kennett government. In other words, the honourable member for Eltham is saying the government knows best and to hell with the people. It might be their rates and their communities that are at stake, but the government does not care what they think because it knows better. For thousands of years dictators have used the defence, 'We know better; therefore, you should not have a say'. The government may let the people say a little on this or that, but it will make the fundamental decisions.

The honourable member for Eltham said the government does not want a repeat of what happened in Geelong. Honourable members might ask what happened in Geelong. When an elected council was returned in Geelong it found there had been enormous financial mismanagement on the part of the government-appointed commissioners and administration of the City of Greater Geelong. The elected council wanted to see the books, but there was bugger all to see!

The SPEAKER — Order! I caution the honourable member that he has used an unparliamentary expression.

Mr HAERMEYER — I apologise. I would have regarded that term as a colloquialism.

The SPEAKER — Order! The Chair has adjudged otherwise.

Mr HAERMEYER — There was little in the way of financial reporting records for the new administration to look at in trying to get an idea of the financial picture at the council. Commissioners were appointed by the Kennett government to sharpen the administration of the City of Greater Geelong and make it more efficient, yet on the return of an elected council it was found that financial reporting in the municipality was grossly inefficient.

I quote from an article headed 'Council reforms face threat, says official', which was published in a recent edition of the *Age* and which refers to the chief executive officer of the City of Brimbank:

Local government reforms are under threat and may not be maintained, a senior local government bureaucrat says.

Mr Rob Spence, the chief executive officer of the City of Brimbank (which takes in the municipalities of

Sunshine and Keilor), said that changes introduced by council administrations could be untangled by councillors when democracy was restored.

Mr Spence said the City of Greater Geelong's newly elected councillors had sacked the chief executive officer, resulting in massive disruption among staff.

Here we come to the truth of it. Apparently the commissioners:

... sacked the chief executive officer, resulting in massive disruption among staff.

That action concerned Mr Spence. The article further states:

He suggested councillors should accept the changes implemented during their absence. Commissioners and officers had to lock in the changes by selling their policies to the community before those councillors returned.

That demonstrates the arrogant approach of the government, which thinks, 'We have to lock in the changes; we cannot take the chance people do not like what we are doing and change it. They may elect someone who does not agree with what we are on about'. That is the crux of the matter. The honourable member for Eltham is virtually saying, 'We do not want what happened in Geelong to be repeated'. People should take those decisions into their own hands.

I noted in one of the Waverley papers that the Honourable Andrew Brideson said we should have non-elected commissioners in place permanently because they are doing such a fabulous job. That is an example of the farcical approach to democracy we have come to expect from this government.

Although democracy is certainly an imperfect system, there is a well-worn quotation that democracy is the worst system except for all the rest. People who work in democratically elected administrations — be they federal or state governments or local council administrations — make mistakes, but in the end democracy is all about people taking responsibility for the future of their communities. If people elect an administration they take a risk about the decisions that administration makes. This government is saying, 'We do not want people to have a say; we know what is better for you'. It is an example of an authoritarian, Big-Brother syndrome.

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The honourable member for Mornington used as his key justification for keeping the commissioners in place his claim that 95 per cent of his constituents were to receive a cut in rates. I understood that the argument about lower rates and better services was supposed to have flowed from the local government boundary realignment, not the election of non-appointed commissars.

Four municipalities stretch across my electorate, and I have looked in detail at the budgets of three of the four. They are claiming rate cuts will be implemented, but I wonder how such cuts are to be funded — certainly not through economies of scale or great efficiencies. Included among the means of achieving the rate cuts was the postponement of essential works in the area. When the commissars have left, the elected council will have to pick up the pieces. It will have to do the backlog of work postponed by the non-elected commissars. The councils also intend to achieve rate cuts through revenue from asset sales; they intend to pour money back into their budgets.

The Shire of Yarra Ranges is a particular offender through its dipping into council reserves, as is the City of Hume. They have dipped into the piggy bank to the tune of \$3 million to sustain rate cuts. This is funny-money business!

Two of the four councils in my electorate are using borrowings to fund their rate cuts. The claimed rate cuts are highly questionable, and I will be interested to read what the Auditor-General has to say about this form of financial accounting after he has examined some of the accounts with a fine-tooth comb.

I support the reasoned amendment moved by the honourable member for Preston. There is absolutely no reason whatsoever why elected local government should continue to be suspended in Victoria. The only reason people in the outer suburbs, particularly those in the outer east where most of the marginal seats are located, are not able to choose their own local government representatives is because of the dictatorial arrogance of this government.

Mr SEITZ (Keilor) — The opposition has moved the reasoned amendment to express concern on behalf of the people it represents. This bill may have the support of large municipalities, but the opposition is concerned about the way the input of the community has been affected.

The abolition of certain local government positions such as that of deputy mayor may lead to less community input in decision-making processes which may affect the building of new cities. At the moment we have new cities by name only. Commissioners have been directed to save money rather than building new municipalities; that attitude can be likened to a baby who has not learned to crawl.

A priority of the government should be to promote the community and to include the people in the development of new cities. Many are confused about the way things are operating. The commissioners have not been elected. Commissioners may talk to the community, but only on monetary issues. The small gains made by the government in local government will come to an end in one or two years because only so many buildings can be sold. Bureaucrats are rewriting contracts and not delivering face-to-face services. The community is used to local government providing bread and butter services to the community, but that is not happening at the moment.

The reasoned amendment is designed to cope with that situation. The feeling of belonging to a local community and of attending, for example, debutante balls and other activities are features of our local government cities. The city in which you live is important, particularly because of the schools you have attended or the centres where you shop.

The commissioners should embrace the people involved in their communities, and the government should encourage that because it is the only way we will develop as a solid society. If people do not take pride in their local communities no voluntary work will be done. I refer to the community workers in sporting clubs, kindergartens and child-care centres. These facilities make up a society and a city.

When I look at the boundaries that have been created — I am not talking about changing the boundaries — I see the development of those cities. The City of Brimbank, which comprises the state seat of Keilor, needs to be developed so its people feel a part of it. I also refer to the change in municipal names, because the City of Keilor had historical significance. Municipal names may be changed, but historical societies, environmental groups and various other residents must be willing to allow for that change.

The government has forced change on the community and talks only of monetary savings.

LOCAL GOVERNMENT (ELECTIONS) BILL

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However, money does not speak. Local government is a part of the community that is close to the people. It has to consider human values and its citizens.

The government's legislation should be withdrawn. Much more thought should be given to it. Rather than restricting the community's input and involvement, the government should look at what takes place in local communities. If people are not willing to accept and develop these new cities they will not remain. They will become monetary administrations forced on the people. The chief executive officers will be trying to run the show. One cannot blame the existing commissioners; they are human beings. They have nice jobs and are kept busy, but they are well-paid positions.

The community wants democratically elected local government. Democracy costs money. Make no mistake, nothing is perfect under democracy because it is the people who make the decisions and not everybody is right or wrong. However, local government should not be driven solely on economic grounds. There is uncertainty surrounding the leases on buildings of many sporting clubs.

Most of us who have participated in community groups and clubs know that at the end of the day you are the baby-sitter. If you are the team manager or the coach you have to look after the kids because most parents drop the kids off for training or the game, stay and watch the game, but do not bear any of the club's responsibilities such as working in the canteen, attending committee meetings or assisting with the fundraising. You have to badger them, so there are very few people who develop clubs because they have to put a lot of voluntary time into it.

Under this government's legislation charges will increase. Facilities will be provided on a user-pays principle. Many junior clubs will be relocated or removed from their buildings because somebody else with a bigger sponsorship will be able to pay more money. Communities will lose whole networks and more young people will be on the streets.

People involved in the running of clubs are the unsung heroes in our society. They are the ones who make all the sacrifices by making the effort and giving up their time. Those people will have to work harder because this government is introducing a user-pays principle. Leases for netball courts and cricket grounds will be based on market value. It

will be a case of the bean counter saying you have to pay X amount to use that facility.

Our libraries are free. In my opinion the same situation should apply with sporting facilities. People who use those facilities, whether it be the Keilor Swimming Club, which uses the heated pool, or the St Albans or the Green Gully football clubs, should be subsidised by the ratepayers. After all, it is the children of the ratepayers who use the services, and that is one method of payment to provide the service.

It was the same thing when I was on the board of a school. I would ring the council and it would say, 'Oh, we don't look after the nature strip because that's the education department's responsibility or the school's problem'. It is the children of the ratepayers who use the school; therefore it is the responsibility of one society and one community.

The Minister for Local Government and his colleagues should tell the commissioners that their ideologically driven system to save money is not saving money at the end of the day. If we do not foster and develop our children they will become an expense in the long run. It really starts at home.

The government should be looking after and developing our society. The fear and uncertainty out in the community is there. Even the local kindergartens have been forced to take up fundraising activities. They are running cake stalls because the fees are increasing and the commissioners are not providing funds.

The child-care workers who manage the kindergartens cannot afford to keep them running. People have had to go back to holding cake stalls to raise money. They have had to carry out the kindergarten's bookkeeping and take on extra work, all that is after they have put in a day's work. You can only imagine the pressure on those people employed in one of the government's recently introduced structures. That places an extra strain on everybody because nobody has the time after work to be putting in another 4 or 5 hours to do paperwork.

As I said, there do not seem to be people left in local government who will carry out that sort of work at the coalface. The people left are those who will only be rewriting new contracts and new tenders and supervising those activities and creating more administrative paperwork. That in itself is dead money.

I refer to the meals-on-wheels tender — another essential service for our society. That type of service is part of a local community service commitment that ratepayers should provide. People who live in the city become a selfish lot. Those who are fit will survive and those who are not will go under. The law of the jungle applies because that is where this government's legislation will lead to, regardless of what assurances are given.

The doctrine and philosophy of the user-pays principle whereby everything has to be equated to dollars and cents is not a society I want to see develop, particularly on the local government scene. Yes, we want efficiency and accountability; we do not want to see money wasted. However, local municipalities are constantly monitored by democratically elected councillors. If people are not careful, because staff are no longer protected in the jobs they will be dealt with.

Things change and more information is available. Our society is intelligent enough to keep up with the administration of its local community. Therefore, I want the legislation to be amended to include the requirement for a municipal administration that would tell the ratepayers to balance the books and indicate how the money is spent and how it was raised. We need to know. It is not a bottomless pit. You cannot put up rates beyond people's means. It is important that our society does not become one that does not care for the weak, the frail and the young who cannot defend themselves. If we go down that path we will certainly finish up worse off than some Third World countries. We will have all the social problems: the drugs, the unemployment, the bashed families, and the homeless children. Those problems currently exist but the crisis will get worse.

In the end the next generation will pay because there will be problems in our health system, in our mental institutions, in the courts and in the prisons. It is vitally important that the government invest in our municipalities, with their new names, so people can feel proud of them and become part of them and so volunteers are encouraged to continue to support their local groups and clubs.

I am pleased that some of the commissioners in the western suburbs have got together and realised that they need extra help from the state and federal governments to get things moving and to tackle issues such as unemployment. I would like to see the Premier and the government encouraging the commissioners to seek funds from the Treasurer to

help create jobs in the western suburbs, which still have very high unemployment — and I would commend the commissioners if they did so. Of course in some ways the commissioners have been forced to create unemployment, because the amalgamations have caused lots of redundancies. Many people have lost their jobs, which has added to the burden. I notice that the western suburbs commissioners are also looking at the issue of youth unemployment, which must be addressed.

I believe the government and the minister have lost sight of the human values that make up Australian society. The mighty dollar does not speak for everything. The government must consider what the state will have to pay in the long run if our young people grow up feeling disenchanted and disenfranchised. Furthermore, if they do not find work, the commonwealth — we Australians — will have to pay with our taxes because they will finish up on the unemployment list.

We need responsible action now. The commissioners should be encouraged to finish up their jobs, get their rolls sorted out and allow a return to democratic elections as soon as possible. In this day and age I cannot understand the government putting up the excuse that the rolls cannot be completed and the commissioners cannot get the job done in time for elections early next year. If modern computer technology were used, I am sure the completion of the electoral rolls in time would not be a problem. One thing must be borne in mind: we do not want the commissioners to stay in their positions any longer than the time required to return to democratic elections.

It is unfortunate that the government has decided to drag things out and not allow a return to democracy until 1997. The elections should be held early next year, and the commissioners should be instructed to leave ratepayers and residents with a sense of being proud to belong to and play a part in their new cities.

House divided on omission (members in favour vote no):

Ayes, 53

Ashley, Mr	McNamara, Mr
Bildstien, Mr	Maughan, Mr
Brown, Mr	Napthine, Dr
Clark, Mr	Paterson, Mr
Coleman, Mr	Perrin, Mr
Cooper, Mr	Perton, Mr
Davis, Mr	Pescott, Mr
Dean, Dr	Peulich, Mrs

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Doyle, Mr
Elliott, Mrs
Finn, Mr (*Teller*)
Gude, Mr
Hayward, Mr
Honeywood, Mr
Hyams, Mr
Jasper, Mr
Jenkins, Mr
John, Mr
Kilgour, Mr
Leigh, Mr
Lupton, Mr
McArthur, Mr
McGill, Mrs
McGrath, Mr J.F.
McGrath, Mr W.D.
McLellan, Mr
MacLellan, Mr

Phillips, Mr
Plowman, Mr A.F.
Reynolds, Mr
Richardson, Mr
Rowe, Mr (*Teller*)
Ryan, Mr
Smith, Mr E.R.
Spry, Mr
Steggall, Mr
Tanner, Mr
Tehan, Mrs
Thompson, Mr
Traynor, Mr
Treasure, Mr
Turner, Mr
Wade, Mrs
Weideman, Mr
Wells, Mr

Noes, 22

Baker, Mr
Batchelor, Mr
Bracks, Mr
Brumby, Mr
Carli, Mr (*Teller*)
Coghill, Dr
Cunningham, Mr
Dollis, Mr
Haermeyer, Mr
Hamilton, Mr
Leighton, Mr

Loney, Mr
Marple, Ms
Micallef, Mr
Mildenhall, Mr
Pandazopoulos, Mr (*Teller*)
Sandon, Mr
Seitz, Mr
Thomson, Mr
Thwaites, Mr
Vaughan, Dr
Wilson, Mrs

Amendment negatived.

The SPEAKER — Order! The second and third readings are required to be carried by an absolute majority. So I may be satisfied that an absolute majority exists, I ask those members who support the bill to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 1.05 p.m. until 2.04 p.m.

QUESTIONS WITHOUT NOTICE

City Link: commercial risk

Mr BRUMBY (Leader of the Opposition) — I refer to the Treasurer's comments that the government is prepared to share the risk for the City Link project. Will the Treasurer explain to the house those areas of risk the government is prepared to accept and those areas of risk it believes Transurban should accept?

Mr Micallef interjected.

Mr STOCKDALE (Treasurer) — Eddie, you will never have this responsibility so you needn't worry.

The SPEAKER — Order! I ask the honourable member for Springvale to come to order.

Mr STOCKDALE — I have said before on numerous occasions that the risk-sharing arrangements are extremely complex in a project the size of the City Link proposal. However, there is a very clear principle that the government has articulated on numerous occasions that I think is well understood by the equity participants and the debt providers in the City Link project. It is the basis of the ongoing negotiations, including the very wide range of matters on which agreement has been reached.

That principle is that risks should fall to be managed by the party best able to manage them. That means that the commercial risks associated with projects of this kind should be managed by the private sector, and that is what the government is seeking.

City Link: tender

Mr FINN (Tullamarine) — Will the Treasurer advise the house whether there has been any departure from appropriate tendering processes in the case of the City Link project?

Mr STOCKDALE (Treasurer) — The tendering process applied in the case of the City Link project is precisely the same as in virtually every project of

this kind. Indeed, it is in substance the process the Labor Party proposed to follow when it originated this project. The process involved inviting expressions of interest from interested providers to participate, requiring them to go through a process of putting in indicative bids after which they provided clarification over an extended period. The critical point in the process was the identification and the designation of a preferred tenderer and a reserved tenderer, which is not at all an uncommon process. Indeed, for projects of this kind it is not only the norm but in reality the only way such a project could be conducted.

That process involved identifying the preferred bidder and signing a memorandum of understanding with that preferred bidder. For anybody who understands the realities of the commercial world — and that apparently does not extend to the Age or the ABC — it was always contemplated that that process would involve translating a memorandum of understanding expressed necessarily in quite general terms into detailed contractual provisions.

The parties to the City Link project reached agreement at the memorandum of understanding level in late May, immediately preceding the government's announcement of the designation of the preferred bidder. In accordance with the government's infrastructure development process that is a formal process upon which legal rights then hinge for certain parties. It is worth noting that, contrary to the suggestions on the ABC and in the Age, the financiers of the project were signatories to the memorandum of understanding. At the level of commitment required — —

Mr Batchelor interjected.

Mr STOCKDALE — You wouldn't have the faintest idea. As long as it is not an oral contract to do printing work you wouldn't have any knowledge of it!

At the level of understanding required and at the level of consensus and agreement required at the memorandum of understanding stage, the banks and other providers of equity finance were committed to the project, and they were committed to the same extent as everybody else. There is, of course, considerable room for disagreement in the translation of those general provisions into detailed prescription on a contractual footing.

The government has not moved the goalposts. Contrary to the statements made by anonymous bank spokesmen over the past 24 hours, the government's position has been crystal clear and absolutely consistent at all points. There are two substantive issues between the parties on which the government's position has been quite clear and quite consistent in the interests of taxpayers right throughout the negotiations.

The government is not prepared to underwrite the profit of the proposers of the project when the project is frustrated through events beyond the control of the government or the other parties. If some third party or unforeseen event prevents the project from going ahead, it is not appropriate that Victorian taxpayers should underwrite the profits of the proponents, and the government does not propose to underwrite the profits of the proponents.

In relation to the event of default, the other major matter at issue, the government regards it as non-negotiable that if the other party does not carry out its obligations under the contract in accordance with the contract there should be a right to terminate the contract. That right, on the basis of so much of the clauses as is agreed, is ringed around with great protection for the participants in the project. They have extensive rights to step in and cure the defects in the conduct of the party responsible for the carrying on of the project. Were the government to agree to forgo the right to terminate, the representatives of Victorian taxpayers would not retain any bargaining power in ensuring even the delivery of the basic project itself. These are two issues that are fundamental to the protection of the interests of the Victorian taxpayer.

With respect to the spurious claim advanced by some unidentified bank spokesmen over the past 24 hours that the government is seeking some undue profit-sharing arrangements, there are profit-sharing arrangements in the project, as is quite normal; they protect against excessive profits flowing at the expense of taxpayers to the proponents. Not only have they always been included in the project but they were included in the tender of Transurban.

There is no resiling by the government from its position. The only benchmark for the government is a proper commercial risk allocation which sees the commercial risks of the project falling on the proponents. It is unequivocally in the interests of Victorian taxpayers that that position persist, and the government will not budge from it however

many unnamed bank spokesmen engage in political propaganda.

City Link: contractual arrangements

Mr BRUMBY (Leader of the Opposition) — Will the Treasurer confirm that the major sticking point in the negotiations between the government and Transurban is that Transurban is insisting that it be given a guarantee that in order to increase toll revenue and force cars onto the tollways the government will, firstly, reduce the width of Footscray Road; secondly, close Alexandra Avenue; and, thirdly, allow parking on Toorak Road so that it is no longer a clearway? Will the Treasurer give an undertaking to the house that he will not agree to any of these measures?

Mr STOCKDALE (Treasurer) — It is a pity for Hollywood that the fertile imagination of the Leader of the Opposition is not captured by somebody who makes movies, because his flights of fancy are beyond belief.

I do not propose to go into the detailed matters that are subject to negotiation.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition has posed his question and the house should listen in silence to the answer.

Mr STOCKDALE — The fanciful suggestions the Leader of the Opposition has made are the first I have heard of that kind. They would be unacceptable to the government in the form in which he proposes them. So far as I am aware, nobody other than the Leader of the Opposition is contemplating them.

AWU union official

Mr PERRIN (Bulleen) — Will the Minister for Industry and Employment inform the house what action the government is taking on allegations of corruption in the trade union movement?

The SPEAKER — Order! The Chair has some difficulty with the question. Unless the answer can be related to government administration the question will be out of order.

Mr GUDE (Minister for Industry and Employment) — This matter should be of serious concern to all Victorians. Serious allegations of fraud

and impropriety have been brought to my attention. It is alleged that the former secretary of the Australian Workers Union, Mr Bruce Wilson, who left the union's employ in August of this year, has apparently misappropriated union funds and used his position as secretary in the most improper manner.

I understand the AWU is still receiving bills for strange items ordered by Mr Wilson. All attempts thus far to find him have come to nothing. What did Mr Wilson do when he found out that his actions had been discovered? The first thing he did was to seek legal advice from the union's solicitors, none other than Slater and Gordon. From whom did he receive that advice? One Julia Gillard.

I am informed that Ms Gillard is no longer with Slater and Gordon due to commitments as an ALP Senate candidate. That may not be the only reason she is no longer working at Slater and Gordon.

Mr Bracks — On a point of order, Mr Speaker, from the outset you asked the minister to relate his answer to government administration. The minister is not talking about government administration but is speculating. He is seeking to try in the Parliament a case which should be dealt with outside the Parliament.

Mr GUDE — On the point of order, Mr Speaker, I should have thought that of all members opposite the one who has just risen in his place to make a point of order should have known better because, after all, he is supposed to be the spokesperson in the industrial relations area.

The Employee Relations Act clearly provides for investigation of alleged improper action against a union. I make the point to the honourable member that the AWU is a registered and recognised organisation under the Employee Relations Act.

The concerns that have been expressed have been expressed on behalf of decent working AWU members. I have not only a right but a responsibility as the responsible minister to deal with the matter, and I propose to do that irrespective of the point of order.

The SPEAKER — Order! If the minister can relate his answer to the act he mentioned he will be in order, but if he strays from that he will be out of order and I will no longer hear him.

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Mr GUDE — Consistent with the provisions of the legislation I am informed that the first thing Ms Gillard did, when asked what she would be doing and why she was getting out of Slater and Gordon, was to pay back moneys to the AWU for work —

Mr Brumby — On a point of order, Mr Speaker —

Mr Kennett interjected.

Mr Brumby (to Mr Kennett) — No, it is about the proper use of the Parliament.

Honourable members interjecting.

Mr Brumby — The point of order is on the question of relevance. These matters are clearly not within the minister's jurisdiction. Yesterday in this Parliament we saw a similar episode when the Minister for Health maliciously defamed the honourable member for Albert Park, accusing him —

The SPEAKER — Order! The Leader of the Opposition should stick to the point of order.

Mr Brumby — There is a pattern of behaviour in this place where question time is used by the Minister for Health to maliciously defame people. There was an accusation of a criminal offence with no apology from her, and the Minister for Industry and Employment is attempting to do the same thing.

The SPEAKER — Order! It is the right of every member to be able to raise a point of order, but the member may not use the occasion to make a speech. Has the Leader of the Opposition completed his point of order?

Mr Brumby — I ask you, Mr Speaker, to rule the minister's answer out of order because it is clearly not relevant to his portfolio responsibilities. He is engaging in a deliberate and malicious defamation, in exactly the same way as the Minister for Health did yesterday against the honourable member for Albert Park, and she has not had the courtesy to apologise for that deliberate lie and defamation.

Mr GUDE — On the point of order, Mr Speaker, I direct your attention and that of the Leader of the Opposition and his spokesman on the matter to section 113 of the Employee Relations Act, which makes specific reference to the minister's powers to refer matters to the Chief Commission

Administration Officer for investigation. I make the further point that today will not be the first occasion that that power has been exercised; it will be the second.

The SPEAKER — Order! If the minister confines his answer to the act he is in order, but should he stray and use his answer as an opportunity for other purposes I will call the next question.

Mr GUDE — The first thing that Ms Gillard did was to pay moneys to the AWU for work that had been completed on her home, courtesy of Mr Bruce Wilson, to cover the tracks.

Mr Brumby — On a point of order, Mr Speaker, on the question of relevance, this is an unfounded allegation. The minister has again made a malicious defamation. If he has an issue to raise he should refer it to the appropriate authorities and not use Parliament to maliciously defame a so-far innocent individual.

The SPEAKER — Order! I uphold the point of order. Unless the minister can relate his remarks to his responsibility and the act for which he is responsible I will call the next question.

Mr GUDE — In order to protect ordinary members of the AWU I have today referred these and other allegations to the Chief Commission Administration Officer of the Employee Relations Commission of Victoria for investigation and report back to me on any action that may be required.

I make the additional point that there is a current investigation under way by the National Crime Authority and it referred the matter to the Victoria Police Force, which is also investigating this matter.

This is a serious concern that has been expressed by members of the AWU, and the government, unlike the opposition, will not shirk its responsibility for looking after the interests of decent Victorian blue-collar workers.

City Link: contractual arrangements

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to the Premier's comments on 3AW yesterday when he committed the government to releasing the terms and conditions of the contractual arrangements for the City Link project, and in light of this —

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Mr Kennett interjected.

Mr BRUMBY — That is what you said. Do you want me to read what you said?

The SPEAKER — Order! Will the Leader of the Opposition pose his question?

Mr BRUMBY — I will read exactly what the Premier said on 3AW.

The SPEAKER — Order! The question, please!

Mr BRUMBY — This is the question. It says:

... what I find good about it is that you can actually have a government that's prepared to say, 'Look, these were the terms and conditions under which we entered this arrangement; these are the terms and conditions that are going to be delivered ...'

That is exactly what you said — —

The SPEAKER — Order! There are certain rules and regulations on the posing of questions. Will the Leader of the Opposition conclude his question?

Mr BRUMBY — In the light of the Premier's clear and unequivocal commitment will the Treasurer give an undertaking that prior to the government signing any contract with Transurban or Chart Roads he will make public all details of commitments the government has given in relation to risk, sharing the risk, and compensation clauses, and will he allow this information to be scrutinised by the Auditor-General?

Mr STOCKDALE (Treasurer) — There is one thing that I would have thought had been well and truly established during the past three years, and that is that if the Victorian Premier says something, it will happen! If the Premier has said that will happen I can assure the Leader of the Opposition that the government will do what the Premier says.

Mr Batchelor interjected.

The SPEAKER — Order! Would the honourable member for Thomastown please remain silent.

Trams: Bundoora extension

Mr PHILLIPS (Eltham) — Will the Minister for Public Transport inform the house of the progress of the Bundoora tramline extension and advise

whether there will be changes to the bus services to provide coordination — —

Honourable members interjecting.

The SPEAKER — Order! Notwithstanding that this question seems to have been received with a certain amount of relish I ask the house to come to order.

Mr Batchelor — On a point of order, Mr Speaker, because the funding for this tramline extension was supplied by the federal government I ask that you disallow this question because it is not relevant to the minister's administration.

The SPEAKER — Order! The honourable member for Thomastown knows full well that that is not a point of order. Will the honourable member for Eltham please repeat the question?

Mr PHILLIPS — Will the Minister for Public Transport inform the house of the progress of the Bundoora tramline extension and advise whether there will be changes to the bus services to provide for coordination with local tram services?

Mr BROWN (Minister for Public Transport) — It seems that the Labor Party has a degree of sensitivity about this question. It is understandable because our government has achieved more in this area during three short years than the former Labor government did in its full 10 years. This is an event that is of great importance to the residents of Bundoora and surrounding areas, particularly Mill Park, which have continued to grow over recent years. The government is well aware of the needs of the people of these areas from which for a decade the former Labor government walked away. I found this out in no uncertain terms this morning when I went out to that area with the federal member for Batman, Brian Howe, to open the 2.1-kilometre extension of the tramline. The tramline now extends for 21 kilometres from the heart of the city and is the longest tramline in Australia.

Mr Batchelor interjected.

The SPEAKER — Order! This is the second occasion on which I have had to ask the honourable member for Thomastown to remain silent. He may rest assured I will not do it a third time.

Mr BROWN — The government has saved the Upfield rail line, which the Labor Party did everything it could to close when it was in office,

and is committed to rebuilding and upgrading it. When I saw the ghost of Tom Roper today — in fact, it was Tom himself in attendance — I was reminded of the retrograde changes made by Labor in the decade it was in office.

I was approached today by members of the community and warmly welcomed in what was formerly, but is no longer, a Labor heartland. Not only did I join with Brian Howe, the federal member for Batman, in opening the \$12.6 million extension, I also made it clear that I regretted he was retiring from federal politics. He is one of the few federal Labor members representing Victoria who at least tries and who has a heartfelt commitment to improving the situation of the needy in this state. Unlike the chardonnay set in the Labor Party these days, he has a personal commitment to improving housing and transport for people out in the former Labor heartland that was once represented by the Labor Party in great numbers.

We were joined by representatives of RMIT, the Bundoora campus of which is now serviced by trams as a result of the actions of this government in extending and improving the service. Professor Beanland made crystal clear what the advancement means to the institute.

But there is more: not only will these services operate seven days a week, but during weekday peak frequencies there will be a tram every 6 minutes, and even between the peaks we will service what was once a Labor heartland with average tram frequencies of 8 minutes.

I am also delighted to announce that there is more. With this can-do government actually achieving things in a once great Labor area, I am pleased to announce that in recognition of how the area was left for dead in the past, from 16 October new, upgraded bus services will operate in the Mill Park, Bundoora, South Morang and Whittlesea areas.

In particular, local bus routes nos 562, 563 and 564 have been restructured to meet the needs that residents this morning told me they had been expressing concern about for more than 10 years. Of course, the upgrading of bus services will complement the Bundoora tram. It is a great day for public transport in that part of Melbourne.

City Link: commercial risk

Mr BRUMBY (Leader of the Opposition) — I refer the Treasurer to the Premier's comments on

radio yesterday, when he confirmed that the government has agreed to compensate Transurban for any reduction in toll revenue that might result from new public transport services provided during the life of the City Link project, such as the rapid transit link to the airport, and ask why, if he is serious about protecting the interests of the taxpayers, as he says he is, he agreed to this arrangement?

Mr STOCKDALE (Treasurer) — The Leader of the Opposition constantly seeks to rewrite other people's statements in relation to various matters. He did it on the previous question even more transparently than on this one.

Mr Brumby — That is exactly what it said.

Mr STOCKDALE — I wouldn't take your word for it if I had the transcript in front of me! I have indicated previously that there are certain risks in relation to this project which properly rest with the government on behalf of the people of Victoria. Where the government takes deliberate action directed at the project which has a material effect upon it, it is only fair and reasonable that the operator and owner of any business is entitled to seek compensation for that impact.

That does not restrict the government's capacity to run its planning policies and the implementation of those policies in the way that best suits the people of Victoria. It simply recognises that there is a risk which is best managed by the state and that if the private sector were forced to bear that risk the taxpayer would be forced to pay more than the actual risk is worth because inevitably the private sector — both the operators of the project and the financiers — would be forced to make judgments at the extreme level of risk and to build into their pricing that extreme manifestation of a particular risk.

So in instances like that, it is clearly a case where the government, properly circumscribing the risks involved, should provide for the availability of compensation under closely defined circumstances.

Mr Brumby interjected.

Mr STOCKDALE — I am happy to stand by what I say. Let me make it perfectly clear once and for all that I do not accept any of the misinterpretations of the Leader of the Opposition of what numerous people say.

Mr Brumby interjected.

Mr STOCKDALE — He keeps quoting Terry McCrann. Why doesn't he quote what Terry McCrann says on radio, or indeed in the very article to which the Leader of the Opposition refers? In that article Terry McCrann says he believes privatisation of electricity is in the interests of the people of Victoria. If Terry McCrann is a great authority, let us hear what he says, rather than a selective quotation of one headline that the Leader of the Opposition plucks out to suit his purposes.

The Leader of the Opposition lives by taking comments out of context. There is no doubt whatever that he will seek to take out of context what I have just said. Let me be perfectly open about this: I expect to read and hear him saying things that misrepresent what I have just said.

It makes sense for the taxpayers of Victoria to assume risks that are better managed by the government and where the cost of having the private sector managing them would be excessive. The government retains the right to manage the transport infrastructure in the way that best serves the interests of Victorians.

It is becoming increasingly apparent that there is a good chance that if Transurban cannot get its financiers to come to the barrier with a proper risk allocation, its competitor, Chart Roads, will. I can understand that the Leader of the Opposition quakes in his boots in the fear that his predictions of gloom and his glee at the possibility of the failure of this project over the past few days will not be realised.

The people of Victoria look to us to protect their interests in providing them with first-rate public infrastructure. If the financiers of the private sector proponents will not accept a commercial arrangement, the government will not be prepared to sell out the interests of the people, as Labor did again and again when it was in government.

APPROPRIATION (1995-96, No. 1) BILL

Second reading

Debate resumed from 11 October; motion of Mr STOCKDALE (Treasurer).

Mrs PEULICH (Bentleigh) — I support the bill and take the opportunity of congratulating not only the Treasurer, who I guess is the powerhouse of

Victoria's recovery, but also the government and all Victorians, including the people of Bentleigh, for doing their part.

When debate on the bill was adjourned last night, the honourable member for Sunshine was making his final comments. It was a very interesting contribution because he was looking for things created in the budget — and according to him, he found very little. May I suggest that that is precisely the strength of the budget: there are no creative accounting tricks. There is no orchestrated recovery that promises to bear fruit; things are not presented as being rosier or more attractive than they are. It is hard work balancing the budget. It is never easy because it is about fulfilling goals and objectives, seizing opportunities and being steady, consistent and predictable.

The honourable member for Sunshine concluded his speech by alluding to his vision of Australia becoming a republic. That was very interesting because it was the thrust of his entire contribution. It was particularly interesting because I had just completed my annual exercise of surveying 2000 of my constituents. I do it every year as a way of establishing their priorities and offering them the opportunity of giving me feedback and input and sharing their visions for the electorate and the state. It is interesting to note that the last priority of some 99.9 per cent of the respondents is Australia's moving to a republic. It shows clearly that the vision of the honourable member for Sunshine is somewhat opaque, which might be associated with the fact that his contribution came after dinner.

The budgets of the past three years have been consistently described as tight fisted, financially prudent and containing no razzle dazzle — and that is clearly the strength of this budget. We have seen a turnaround in the budget, from a deficit of approximately \$3 billion to a small but sustainable surplus of \$215 million. Anyone listening to Labor's gloom and doom and its prophets and harbingers of bad news would think we live under a dictatorship. I lived and suffered under a dictatorship in the former Yugoslavia to the extent that, as a child of 5 years, I was not allowed to openly ask questions of my parents for fear of some conniving neighbour ticking them off, resulting in their being thrown into gaol.

Absolutely nothing could be more infuriating than the socialist propaganda, diatribe, and the gloom and doom we get from the Labor Party and the Labor network. I must confess it is reminiscent of the

sort of networks I saw and experienced first-hand in the former Yugoslavia.

I will give just a couple of examples, the first of which concerns the grand prix. I am not a petrol head; I probably won't even go to the grand prix. However, I have lived in Albert Park. For a number of years my brother played soccer for St Kilda, and every Sunday I went to Albert Park to watch him play. I was probably one of 12 supporters, plus a dog.

Mr Cooper — Soccer groupie!

Mrs PEULICH — Not quite! I walked my dog around Albert Park Lake at least three times a week, and I rowed on the lake frequently. It was a disaster in those days, an absolute dust bowl. Thank God the government is finally doing something about it. It certainly did not compare well with what can be done with recreational areas given the current knowledge and expertise.

I get annoyed with people who say it's their park. It's our park, too; and we were elected to government with majorities here and in the other place. It might seem unfair to the Labor Party, but that is democracy — and thank God it is!

The other thing that annoys me almost as much is the response to local government amalgamation. We do not hear cries about people being disenfranchised or about democracy being stomped on whenever a redistribution affects a state or federal seat. It should be seen as a normal response to demographic changes. Commissioners are necessary because local government is involved in delivering services — or at least planning and monitoring them.

Mr Thwaites interjected.

Mrs PEULICH — There is no possible way of amalgamating different entities and organisations other than having impartial and objective experts to bring them together. I congratulate the commissioners in my area who work in the cities of Kingston and Glen Eira on seeing the process through. My seat was covered by one municipality, the former City of Moorabbin, which was very good. My preferred option was that it continue to exist alone. However, if that was not possible, I supported its amalgamating with the former City of Caulfield.

Although I was sad that the municipality was dissected, after looking at the subregional demands one could see that it was the only way to go. Some

changes have been made, but services have not deteriorated. On the contrary, one of the municipalities is offering a range of new services. When the rate notices come, 90 per cent of the ratepayers in the municipality that covers approximately 29 per cent of my electorate will receive a cut. In the other, the City of Glen Eira, 75 per cent of the ratepayers will get rate cuts, and a large proportion of them, more than 6000, will get rate cuts in excess of 30 per cent. That is an absolutely phenomenal achievement. As a former councillor of the City of Moorabbin and as someone who has been involved in many grassroots groups, the feedback I am getting now is no more negative than the feedback I got before the council amalgamations.

I return to the main reason for contributing to the debate, which is to praise the direction Victoria has taken. All honourable members know that results cannot be achieved overnight. We are turning the ship around so that it is moving in the right direction. For the first time in a long while the government has achieved a budget surplus, albeit the fairly modest sum of \$215 million dollars. The government has introduced reforms to Workcover and superannuation, reducing our debt and liabilities to some \$32 billion. The state's credit rating has already been upgraded to AA2. That will save millions of dollars in debt servicing, which is currently in excess of 25 per cent of state revenue.

Enormous changes have occurred in the unemployment figures, certainly in the Bentleigh electorate. When I was elected to office in 1992, the unemployment rate in the Bentleigh electorate was 12.5 per cent; now it is 8 per cent, which represents an enormous reduction. The rate of youth unemployment is 7 per cent in the southern region, which is the lowest rate of youth unemployment in the entire state.

There is no greater contributing factor to impoverishment than unemployment. The most effective way of dealing with it is by creating an economic environment that generates wealth and job opportunities and enables families to build their hopes and work hard to achieve their aspirations. The social welfare net is there to pick up and assist those who are in need, who should really be the exception rather than the rule. The Labor Party would have everyone on welfare, because that would keep all their mates and cronies in jobs for ever and a day. But the state would keel over because it would not be able to fund those operations. What does 'tight fisted and financially

prudent' mean to Victorians? Anyone listening to the Labor Party would think nothing good had happened in the past three years.

I shall list a few that have been broken down into individual achievements over the thousand days or longer we have been in office. During that time 115 Victorians a day have found a job. As I said, the unemployment rate has fallen from 12.8 per cent to 8.6 per cent statewide and it is certainly lower in the Bentleigh electorate. Approximately \$4 million per day in new investments has been placed in Victoria. Twelve new small businesses per day have been established.

I have great sympathy for small business. I come from a small business background. As well as being a teacher in my former life, we also ran a family restaurant. My brother has a small clothing manufacturing company in Moorabbin, so I have enormous sympathy for small businesses. Some months ago we doorknocked small businesses in my electorate and discovered that many of them certainly had benefited from the recovery. They feel the recovery is now levelling out. They are a little uncertain about the future. They are certainly frightened about any possible interest rate increases, but they know this government will ultimately, in its second term or further on, be able to deliver lower cost to business. They are looking forward to that because they know the government is the engine house of any sustainable recovery.

Most people aspire to have some sort of a business. Women, many of them mothers, are looking for flexible work arrangements. They look forward to running a business, many of them from home. There is enormous growth in domestic and personal services as in business services, certainly in my electorate, because it enables mothers to combine the roles or responsibilities of family with work and employment.

This is where the Labor Party is just so completely out of touch. It would bend over backwards to destroy any gains we have made with regard to employment agreements. The Labor Party cannot see beyond awards. Even the Labour Party leader in England has said England has moved way beyond awards and would not turn back, yet the Labor Party in Victoria clings to it.

We see what has happened under the new Premier of New South Wales, Bob Carr. The Labor government in that state has enshrined in legislation advantages to union members, so if you are a

card-carrying member you get the job. This is what happened in Yugoslavia. My father, who was not a card-carrying communist, was not able to get work and that was the reason we came to Australia. This is what the Labor Party would do if it had half the opportunity; fortunately, only 38 per cent of the labour force are union members, so the majority is not behind the Labor opposition.

Most people don't believe the unions should be playing a party political role. They believe unions have a genuine role in representing their members and in providing assistance in the industrial field. In my former life as a teacher, I knew many teachers belonged to unions basically for reasons of taking out some legal insurance. Should there be an assault claim or something like that, they knew they could get legal representation. That was the primary motive for staying in the union. Until the unions get their act together and start operating as they should, rather than as an arm of the Labor Party, the Labor Party is doomed. The only way it can win office is by lies, distortion and deception, and we see the true colours of Labor members when they actually have the opportunity to be in government. God forbid should that occur in Victoria again.

Voters support this government and its economic performance. They certainly welcomed the removal of the state deficit levy, especially my constituents. My electorate is the fourth oldest in terms of the over 65-year-olds in the state. I guess if you are on a pension, or if you are a self-funded retiree, even \$100 a year does make a difference — and they certainly welcomed its removal.

However, from a recent random sample survey of 2000 constituents, the objectives of a balanced budget, reducing state debt and job growth were still three of the highest priorities, despite all of the clamouring and gloom and doom that we have been hearing from the Labor Party and its various cronies in the labour network.

Certainly our debt is too high, and interest on debt is too high. We are paying approximately \$2 billion a year, money which could easily be spent on services delivered to our children, to our families, to the community. The state has aimed to return to a AAA credit rating by the year 2000 and I guess this is an ultimate symbol of some sort of financial restoration of integrity. This is something that has been applauded not only by the business community that I have surveyed and sampled, but also by the community at large. Despite all the criticisms about the destruction of services in the state, in fact

education, health, transport and local government services continue to be delivered and in many instances continue to be delivered better.

Let me speak briefly about education. Having been a teacher, an English coordinator, a VCE teacher of English and psychology, having taught in the state system and having an 11-year-old daughter in the state system, I have a very genuine and strong commitment to it. I have an excellent rapport with the local schools and certainly make myself accessible to them. Despite the hard decisions involved with policy decision and educational resources, they were desperately starved of funds for infrastructure, refurbishments and upgrades. For the three years we have been in government 50 per cent of my schools have been looked after, and as the local member I look forward to looking after the other 50 per cent. So far more than \$1.8 million has been made available to schools in the Bentleigh electorate for development, full refurbishment and certainly program flexibility. It is phenomenal what some primary schools can do because they have indoor assembly areas or multipurpose rooms. One of the local schools is now able to have indoor assemblies, institute various awards, have musical productions, discos and so forth — obviously a much richer curriculum than they otherwise would have been able to deliver. The infrastructure is better, the professional recognition program is fantastic.

The female appointments to administrative positions in the schools are absolutely brilliant. There are certainly wonderful examples of female leaders in schools in my electorate. They are real movers and shakers. The whole notion of global budgets giving schools greater flexibility to target the needs in their schools is welcomed. It is a worldwide trend, and I just shudder at the thought of what would happen under a Labor government. We could go back to the old sluggish days of more teachers and no accountability, rundown buildings and certainly not the sort of focus that we have been able to see instituted in schools through school charters, focusing on key objectives or key goals over a three-year period. I welcome that because all the activity in a school is being focused on those three goals as well as delivering the key learning areas in the standards framework.

The education system has been criticised for declining enrolment or retention rates. I recall as a VCE teacher and coordinator of other teachers the outrage that there were no jobs out there for youth, for many of the youth who were really not suited or

did not want to be in schools, yet they continued to be there.

The retention rate has decreased because there is now a much lower level of youth unemployment. There are jobs for people to go to.

Class size is another factor. There is enormous flexibility in how curriculum can be delivered in responding to individual student needs, whether through tutorials, large gallery lectures or one-to-one tuition. I welcome that direction in education.

The honourable member for Albert Park has said much about health. Certainly a lot has been said about health in my electorate, much of which was most unfair, extremely distorted and beaten up by sponsors and supporters of the ALP.

It has been claimed that the budget of the Monash Medical Centre has been reduced by a massive \$30 million a year. The budget was reduced by less than \$10 million in the year 1992-93 to 1994-95, but the reduction must be measured against performance. The number of patients treated at the centre has increased — 42 336 in 1992-93, 45 109 in 1993-94 and 52 021 in 1994-95 — and there has been a slight increase in the initial 1995-96 budget.

What is all the fuss about? More people are being treated as a result of more efficient service delivery. What does the closure of beds matter if more people are being treated, and treated better? Is it better to have sick people in the community waiting because they are not able to access the help they need? It isn't!

The Labor Party and its cronies are being most mischievous in exploiting those most vulnerable members of the community — namely, those in need of health services. Monash Medical Centre's waiting list has been criticised and the focus has narrowed on the number of patients on the list. As I stated earlier, the raw waiting list figures do not reflect that more patients are being treated at Monash than ever before.

The same is true of elective surgery admissions. In 1994-95 Monash treated 6893 patients on the elective surgery waiting list, 542 more than the 6351 treated in 1993-94. However, new additions to the waiting list totalled 7131 in 1994-95, 1930 more than the 5201 new additions in 1993-94. Clearly, the increase in numbers on the waiting list is due to an increase in the number of patients being added to the list and not to a reduction in the number being treated.

Mr Thwaites — Is that why you are closing beds?

Mrs PEULICH — More people are being treated. The shadow minister, with his obviously outdated mode of thinking, is not progressing in his shadow portfolio and is not abreast of the trends and changes. The trend is towards a reduction in hospital stays through better technology, better diagnosis and better treatment. Recent initiatives at the Monash Medical Centre — the opening of 13 operating theatres, 30 beds and so forth — will lead to improvements. The figures show that more people are being treated than under Labor.

Transport services in Bentleigh are improving. We are negotiating with the Department of Transport for the redevelopment of the Moorabbin railway station, which has become necessary due to fire damage. It is hoped the redeveloped building will attract tenants. Negotiations have taken place on the provision of cafeteria or restaurant services that would not only enhance the appearance of the station but also improve safety and security for commuters.

The recent painting work completed at stations was long overdue and has been welcomed. The reduction in the amount of graffiti on trains has been most comforting for women and children and has had a beneficial psychological effect. People feel much more comfortable and secure when they do not have to look at intimidating graffiti.

I return to what is in store for the Bentleigh electorate. An unemployment figure of 8 per cent is still too high. The sorts of reforms the federal government has been shuffling off are much needed and can be delivered only by a coalition federal government. Unless that political change takes place the level of unemployment in Victoria will continue to be reduced only at the same level as over the past three years.

Mr Mildenhall — It is slavery!

Mrs PEULICH — How out of touch the honourable member for Footscray is! My brother is a reputable clothing manufacturer with a small operation involving only five people. Before he had the opportunity of owning that business, his wife did piece work at home. She had two children and was extremely well paid, making approximately \$500 or \$600 a week. She was very grateful for that opportunity. That is not slave labour — not all piece workers are exploited and not all clothing manufacturers are exploitative.

Let's not use the subject of exploitation as a guise under which to entrench the rights and powers of unions to enter workplaces. The ability to work from home often gives mothers the flexibility they need to juggle their role in their families and as an income earners.

Mr Mildenhall interjected.

Mrs PEULICH — Get into the real world, mate! I have been there. I worked from the age of 13 years and have scrubbed toilets and cleaned floors. I have seen many migrants work extremely hard while Labor members sent their children to private schools and espoused socialist policies for everyone else in Victoria. The Labor Party is out of touch and irrelevant — it is certainly irrelevant to most migrants who come to this state looking for opportunities and trying to escape the oppression and poverty of other countries.

A cartoon in the *Herald Sun* of 3 May caught my eye because at the time the federal government was trying to strike another accord for the 1995 budget. The cartoon depicts Mr Ferguson, who was installed as the candidate for the federal seat of Batman, romping all over the democratic process of the Labor Party. The cartoon suggested Labor was saying, 'Don't worry about the female candidate. Don't worry about the quota. That does not mean anything. We will set up quotas but not adhere to them because this is a boys' game and what we say we do not have to do'.

The Prime Minister of this country would not utter a word before Mr Ferguson delivered the outcome of the negotiations. That is a crying shame because it shows that unionists in privileged positions — positions they have held in Victoria in the past and would hold again should a Labor government ever be returned — drive the decision-making in this country. Australia will never get out of its rut because elected representatives are not driving the agenda.

An article in the *Herald Sun* of 10 April 1995 headed 'Carr in work law revamp' lists the legislation being put in place by Premier Carr in New South Wales. The legislation is to have the effect of:

Restoring the right of unions to enter workplaces, which unions claim is essential to police against sweatshops in areas like the textile industry.

What a guise! What a ruse! The article continues:

TRUSTEE AND TRUSTEE COMPANIES (AMENDMENT) BILL

Thursday, 12 October 1995

ASSEMBLY

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Reintroducing preference clauses into awards, giving union members priority in employment and promotion.

That is not democracy. It is un-Australian and un-Victorian. I pray to God that the Labor Party never has the chance to be re-elected because it would take the same steps again at the first opportunity. That is why an employment contract is like a red rag to a bull to Labor members. It is the antithesis of their philosophy.

Mr Mildenhall interjected.

Mrs PEULICH — Absolute baloney. The article continues:

Giving unions the right to be heard in non-union enterprise negotiations.

That is what the small business owners, the ordinary families, young people and the elderly in the Bentleigh electorate fear most. They believe opportunities can be seized through sheer hard work and sacrifice.

The budget is on the right track. It is restoring confidence among businesses and has created opportunities for people to work. That is the best way of reducing poverty in Australia and Victoria.

I take this opportunity to commend and congratulate the Treasurer on behalf the people of the Bentleigh electorate. I also thank the people of my electorate for being so supportive, for appreciating what the government has endeavoured to do and for being patient as it redefines the state's major services. Clearly, the state could not have continued to deliver those services as things were and it was necessary to build a better Victoria.

Debate adjourned on motion of Mr STEGGALL (Swan Hill).

Debate adjourned until later this day.

TRUSTEE AND TRUSTEE COMPANIES (AMENDMENT) BILL

Second reading

Mrs WADE (Attorney-General) — I move:

That this bill be now read a second time.

This bill amends the Trustee Act 1958 and the Trustee Companies Act 1984. The most significant amendments are to the Trustee Act 1958.

The Trustee Act is amended by repealing the list of authorised trustee investments and replacing it with a general prudent-person power of investment. This is a substantial alteration to the law relating to the investment of trust funds. Attempts have been made since 1990, without success, to secure the agreement of the states and territories to proposals for uniformity throughout Australia on authorised trustee investments. The government, like the South Australian government, has determined that it is appropriate for this matter to progress rather than waiting for uniformity to occur, which may be years away, if ever. The amendments are based on recent amendments to the South Australian legislation, which were modelled on legislation enacted in New Zealand six years ago.

The investment powers of trustees are listed in the Trustee Act 1958. The act lists the investments in which trustees are authorised to invest where no express powers of investment have been given by the court, a statute, or the instrument creating the trust. Authorised trustee investments listed in the act are *prima facie* presumed to be prudent and thus permissible for trustees, although trustees must still consider whether a particular listed investment is suitable in the circumstances of the trust. The primary purpose of the legal list approach to authorised trustee investments is to relieve trustees from responsibility for determining whether investment in a particular category — for example, government bonds, shares, and so on — is prudent, although trustees are still required to act prudently when considering an actual proposal for investment. The list tends to give an impression of government backing for a particular investment and one has to ask why government should be placed in that position.

The statutory list approach has many shortcomings. It has the potential to mislead the inexperienced trustee and the public because it embodies a basic presumption that those investments included on the list are safe, but does not indicate which investments are suitable for which types of trust. In addition to being a moral hazard for the government, its inflexibility means that in a rapidly changing financial environment many new investment instruments likely to be just as sound by objective criteria are not authorised investments.

The bill repeals the list and instead empowers trustees to invest in any kind of investment as long as it is prudent, having regard to the circumstances of the trust. This is the so-called prudent-person approach to authorised trustee investments. The prudent-person rule requires the trustee to act prudently in determining the suitability of a particular category of investment as well as when considering actual proposals for investment.

The flexibility and diversification that the prudent-person approach brings to investment choices could be considered vital to the wellbeing of any trust fund in today's economy. Indeed, the practice among professionals who draw trust instruments to frequently confer wide investment powers on trustees has meant that, to that extent, those trustees have, perhaps unwittingly, been subject to prudent-person requirements. Investments should be labelled as prudent or imprudent not because of their nature but because of their appropriateness taking into account the terms, purposes and circumstances of the trust.

The proposed amendments are based on the South Australian act. They give trustees power to invest in any property, unless the instrument creating the trust otherwise provides. A trustee exercising any power of investment is required to exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of others. A trustee whose profession, employment or business is or includes acting as a trustee or investing money on behalf of others is required to exercise the care, diligence and skill of a prudent person engaged in that profession, employment or business in managing the affairs of others — that requires a higher standard for professional trustees.

An important feature of the provisions is the codification of factors which should be considered by trustees in making investment decisions. The purposes of the trust and the needs and circumstances of the beneficiaries are important factors. Other matters include diversification and factors such as value of the trust estate, duration of the trust, risks of capital losses/gains, costs, tax, and marketability which can all be critical depending on the circumstances of each individual trust. Further, the court may set off investment gains and losses. Those provisions recognise that in a managed portfolio of investments, a trustee should be given protection against the claims for loss on an individual investment if they can demonstrate that the investments were part of a diversified

management strategy which was established and operated in a prudent manner.

Additionally, the bill clarifies the ability of trustees to utilise the electronic processes of the Reserve Bank Information Transfer System. RITS is a system which provides a means of transferring and settling transactions in securities. RITS is destined to play an increasing role in the transfer of securities in the future, and it is essential that trustees should not be denied access to the system.

Finally, by an amendment to the Trustee Companies Act 1984 the bill makes provision for trustee companies to charge an administration fee for perpetual trusts. The nature of perpetual trusts is such that trustees are unable to claim commission with respect to distributions of capital for a substantial number of years after the trust is committed to the company. This amendment is necessary to enable trustee companies to recover their costs in administering the trust during the period until the capital is finally distributed. The provisions safeguard trusts from being charged twice with respect to the same acts of a trustee.

The passage of this bill will once again demonstrate this government's commitments to the Victorian economy. With the repeal of the authorised list of investments there will no longer be emphasis on the securities of a body achieving trustee status to the point where achieving such status becomes more important than achieving a record of good financial management. Competitive advantages will be removed from those institutions which by explicit statutory authorisation qualify for authorised trustee status. Adoption of the flexibility and diversification encompassed in the prudent person approach to trustee investment will ensure investment decisions are based on market prices and returns and assessment of financial and other market information in Victoria's rapidly changing financial environment.

I commend the bill to the house.

Debate adjourned on motion of Mr MILDENHALL (Footscray).

Debate adjourned until Thursday, 26 October.

FISHERIES BILL (No. 2)*Second reading*

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

That this bill be now read a second time.

In moving the second reading of the Fisheries Bill in March this year I outlined the need to reform Victorian fisheries legislation to provide a contemporary framework for the sustainable management of commercial fishing, recreational fishing and the aquaculture industry.

The main objectives of this bill are to facilitate the sustainable use of Victoria's aquatic biological resources and to provide for greater involvement of commercial, recreational and other users in the management of fisheries. The bill will facilitate micro-economic reform leading to an efficient fishing industry.

The objectives are to be achieved through strengthened comanagement arrangements and the development within those arrangements of strategic fishery management plans. These will provide the framework for reform and revitalisation of Victorian fisheries. They will guide regulations, declarations and notices which, in turn, set the context for the issue of licences and permits to undertake fishing and related activities.

In August last year a discussion paper on the legislative proposals was widely circulated for public review and the submissions on that paper taken into account in drafting the bill. Following the introduction of the original bill in March, fishing and conservation interests have sought certain modifications to the bill. These relate mainly to more detailed provisions for comanagement by all stakeholders and increased certainty for all current holders of commercial fishing licences during the changeover to the new legislation and in the licensing arrangements under the new act.

The government has responded positively to a number of these proposals so that the intent is outlined in more detail within the legislation itself. At the same time we have ensured that the legislation will improve our capacity to manage the fisheries in a sustainable manner by allowing their management to respond to changing circumstances and knowledge.

Since March, modifications to the legislation have been discussed in detail with representatives of the Victorian Fishing Industry Federation, Victorian Recreational Fishing Peak Body, the Australian Finance Conference, the aquiculture industry and conservation organisations. I am grateful to those people for the considerable amount of time and effort they have devoted to this process. In addition, a series of 10 regional public meetings and 4 meetings with aboriginal communities have been conducted. I will also have it noted for the record the work carried out by departmental people involved in the running of the consultation process. The group was led by Peter Sheehan, Graham Hunter, Tim Harding, Dr Norma Marshall and, prior to her departure, Dr Geraldine Gentle. Those people put a substantial amount of work into getting the legislation into the form it is today.

As a result, significant changes have been made to some of the detailed provisions of the original bill and I am therefore introducing a clean bill instead of moving amendments. I shall now outline the main changes incorporated within the revised bill.

The bill makes explicit provision for the new comanagement arrangements, including the establishment of a Fisheries Comanagement Council and fishery committees. These will comprise people appointed for their experience and knowledge in matters relevant to the management of fisheries. The members of the council are to have between them experience and knowledge in commercial fishing, fish processing, fish marketing, recreational fishing, traditional fishing uses, aquaculture, conservation and fisheries science.

I intend to appoint a selection panel to recommend membership of the council to me. In addition, the bill provides that the minister must consult recognised peak bodies before recommending to the Governor in Council appointments to the Fisheries Comanagement Council.

The bill provides for the recognition by the minister of peak bodies representing commercial fishing interests, recreational fishing interests, conservation interests and aquiculture interests. Financial support for the commercial, recreational and aquicultural peak bodies can be provided through grants made from levies applying to the relevant class of fishing licences.

The involvement of the comanagement bodies in the preparation of fishery management plans has been greatly strengthened. The Fisheries Comanagement

Council will oversee the preparation of management plans and the fishery committees will advise the council on the preparation of the management plans for the fisheries. Guidelines will be issued by the minister specifying, for particular fisheries, any matters that must specifically be addressed in a management plan as well as the procedure and time frame for preparation and consultation. The mandatory scope of management plans has been extended to include the resources needed to implement the plans as well as the identification of critical components of the ecosystem and key ecological, social and economic factors relevant to the management of the fishery.

The bill now provides increased certainty to assist and encourage long-term investment and involvement in the fishing industry. In particular, the bill now defines in further detail the main characteristics of an access licence which will secure for the holder the right to take fish from a specific fishery and a commercial fishing licence which will certify that the holder has the necessary skills to be in charge of a fishing operation. Access licences will normally be transferable.

The revised bill provides for the possible extension of angling licences to marine waters. Such an extension would require the approval of the Governor in Council. This could be given only after the minister has received and endorsed a report from the Fisheries Comanagement Council on a program for the introduction of such licences and the proposed expenditure of the resulting licence fee revenue. Before endorsing the report the minister must consult with the Premier and the Treasurer.

Marine angling licences are supported by the Victorian Recreational Fishing Peak Body, the Victorian Fishing Industry Federation has previously indicated support for it, and most Victorian angling clubs. The bill provides for the Governor in Council to exempt specified classes of persons from the need to hold particular licences.

On advice from the Australian Finance Conference and Australian Bankers Association further security has been provided to prescribed financial interests through improved notification procedures for transfers of licences. In addition provision is made for prescribed financial interests to recover their equity in a boat which has been forfeited to the Crown.

Further attention has been given to the transitional provisions to ensure that in the process of moving

from the current licensing system to the new system current licence holders retain equivalent entitlements. The Australian Taxation Office has confirmed that if the original licence was acquired by the taxpayer before 20 September 1985, the replacement licence or licences will also be taken to have been acquired before that date and there will be no capital gains tax liability on subsequent disposal. Where the original licence was acquired by the taxpayer on or after 20 September 1985, the replacement of that licence with a fresh licence or licences as proposed in the bill has no capital gains tax consequences. However, a capital gain or loss may result on subsequent disposal. The bill also retains the existing fee formula, as defined in section 15(1)(d) of the Fisheries Act 1968, payable for an access licence for abalone.

At the request of the fishing industry, further consideration has been given to the payment of compensation under the new legislation. The bill provides for compensation to the holder of an access licence and the holder of a prescribed financial interest in the licence who suffer financial loss if an access licence is cancelled as a result of the declaration of an adjusting fishery. To retain the flexibility required to ensure that the management of a fishery is undertaken in a sustainable manner, compensation will not otherwise be payable under the act. However, the issuing of new licences will recognise that some current endorsements of licences are more like licences in their own right. The issuing of the new licences will be an opportunity to standardise the manner in which licence endorsements are described.

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons why clause 144 of the bill alters or varies section 85 of that act. Clause 144 provides that it is intended to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the Supreme Court entertaining actions for compensation by the Crown to any person for any loss or damage as a result of the enactment of this act and the repeal of the Fisheries Act 1968.

The reason for preventing the Supreme Court from entertaining such actions is as follows: the Crown intends to reform the law relating to fisheries to achieve the objectives set out in clause 3 of the bill. These reforms are in the long-term interests of the people of Victoria, but some individuals may claim that certain of their interests or rights are affected in the short term. Actions for compensation based on these claims could delay or prevent urgent and

necessary reforms that are intended to benefit the community as a whole, including the commercial fishing and aquaculture industries.

To further assist the effective issue of licences, the bill now provides for the continuation of both the Commercial Fisheries Licensing Panel to provide recommendations on the issue of licences for commercial fishing and the Licensing Appeals Tribunal to review decisions by the Secretary of the Department of Conservation and Natural Resources relating to the renewal, transfer, variation and cancellation of licences.

All the changes I have outlined now provide a bill that gives the fishing industry greater assurance that the new arrangements will allow for more confident investment without disadvantage to current licence holders. The bill heralds a new era in the sustainable management of Victoria's fisheries. It will ensure that stakeholders are involved in setting strategic directions and ensuring that appropriate action is being taken. It will provide greater flexibility for investors in the fishing industry as well as the operators. It will enhance the welfare of fishers and the long-term viability of this important industry.

I commend the bill to the house.

Debate adjourned on motion of Mr HAMILTON (Morwell).

Debate adjourned until Thursday, 26 October.

ZOOLOGICAL PARKS AND GARDENS BILL

Second reading

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

That this bill be now read a second time.

The Melbourne Zoo, the Wildlife Sanctuary at Healesville and the Werribee Open Range Zoo are all institutions of which we can be justly proud. Victorians of all ages and numerous overseas and interstate visitors are attracted every year to our zoos, which house outstanding collections of rare and endangered animals under situations that have been carefully planned to match their natural habitats and to offer them optimal conditions. Our zoos offer the opportunity to better understand the nature of the world in which we live.

Underlying the outstanding educational and tourist facilities offered by the zoos is their scientific purpose of the study and conservation of rare and endangered species. Our zoos play an important role in nurturing species whose survival in the wild may be threatened and in providing centres for research to promote biodiversity.

The legislation that currently governs our zoos dates from 1967. Since that time there have been major changes both in the focus of zoos worldwide and in the expectations which the community has for public institutions of this type. For some time the Zoological Board of Victoria has expressed concerns that its governing legislation does not enable it to meet to its satisfaction the obligations and expectations that it believes the community and government place on it in managing our zoos. I wish to place on record my appreciation of the work which the board has done in the interests of the public. Nevertheless, I agree with its assessment that changes to its powers and its accountability structures are necessary in order to meet the demands of zoo management in the future.

In determining the scope of the legislation comments were sought from the zoo board about inadequacies or deficiencies in the 1967 legislation. Consideration was also given to recent legislative changes to financial management powers and the structure of boards. The principles governing the review have been translated into the objectives of this bill, providing an improved ability for the zoo board to manage the institutions effectively to provide for the enjoyment and education of the public and enabling our zoos to play their part in the worldwide scientific effort to conserve wildlife and its habitats.

The major part of the bill establishes a modern management and accountability structure for the zoo board. In line with this governments commitment to the establishment of skills-based rather than interest-based boards, the board will be appointed from persons considered by the minister to have between them an appropriate blend of skills, with an emphasis on management skills, animal sciences and nature conservation.

The board will be given greater responsibility for the day-to-day management of the zoos, but will operate within a framework of accountability to the minister. The major feature of this accountability will be the preparation of an annual plan which will outline the board's proposed activities for the coming year, provide financial information and set

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performance targets against which the zoos can be judged.

To provide appropriate financial powers for the zoo board it will be brought within the scope of the Borrowing and Investment Powers Act. This will enable the board to exercise appropriate powers to manage its affairs within the ambit of consistent controls applying to similar institutions.

One of the major tasks of the board is to manage the land on which the zoos are situated as well as other land used for associated purposes. In addition the zoo board is asked on occasion to undertake the management of freehold land by agreement with the owner. The bill sets out the manner in which the zoo board must manage the various categories of land which may come under its control. The expertise and dedication of the staff of the zoos is well known. This bill provides for the appointment of a chief executive officer who will be accountable to the board for the day-to-day management of the zoos. The board is given power to employ staff.

The transitional provisions of the bill are of considerable importance in that, while providing an improved structure for the future operations of the zoos, there must be certainty that those things which we value will continue. There is therefore explicit provision for the continuing employment of the existing chief executive officer and staff of the zoos on the same terms and conditions as under the 1967 act. There is also provision for statutory instruments made under the 1967 act to continue in force until amended or revoked.

I am certain that under this new legislation the zoo board will build upon its existing high standards to ensure that our zoos will continue to be institutions in which the entire community can take pride.

I commend the bill to the house.

Debate adjourned on motion of Ms MARPLE (Altona).

Debate adjourned until Thursday, 26 October.

GAS INDUSTRY (EXTENSION OF SUPPLY) BILL

Second reading

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

That this bill be now read a second time.

This bill forms part of the government's commitment to provide the widest practicable extension of natural gas reticulation across the state and its commitment to create a less restrictive and more competitive economic environment for Victoria. The bill will encourage competition in the offering of gas connections to areas in regional Victoria that are currently not serviced by natural gas.

The major purpose of the bill is to amend the Gas Industry Act 1994 to allow Gascor to charge a negotiated tariff in new declared areas of supply. Declared areas will also be open to rival suppliers, and the bill will enable Gascor to compete on equal terms against these other suppliers who are not restricted under the act in the tariffs they can charge to provide gas to unreticulated areas. It is the government's intention that this new provision will apply to extensions of natural gas to regional parts of Victoria. It is not intended to apply to areas contiguous to those currently serviced, as these areas will normally be serviced under ongoing Gascor programs.

Victoria has a higher penetration of gas usage, other than as a fuel for electricity, than any other state in Australia. Approximately 89 per cent of Victorian households have access to gas and some 73 per cent are actually connected to the reticulation system. The corporatisation of the Gas and Fuel Corporation has achieved significant improvements in performance. The Gas and Fuel Corporation has been split into a separate pipeline company, the Gas Transmission Corporation, and a distribution and marketing arm, Gascor, trading as Gas and Fuel. Both have been given charters which are designed to lower costs and facilitate a profitable expansion of sales.

Two factors have impeded the further extension of the gas system. The first is the single price prevailing throughout the state for all domestic gas users, and the second is a legislative monopoly which, except under very specific circumstances, prevents any supplier other than Gascor/Gas and Fuel from providing the service. The present gas reticulation system cannot be augmented profitably, simply because those communities not currently serviced are either too remote from existing pipes or too sparsely populated to justify the expense of connection and supply at the prevailing statewide domestic price.

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As a result, a number of communities in rural Victoria have had little prospect of gaining access to natural gas, which is often the preferred form of power for activities like cooking and central heating. For many consumers, denial of reticulated natural gas means the only alternative to electricity is LPG, which is significantly dearer than natural gas. In addition, the inability of many rural industries to access natural gas means reliance on dearer or less flexible fuels. This disadvantages the competitiveness of remotely located industries. It may deter some industries from locating in rural areas. The upshot means less activity and fewer jobs in country Victoria.

For service businesses such as cafes and hotels the lack of reticulated natural gas also means reliance on higher cost fuels. Many such businesses in country towns are focussed on tourism. In these and other cases, the necessity to use higher cost fuels denies businesses precious dollars in foregone profits.

The new policy on gas extensions will alleviate all those disadvantages. It is designed to operate in such a way that existing serviced areas are quarantined from any price effect. Non-uniform tariffs will be available only for the extension of gas to areas which have been declared. Active support within the local community will be necessary for an area to be declared.

So as to ensure that consumers and rival suppliers have access to adequate information, the government will require that the tariff be itemised to show the cost of supply at the statewide domestic tariff and the premium. This premium will reflect the costs of providing the additional infrastructure and will be spread across all customers: domestic, commercial and industrial.

Several communities in Victoria have indicated through their representatives their wish to be connected to natural gas and to meet the cost of the supply on a competitive commercial basis. In some of these areas, Gascor and other suppliers have been actively researching markets and are seeking the business.

The bill will mean cheaper energy to many rural areas around Victoria. The provision of natural gas can breathe new economic life into areas where communities are disadvantaged by higher priced energy. The bill is an important further step along the path of gas reform in Victoria and in the provision of competitively priced energy to rural communities.

I commend the bill to the house.

Debate adjourned on motion of Mr HAMILTON (Morwell).

Debate adjourned until Thursday, 26 October.

WATER (FURTHER AMENDMENT) BILL

Second reading

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

That this bill be now read a second time.

The proposed bill is a small collection of amendments following up earlier reforms and policy announcements, in particular the July transfer of headwork responsibilities to Goulburn-Murray Water and other rural authorities.

PRICE SETTING BY WATER SERVICE COMMITTEES

The bill will allow prices and tariffs to be set by water authority advisory committees, in the context of the Minister for Natural Resources still having the overriding power not to accept those prices. Scope to delegate price-setting will enable greater customer involvement in the management of irrigation distribution networks. Any delegation is subject to conditions set by the delegating authority, so a committee will have to exercise price-setting powers within a financial framework established by the water authority. Pricing setting by water authority advisory committees is in line with the government's October 1993 policy document *Reforming Victoria's Water Industry*. It is also consistent with the position of the Council of Australian Governments on the devolution of operational responsibility for irrigation schemes.

The former irrigator advisory committees of the Rural Water Commission have evolved over recent years into properly elected water service committees which have significant influence over maintenance programs, operating practices and pricing. The proposed legislation is designed to facilitate the eventual further evolution of these committees into more autonomous customer groups.

SUSTAINABLE RESOURCE MANAGEMENT

The bill also amends the Water Act 1989 to clarify that ground-water management plans can be used to

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ensure the long-term sustainability of ground-water resources. The act at present provides that the object of a ground-water management plan is to make sure that ground-water resources are managed in an equitable manner. However, there may well be other objectives in developing a plan. In Western Port, a prime concern in the management of ground-water is to stop the intrusion of sea water. In the Shepparton area a ground-water management plan is being used to stop the destructive effect of saline ground-water. In the Latrobe Valley, a prime concern is to manage land subsidence caused by dewatering coalmines. This amendment will clarify that ground-water management plans can be used to deal with these and other problems which may threaten the resource.

SALE OF SURPLUS WATER IN GOVERNMENT-OWNED STORAGES

The development of bulk water entitlements has confirmed that, in some storages previously managed by the Rural Water Corporation, there are unallocated parcels of water which are not needed to meet the rights of users. In Merrimu Dam there is a parcel of water of about 2500 megalitres a year which is not needed to meet the primary rights of users. The same situation may arise with other dams formerly held by the Rural Water Corporation like Blue Rock. The bill clarifies that the minister may sell such unallocated water.

AUTHORITIES POWER TO SELL WATER PERMANENTLY TO IRRIGATORS

The bill will allow authorities to transfer their unused bulk entitlements to irrigators permanently. The authority concerned must first demonstrate to the minister that the water is surplus to its obligations to supply water. At present authorities can only make such transfers on a temporary basis.

OTHER ITEMS

There are also some minor items in the bill which include an amendment to clarify the minister's power to appoint a resource manager under a bulk entitlement order. The bill also widens existing provisions of the Water Act so that bulk entitlements can be granted to water in the works of an operating licensee under the Water Industry Act 1994.

The licence provision of the act will also be broadened so that a licence to take and use water can be issued in relation to the works of any

authority as well as to the works of the holder of an operating licence under the Water Industry Act.

Neither of these provisions has the effect of allowing a bulk entitlement or licence to be issued which would erode any entitlement to water held by an authority or operating licensee. The water provided under the new entitlement would need to be brought from elsewhere or to be identified by the authority or the operating licensee as surplus water which it is willing to sell.

I commend the bill to the house.

Debate adjourned on motion of Ms MARPLE (Altona).

Debate adjourned until Thursday, 26 October.

STATE TAXATION (FURTHER AMENDMENT) BILL

Second reading

Mr STOCKDALE (Treasurer) — 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. The bill introduces further amendments to the Business Franchise (Tobacco) Act 1974 to improve the administration and enforcement of the act. In the last two parliamentary sittings, the government has introduced legislative amendments to address weaknesses in this legislation, which have allowed licence-fee avoidance schemes to flourish in Victoria. These schemes were causing considerable loss to Victoria's revenue and greatly damaged the competitive position of those participants in the market who complied with the spirit, as well as the letter of the law.

The government has moved to restrict the illegitimate activities of the perpetrators of the schemes and provide for a more orderly marketplace in the industry with legislative amendments, particularly in the last sitting. In my speech to this house upon the second reading of the Business Franchise (Tobacco) (Amendment) Bill on 24 May 1995 I foreshadowed that further amendments will be introduced in the spring sitting to enhance existing enforcement provisions. These current amendments will further improve the operation of the licensing requirements upon wholesalers and compliance powers. We must

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accept the fact that the tobacco industry has attracted unscrupulous participants who have enjoyed substantial profits from avoidance activities. It would be naive to expect that these persons would not persist in exploiting other loopholes if any become apparent. Further amendments may be required in the future to deal with unforeseen avoidance schemes.

This bill enhances the amendments to the act in the last sitting, primarily through the imposition of certain obligations on persons who transport large quantities of tobacco products. The amendments will require that all persons who transport more than 3500 cigarettes or 5 kilograms of tobacco products to keep records containing particulars of sale and transport of the products. These records must be produced at the request of an authorised inspector with penalties applicable to any person who cannot produce these records, or whose records are false or misleading. Where those records are false or misleading, the vehicle in which the tobacco is being transported may be driven to a police station, where the tobacco can be unloaded and seized. These measures supplement amendments introduced in the autumn sitting and are designed to increase compliance with the act.

The transportation provisions allow seizure of tobacco in certain circumstances, as do other sections of the act. This bill will oblige authorised officers in all cases of seizure to give a written notice to the person from whom the tobacco is being seized informing that person of their rights in relation to the seized tobacco, and what they must do in order to prevent the tobacco products being forfeited to the Crown. The obligation to issue a notice also arises where petroleum products are seized.

A deficiency in the seizure provisions is also addressed by the bill. Currently, section 14(2)(ba) of the act allows an authorised officer to seize products, books, records, documents and accounts without any specific power for those records and documents to be retained by the commissioner for the purposes of copying or taking extracts. The inability to take records away for inspection, or to take copies of them as required, is administratively cumbersome and hinders the effectiveness of the seizure provisions.

Proposed section 14(6) gives the commissioner this power, without ignoring ordinary business considerations, so that a person entitled to inspect the records and documents can do so at any reasonable time while they are in the commissioner's

custody. Those transport and seizure provisions are substantially similar to provisions which already exist in the corresponding act in New South Wales, the Business Franchise Licences (Tobacco) Act 1987.

In conjunction with the transportation provisions, the bill provides for an improved and streamlined process for dealing with forfeiture of tobacco or petroleum products which have been seized. Previously, the forfeiture of seized products depended on the commissioner being satisfied by a statutory declaration that the person from whom the products were seized had applied for a licence under the business franchise acts or was going to apply within three months, or that the products were to be sold interstate. If the commissioner was not satisfied, the products were forfeited to the Crown three months after taking of possession and the forfeiture was notified in the *Government Gazette*. The compulsory licensing scheme for tobacco wholesaling has led to a need to change the forfeiture process. Under the proposed section 15B, the person from whom tobacco or petroleum products are seized has 30 days to demonstrate to the commissioner that the products were owned by a licence-holder or were going interstate for sale. Where transportation of tobacco is involved, the person may also show that the tobacco was en route to a tobacco licence-holder. Failing these requirements, the products are forfeited and the commissioner can dispose of them as he or she sees fit.

The government does not embrace increased regulation upon business lightly. However, the bill has the support of the tobacco industry and will further restrict present avoidance activities through closer scrutiny of transportation of large quantities of tobacco. These amendments supplement the new licensing regime and that is further evidence of the government's ongoing commitment to thwarting the activities of unscrupulous traders whose behaviour is damaging to the industry as a whole.

The secrecy provision in the Business Franchise (Tobacco) Act 1974 has also been further amended to allow the commissioner to divulge information to officers of the Australian Customs Service. This will improve the ability of the commissioner to cooperate with customs to combat international franchise fee avoidance schemes.

The bill amends the Financial Institutions Duty Act 1982 to rationalise the financial institutions duty payable by brokers. Because of the nature of their business and the complexity of the legislation, it has

been difficult for brokers to ascertain their liability to financial institutions duty. Technical faults in the legislation have made it impossible to secure consistent payment of financial institutions duty, resulting in compliance problems for brokers. This bill introduces amendments which will address that problem by replacing the current regime by imposing financial institutions duty upon brokers' receipts. These receipts will be calculated in accordance with the return which the brokers are already required to make to the Australian Securities Exchange, thereby minimising any additional administrative burden. These amendments are a practical example of the government's commitment to securing compliance with a taxing act in consultation with the industry affected and reducing red tape wherever possible. The amendments are also consistent with New South Wales legislation which commenced on 1 January 1995.

An amendment to the Financial Institutions Duty Act 1982 to deal with an anomaly in the treatment of receipts in the nature of a short-term dealing is introduced by this bill. Section 11A provides an exemption from duty for term deposits reinvested with a financial institution at the expiration of the term. This bill proposes to give section 11A its intended effect to ensure that it does not apply to term deposit reinvestments where the reinvested amount was a short-term dealing. Another minor technical defect in the Financial Institutions Duty Act is remedied by this bill.

The bill also removes the potential for an anomalous outcome regarding past collections of financial institutions duty following a recent amendment to the act. Since the act commenced, duty has been collected upon credits to bank accounts held in Victoria which were deposited by the account holder outside Victoria. While these amounts were paid in good faith on what was the generally accepted intention of the act, more recently doubt has been cast as to whether duty was payable upon these receipts. An amendment to the act which took effect on 21 August 1995 ensured that these receipts were dutiable. This bill now deems any duty paid in respect of these credits before 21 August 1995 to have been validly paid under the act.

The bill makes a number of technical amendments to the Land Tax Act 1958 to streamline and modernise administration of the act. This bill deems a land value for the purposes of special land tax based on the unimproved value for general land tax purposes rather than requiring a special valuation to be undertaken at the time of levying the special land

tax. This amendment simplifies the administration of the Land Tax Act.

An amendment which enables the Commissioner of State Revenue to delegate to all relevant employees under the Land Tax Act ensures the practical operation of the act and takes account of changes that the government has introduced to the staffing of the public sector.

A potential anomaly addressed by this bill is the provision of the Land Tax Act which provides that lands held by a mortgagee in possession will be taxed as if they were still held by a mortgagor for three years after the mortgagee takes possession. An ambiguity in the present provision suggests that the provision could be applied to assess land where a mortgagee is in possession as if the land were held by the mortgagor for as long as possession by the mortgagee continues. This bill amends the provision to give the act its intended effect.

The bill also introduces an anti-avoidance provision to limit the ability to apportion land tax between the lessor and lessee where a landlord is disadvantaged by the terms of a lease. Section 42 of the Land Tax Act was intended to cover old-style long-term leases where a peppercorn rent is being received for valuable central business district property. Today virtually all modern leases impose rental at market rates, and therefore section 42 should not have wide application. This bill limits the application of section 42 to leases entered into before 30 December 1978.

The bill will also impose additional tax at the rate of 20 per cent per annum where an amended assessment has increased the amount of land tax payable and the tax remains unpaid for more than 14 days after it becomes due and payable.

In the budget I announced a modification to the capping arrangements by which land tax is capped to a maximum increase or decrease of 40 per cent from the tax that would have been payable on the same land-holdings in 1993. The bill fulfils the government's commitment to remove the lower cap and thereby reduce the burden of tax upon those landowners whose holdings have fallen in value in recent years.

This bill also amends the Pay-roll Tax Act 1971 to impose payroll tax on accrued leave paid on termination of employment. Payroll tax is levied in respect of accrued leave payments in Western Australia, South Australia, the ACT and New South Wales, and this amendment will make Victoria's

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legislation consistent with those jurisdictions. However, this amendment will levy payroll tax only on leave which accrues after 1 January 1996 and which is paid on the termination of employment. Additionally, the bill repeals section 9A(1D) of the Pay-roll Tax Act 1971 to remove an anomaly in the grouping provisions which prevent businesses owned by the same person from being grouped with other businesses in which that person has a controlling interest.

The bill also makes various amendments to the Stamps Act 1958. The bill creates a new scheme for imposing stamp duty on the principal trade of stockbrokers and futures members. Brokers will no longer enjoy the 10-day duty free period in respect of the sale and purchase of marketable securities which they buy or sell on their own account. Brokers will be required to pay stamp duty at a concessional rate on trade on their own account where that trade is completed within three months. For example, if a broker purchases securities on his or her own account, stamp duty will be paid at the concessional rate if they are on-sold within three months. These amendments will have a positive effect on the trade in securities by assisting Victorian brokers to deal in larger parcels of securities trade with institutional investors. The amendments reflect recent amendments made to the stamp duty legislation in New South Wales.

The Stamps (Further Amendment) Act 1995 reduced the rates of stamp duty payable on marketable securities to follow the reduction in rates in Queensland. On 29 May 1995, I announced that Victoria would insert additional provisions to ensure that in the future transactions in shares in Victorian companies or in units in Victorian unit trusts would pay the equivalent of Victorian stamp duty. This bill fulfils that commitment by introducing amendments to protect Victorian revenue from further reductions in the rate of stamp duty on the transfer of marketable securities in other jurisdictions. A new subdivision is inserted into the Stamps Act 1958 which imposes Victorian duty on sales or purchases of marketable securities (in Victorian companies or unit trusts) where the order was lodged with a broker in a jurisdiction which has either no duty or a lower rate of duty on the transfer of marketable securities.

The bill also remedies minor defects and makes a minor technical amendment to the provisions related to betting books and betting tickets in the Stamps Act 1958.

The bill makes minor amendments to the Probate Duty Act 1962 and the Gift Duty Act 1971 as a consequence of the Probate (Taxation Appeals) Regulations 1985 and the Gift Duty (Taxation Appeals) Regulations 1985 sunsetting at the end of this year. The amendments provide that the prescribed time within which the Administrative Appeals Tribunal may reopen a matter and review an assessment within six weeks after the date on which it confirmed the assessment.

I commend the bill to the house.

Debate adjourned on motion of Mr BATCHELOR (Thomastown).

Debate adjourned until Thursday, 26 October.

The SPEAKER — Order! The time appointed for debate on bills has expired.

APPROPRIATION (PARLIAMENT 1995-96, No. 1) BILL

Second reading

Debate resumed from earlier this day; motion of Mr STOCKDALE (Treasurer).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

APPROPRIATION (1995-96, No. 1) BILL

Second reading

Debate resumed from earlier this day; motion of Mr STOCKDALE (Treasurer).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr GUDE (Minister for Industry and Employment).

ADJOURNMENT

Mr GUDE (Minister for Industry and Employment) — I move:

That the house do now adjourn.

Introduction agencies

Mr MILDENHALL (Footscray) — I direct to the attention of the Minister for Fair Trading the regulation of introduction agencies. A report that was completed 12 months ago by the Office of Fair Trading in response to the rapidly expanding level of complaints about operators in the introduction agency industry found that many complaints were substantiated by the observation that the industry had been infiltrated by a large number of well-known shonks and charlatans.

Despite the failure of the self-regulation efforts some 10 years ago and the comments made by experienced operators such as Yvonne Allen and Associates and other reputable firms, the government opted for a self-regulation model in one of its classic hands-off anything-goes approach to the industry. It opted for a voluntary code of practice. One year down the track it has been reported that only 30 per cent of the firms that ought to be caught in the net have subscribed to the voluntary code of conduct, and they are the ones that the code of conduct did not need to capture because they are the more reputable and reliable firms. The shonks and fly-by-night merchants have escaped again!

I direct to the attention of the minister an article in the *Sunday Age* which referred to Carlo Calabrese, who lost \$80 000 to two of these Dodgy Brothers-type firms when trying to find a life partner for himself. He lost his redundancy package from the SEC. There was no protection for him and the only course for him was to involve the police force. No protection was provided by any consumer affairs regulation. One of the firms he was caught by went into liquidation and the police are after the other. They are firms that any form of regulation should have picked up.

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

Barmah Primary School

Mr MAUGHAN (Rodney) — I raise for the attention of the Minister responsible for Aboriginal

Affairs the purchase of a piece of land which adjoins the Barmah Primary School and which is currently owned by the Government Employee Housing Authority.

The land was once the site of the Barmah Primary School schoolhouse. The house, which was condemned many years ago, has since been removed. The land was declared surplus to Department of Education requirements and put up for sale by GEHA. Although the land was duly advertised and tenders called, no tenders were received.

Barmah Primary School is a lovely little school in the electorate I represent which has 23 students, most of whom are Kooris. Rob Tinkler, who is a very enlightened teacher, has done a marvellous job at the school. It is a focal point of the community and of the recreation needs of primary school children in Barmah. Its great playground equipment and excellent facilities are a credit not only to the principal and students, but to the school community generally.

The Shire of Moira has contacted me urgently, saying it wants to add the land in question to the school property so it can provide recreational facilities for children in the Barmah area. His Excellency the Governor recently visited the school and was most impressed with the programs he saw being run there. He spent a good deal of time speaking with the head teacher and the students, and declared his very strong support for the school's desire to acquire the surplus land.

I raise the matter with the Minister responsible for Aboriginal Affairs because I have already spoken with his department and suggested that because most of the children concerned are Kooris it has a real interest in at least helping with the purchase of this piece of land.

I am ask the minister to give his sympathetic consideration to enabling the land adjoining the primary school to be obtained for the use of the Barmah community, and particularly for the young children in that community.

Port Phillip Bay: professional fishing

Mr CARLI (Coburg) — The issue I raise for the attention of the Minister for Natural Resources concerns professional fish netting and scallop dredging in Port Phillip Bay. A number of amateur fishermen from the Coburg area use the bay and I

was recently approached by one of them about scallop dredging in particular.

My constituent and his father, who have been fishing in the bay for between 30 and 40 years, say the number of fish caught, particularly snapper and whiting, has declined over that period. They recall in the months of October and November in the 1960s, 1970s and 1980s catching large snapper of between 5 and 6 kilograms, but say catches of that size no longer exist.

My constituent believes the problem is caused by the increase in scallop dredging and also by the use of professional netting, which removes smaller fish. The concern is that there are no alternative methods and there is a need for greater control over those two forms of fishing in the bay.

Mr McArthur — On a point of order, Mr Speaker, this matter is pertinent to item no. 6 on the notice paper, the Fisheries Bill (No. 2), which will be debated later in this session. The bill contains regulatory and legislative provisions for the control of both commercial and recreational fishing in all Victorians waters, including Port Phillip Bay. I wonder whether the honourable member opposite is anticipating the debate.

The SPEAKER — Order! I am of the view that the bill is so wide that the honourable member is not asking for legislation. I believe he is in order — and he has 1 minute to go.

Mr CARLI — The issue is whether there can't be greater controls over licences for scallop dredging and professional netting or whether those activities in the bay could be phased out to allow the fish population to increase and the ecosystem to improve, as well as repairing the damage that has been done, particularly by scallop dredging, to the reefs and the sea floor.

The letter from my constituent also suggests the possibility of increasing the fees paid by amateur fishermen to help pay for some compensation, which is a major issue. There is a need to find a balance among the various demands on Port Phillip Bay.

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

Food: price increases

Mr ROWE (Cranbourne) — I raise for the attention of the Minister for Fair Trading a matter of serious concern to people in my electorate, particularly pensioners and those on welfare benefits. Scarcely a week goes by without constituents coming to my office or contacting me by telephone to relate the economic difficulties they face in trying to survive on their pensions. We all know it is hard and that some pensioners manage better than others.

I was struck by one particular caller who came to my office to complain about increases in the price of food in particular. His particular complaint was that whenever pensions go up so does the price of food. One could be cynical and suggest that the supermarkets and other food retailers use the fact that our pensioners receive regular pension increases to raise prices.

As it happens, unlike a lot of other members — and, I should think, to the delight of Senator Crowley — I actually do the family shopping on a regular basis, for two reasons. One is that my wife works; and the other is that it allows me to maintain a feel for what is happening to the prices of the basic foods the people in my electorate purchase, such as milk, bread, butter and eggs.

The other day I actually found the dairy cabinet, where I decided I had better check some old shopping dockets. I found that in June the price of a 250-gram block of Gippsland Gold butter was 82 cents; two months later, the same product cost 85 cents; and last weekend it hit 90 cents, a rise of 10 per cent in two stages over 4 months. Western Star butter, which I used to buy, cost about the same price; now a 250-gram block costs more than \$1.

Mr Coleman — What did you buy?

Mr ROWE — I ended up buying the Gippsland Gold. Another constituent, Mrs Beryl Osborne, a feisty 84-year-old former member of the National Party and a constant adviser, raised her concerns about the price of meat.

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

Buses: Mill Park

Mr ANDRIANOPOULOS (Mill Park) — The matter I raise today is for the attention of the

Minister for Public Transport. The house is well aware that today was a very big occasion in the Mill Park electorate in that, finally, the extension of the Bundoora tramline reached the very edge of the Mill Park electorate. The house is also aware of the minister's fraudulent claims on behalf of this government in having achieved the completion of that project when in fact it was the federal government — —

The SPEAKER — Order! The honourable member may not use the vehicle of the adjournment debate to criticise various people, including the federal government and the minister. The honourable member must have something in mind to ask the minister for some particular action to amend or solve a problem.

Mr ANDRIANOPOULOS — I certainly intend to do that, Mr Speaker. In no way can one be critical of the federal government because, as I said, it provided the \$17 million for the project to proceed. It is a pity this government chose to siphon off \$5 million into other projects, which meant today a half-completed project was opened by the minister.

Nevertheless, the matter I wish to take up is his claim during question time today of improved bus services in conjunction with the expected bus line, which again is a fraudulent claim because the minister, to use his own words, has restructured the bus services in Mill Park.

The SPEAKER — Order! The Chair is still having some difficulty with the matter raised by the honourable member for Mill Park. If he continues in this vein I will no longer hear him.

Mr ANDRIANOPOULOS — The point I am trying to make is that if the minister is fair dinkum about being willing to provide improved bus services in Mill Park, let him demonstrate that by providing some additional service in the fast-growing suburbs in and around Mill Park, not merely a restructuring of existing bus lines and to use the bus routes he himself mentioned this afternoon, 563, 564 and 566, by merely taking them around a different block of the neighbourhood from the previous service. Let him come forward with some new money for some new bus services — —

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

National Crime Authority Act

Mr HAERMMEYER (Yan Yean) — I ask the Minister for Police and Emergency Services to investigate allegations made today by the Minister for Industry and Employment relating to a Ms Julia Gillard and a purported investigation by the National Crime Authority and the Victoria Police into circumstances surrounding her.

If the National Crime Authority is in fact investigating any purported act on the part of Julia Gillard or anybody else raised by the minister this afternoon, the minister himself is potentially an accessory to a breach of the National Crime Authority Act 1994, which forbids any member of the authority from making a record of any information or divulging or communicating to any person any information. If the minister is in possession of such information, he is an accessory to such a breach, and I think the house needs to find out the full circumstances of that because we are talking here about a criminal offence.

The SPEAKER — Order! The honourable member may not use the adjournment debate as a vehicle to attack a minister or any other member of the house. He has to ask for some specific action in respect to government administration.

Mr HAERMMEYER — I have asked the Minister for Police and Emergency Services to investigate the allegations made by the minister and how these relate to the National Crime Authority Act 1994, because if the minister is simply indulging in gutter politics, which I note from a copy of the *Age* — —

The SPEAKER — Order! If the honourable member wishes to attack or criticise the minister, he must do so by substantive motion. He will have to modify his words and his method of approaching the issue.

Mr HAERMMEYER — I was simply about to quote from an article in the *Age* of 20 November 1991. Mr Michael Roux told the Supreme Court that Mr Gude had told him:

If more of his colleagues in the Parliament got down to the gutter — in gutter politics — they might be in power now.

The SPEAKER — Order! If the honourable member continues in that vein, I will no longer hear him. He may conclude the matter he is raising with

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the minister as it refers to the minister's administration.

Mr HAERMEYER — He then proceeded to defame a Mr Ian and Mrs Pearl Rogers, saying it was just politics.

Keilor Lodge and Robinson estates

Mr SEITZ (Keilor) — I raise a matter for the attention of the Minister for Education. I have listened to the debate on the budget and heard government members boasting about how much money is being spent on schools in their electorates.

In my electorate the Keilor Lodge and Robinson estates are both in a fast-growth area. They are both in Taylors Lakes but are divided by the Keilor-Melton Road. If the Minister for Education has so much money, perhaps he can give consideration to purchasing land and establishing more schools in the area. I have received numerous petitions from concerned parents. The establishment of education facilities on the estates is warranted. Also, crossing the Keilor-Melton Road is far too dangerous, especially for the mums and dads who have to walk their children across the road to Taylors Lakes Primary School, which is crowded with portable buildings.

I urge the Minister for Education to start earnestly planning further educational facilities for the Keilor Lodge and Robinson estates. That area is one of the fastest growing wedges in the Keilor-Melton corridor. Bearing in mind the comments of government members about the money being spent on educational facilities in government seats, I urge the minister to consider my request, because I am concerned that fatalities will occur if young children have to continue crossing that road to get to school. Mums pushing prams try to ensure their children reach the crowded Taylors Lakes Primary School safely. Other parents have to organise lifts or drive their children themselves to the Calder Rise Primary School and other Keilor primary schools because there is insufficient room in Taylors Lakes. Educational facilities are of serious concern to the people in my electorate.

Responses

Mr COLEMAN (Minister for Natural Resources) — The honourable member for Coburg asked about netting and scallop fishing in Port Phillip Bay. As the honourable member for Monbulk said, in two weeks an opportunity will be available for the honourable member for Coburg to contribute to the second-reading debate on the Fisheries Bill (No. 2) which was introduced today.

About 127 fishing licences and 84 commercial fishing licences are on issue for Port Phillip Bay; the holders of those licences are permitted to fish in the bay. Scallops have been fished in the bay since 1963. That history suggests that in the early stage of the fishery the fishing extended over a longer time with many more boats involved. There has been some rationalisation of the industry. The issue raised is one which obviously will be dealt with by the proposed Fisheries Comanagement Council, the subject of the Fisheries Bill (No. 2). That bill will provide a direction for the future.

The honourable member for Rodney referred to a former school site next to the Barmah Primary School. He asked whether the Governor of Victoria still maintains an interest in that site. That site was the subject of a presentation to the Governor in Council last Tuesday and, at the request of the Governor, the site was withdrawn from the process. The Governor has a continuing involvement in that site, and through his office I am sure an attempt will be made to ensure that what the honourable member for Rodney seeks comes to pass.

The honourable members for Footscray, Cranbourne, Mill Park, Yan Yean and Keilor raised matters for the attention of the Attorney-General and the ministers for fair trading, public transport, police and emergency services, and education respectively. I will ensure that each minister provides a response on each matter raised.

Motion agreed to.

**House adjourned 4.27 p.m. until
Tuesday, 24 October.**