Tuesday, 4 May 1999

The SPEAKER (Hon. S. J. Plowman) took the chair at 2.05 p.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

Police: strength

Mr BRACKS (Leader of the Opposition) — I refer the Premier to the promise he made when he came to office to increase police strength by more than 1000 to a total of 11 000, and to the fact that by October this year police numbers will be down to 9420. Given that voters will not see an additional police officer on the streets before the election, why should his current promise of an extra 400 police be any more believable than the previous promise which he broke?

Mr KENNETT (Premier) — I thank the Leader of the Opposition for his question — I have heard his bleatings on the radio over the past couple of days. The Leader of the Opposition has been arguing for more police, yet when he gets them he says it is all an election stunt! The only people talking about an election are the Leader of the Opposition and some members of the media. Over the past 24 hours the Leader of the Opposition has continued to do as his predecessor did — speak before he thinks. Clearly he has no knowledge of the sorts of things that will make a difference between the former Leader of the Opposition and the current one.

As I have been explaining in the house for the past few weeks, the review process associated with a budget starts in November. It is a detailed review, and it takes time to look at the different bids coming in from various departments and community members. The government will assess what can be afforded with the surplus in any one year on the basis that it will be an ongoing position that the government can continue to fund. As has been announced, the government is able to provide an extra 400 police officers over the next two years. That will build on the approximately 400 who will be trained as a result of natural attrition in the Victoria Police Force, which will take the Victoria Police Academy to full capacity of approximately 610.

An honourable member interjected.

Mr KENNETT — The opposition has learnt nothing. Opposition members continue to whinge and moan. This is obviously an issue in which the government takes a great deal of pride. Victorians will continue to be well served by their police force. As part of the review the government asked the Chief Commissioner of Police whether he needed more police. Mr Comrie indicated that he needed between 350 and 400 extra police officers. Therefore in the budget the government has made provision to meet the higher number rather than the lower number. The advertising for the vacancies will begin almost immediately and the police academy will be running at full capacity for the next two years. Victorians will appreciate this initiative that will ensure Victoria remains the safest state in Australia in which to live.

Public transport: disability access

Mr FINN (Tullamarine) — Will the Minister for Transport inform the house whether a decision has been made by the Australian Transport Council on standards for accessible public transport?

Mr COOPER (Minister for Transport) — Last Friday the Australian Transport Council (ATC), which is a council of federal, state and territory ministers, met in Adelaide. I am pleased to be able to inform the house that although the question of standards for disabled access to public transport has been a matter of considerable debate for a long time, on Friday the draft standards were finally adopted, which will ensure that public transport becomes accessible to all Australians.

I am particularly pleased to be able to advise the house that Victoria took the lead on this issue and persuaded the majority of transport ministers from around the nation that the timetable for compliance with the standards should not be watered down. Victoria had the backing of Western Australia, South Australia, Queensland and the Australian Capital Territory in supporting the standards, which require 90 per cent of bus fleets to be accessible within 15 years and trains and trams to be accessible within 20 years.

Regrettably, New South Wales and Tasmania, two states with Labor governments, took the unrealistic view — and one with little morality — that they would support the standards only if the commonwealth provided the funding. They did that while other states and territories are getting on with the job and complying with the standards. I would certainly be interested to know, as I am sure all members on this side of the house would be, whether the stance of New South Wales and Tasmania is supported by their counterparts in Victoria. That stance pays only lip service to the needs of disabled communities.

The Labor Party needs to realise that accessibility to public transport is of vital importance because currently some 18 per cent of the Victorian population, or approximately 843 000 Victorians, have disability

problems that restrict their access, including access to public transport, in virtually every part of their waking day.

The Kennett government is certainly committed to ensuring that public transport is accessible. As I have advised the house before, it has taken significant steps in ensuring Victorian buses, trains and trams comply with the federal Disability Discrimination Act.

At its meeting last Friday the ATC adopted the standards recommended by the regulatory impact statement prepared a number of years ago. It also acknowledged that if a state or territory needs an exemption, it can apply for it through the Human Rights and Equal Opportunity Commission. Victoria has embarked on that path in regard to its tram services and the commission has accepted its exemption submission. That will see Victoria beginning its tram replacement program in 2002.

Between 2002 and 2004, 90 new low-floor trams will replace the current fleet of Z1 and Z2-class trams. The low-floor trams will provide a smoother ride than the Z-class trams and will be accessible to all passengers. The remainder of the modern-style tram fleet will be replaced with low-floor vehicles as specified in the government's action plan for 21st century accessibility. The plan also specifies the action the government is taking on the train and tram systems.

Last week's ATC decision ensured national acceptance of standards to which Victoria is already committed and to which it is already working.

I hope the opposition in this Parliament will do everything it can to encourage its counterparts in Tasmania and New South Wales to get on with the job rather than whingeing and seeking federal funding to carry out programs that all other states and territories in the commonwealth are already undertaking.

Police: strength

Mr BRACKS (Leader of the Opposition) — I refer the Premier to his promise to increase police numbers by 400 at a cost of $20 million in recurrent expenditure, or $50 000 per officer in future years. Given that, based on the Productivity Commission's analysis, the full cost of employing an additional officer is approximately $85 000, will the Premier admit that his government has hopelessly underfunded his promise of 400 extra police and provided sufficient ongoing funds for only 235 extra police in Victoria?

Mr KENNETT (Premier) — This is why this option of an alternative Premier is just so unrealistic! The Leader of the Opposition cannot claim that extra numbers are needed and then when they are delivered start whingeing again because he has no positive contribution to make whatsoever. The people who listen to him speaking on the radio get the feeling that it is just a continuation of the Cain-like speak, similar to that of the former Leader of the Opposition. Both the former leader and the current Leader of the Opposition are just locked into a world of total indifference.

Mr Bracks interjected.

The SPEAKER — Order! The Leader of the Opposition has asked his question.

Mr Bracks interjected.

Mr KENNETT — This is why you are really good — you make a fool of yourself!

I think in his question the Leader of the Opposition talked about a cost of $20 million for these police.

Mr Bracks interjected.

Mr KENNETT — Pardon? What was that?

Mr Thwaites interjected.

Mr KENNETT — Dear, oh dear!

The SPEAKER — Order! If the Deputy Leader of the Opposition wishes to ask the next question I shall give him the call, but I ask him not to do so by interjection, which simply invites a longer answer.

Mr KENNETT — Just for clarification, I think the Leader of the Opposition talked about a figure of $20 million; is that correct?

Mr Bracks — Yes.

Mr KENNETT — For what?

Mr Bracks interjected.

The SPEAKER — Order!

Mr KENNETT — In the first year the government will provide $11.9 million, and in the second year it will provide $21.8 million. That alone, on my reckoning, comes to some $34 million, or something like that. In the third year, after the training is complete, the officers will be able to work through the initiatives that the government has put in place — not only in terms of the $170 million that it provided last year for new information technology but also the initiative it put in place this year which will provide every police car

with mobile telephones, giving them the opportunity to record their information.

I make the point that the Labor Party had all the opportunities in 10 years in government to do something about police numbers. After 10 years in office the number of operational police finished up lower than it is today. The ALP neglected to provide the police with capital equipment — by that I mean police stations and so on — and it also failed to provide information technology. The police and the police commissioner in Victoria do a wonderful job for the community. The government will continue to work with them to make sure Victoria's position as the safest state in Australia is not only maintained but improved.

Mr Haermeyer interjected.

Mr KENNETT — Dear, oh dear — poor old Yan Yean!

I am sure the public of Victoria appreciate this government giving a measured and responsible response rather than having an opposition that continually bays about the provision of manpower, which is not asked for by police command but by the police union. We have experienced this before. There is nothing different about this Labor Party from the Labor Party under Cain and Kirner. That is partly because — —

The SPEAKER — Order! The Premier is now debating the question. He was asked a specific question about figures and I ask him to return to the question.

Mr KENNETT — As the opposition makes demands for more police and expenditure it reinforces in people's minds that the Labor Party cannot be trusted and that it will continually give in to the sectional interest groups. That was exactly the philosophy of previous Labor governments.

The police in this state are well provided for. Policing is the only area that has never seen a cut in the budget since this government was elected in 1992. Every other area has had to make sure it contributed to getting this state back on its feet, and the extent to which that has been successfully achieved will be outlined by the Treasurer later today.

Rural Victoria: population

Mr JENKINS (Ballarat West) — Will the Minister for Planning and Local Government inform the house of recent changes for towns in rural areas in Victoria?

The SPEAKER — Order! That is an extraordinarily broad question. The minister should have regard to keeping his answer narrow and within the 4-minute limit.

Mr MACLELLAN (Minister for Planning and Local Government) — I am confident I can deal with the issue in less than 4 minutes. The Department of Infrastructure has prepared a publication entitled *Towns in Time*, which examines 362 towns abutting rural areas of Victoria. The publication goes back over a 15-year period and looks at changes to the structure of the towns between 1981 and 1996.

Some general themes arise from the publication. In particular, development has been pronounced in the Surf Coast Shire, the Shire of Bass Coast and the Bellarine Peninsula area near Geelong; and as properties have been amalgamated strongly growing dry-land farming areas have had less success in retaining population, although some spectacular examples of strong population increases have occurred in areas such as Warrnambool, Mildura and Horsham.

The overall result is reinforced by the fact that for the first time in 20 years — a period during which both Labor and Liberal governments were in power — in 1998 Victoria gained 1210 people from other states. In the worst years of the Labor recession Victoria exported upwards of 20 000 people through interstate migration — upwards of 20 000 people a year left this state to go to other states because they could not get the opportunities in this state that they deserved and needed. For the first time in 20 years that has been reversed — by the government — and it provides great hope for additional population levels in both rural and metropolitan Victoria.

City Link: tolls

Mr McLELLAN (Frankston East) — I refer the Premier to the advertised City Link tolls, particularly regarding utilities. I draw to his attention that Holden and Falcon utilities will be charged at the same rates as private passenger vehicles, but that a Nissan 720 ute and the later Nissan Navara ute, which are lighter and the payload of which is a quarter of a tonne lighter, will be charged at commercial rates. Will the Premier take the matter up with Transurban to ensure equity for all utility owners?

Mr Batchelor interjected.

Mr KENNETT (Premier) — I congratulate the member on his question. It is a very good question and, as the honourable member for Thomastown said, is much too technical for me. The honourable member is

quite right. He beats me on his knowledge of vehicles and their carrying capacities. I can only suggest that he ask his question directly of Transurban because ultimately it will solely decide both the tolls and the way they are applied. I do not have that information, and I am not aware of the differentials between vehicles.

Women: housing assistance

Mrs SHARDEY (Caulfield) — Will the Minister for Housing inform the house of initiatives the government is implementing to assist women who are in urgent need of housing assistance?

Mrs HENDERSON (Minister for Housing) — It is a great pleasure to be able to announce a major initiative to assist women who have urgent housing needs. As honourable members would know, Victoria has a number of shelters and crisis accommodation for men, such as the former Gill Memorial Home, which is now the Flagstaff Crisis Accommodation, Ozanam House and Hanover House, and it is clear there is a need for a similar facility for women.

I am pleased to advise that this government has contributed $1.4 million to purchase a crisis accommodation facility for homeless single women, with a special emphasis on women aged over 25 who have high needs, who may be facing difficult struggles with drug and alcohol abuse, who are suffering with mental illness or who may be suffering from recurring homelessness. A property has been purchased in inner Melbourne. It has 12 one-bedroom units and 1 two-bedroom unit. It is a magnificent facility that will do a great job in assisting women who are facing difficulties. The initiative demonstrates how well the Department of Human Services is working. It is what we call real integration between programs. I am delighted that the Minister for Youth and Community Services has been able to contribute the funds to provide support for the facility.

I am also pleased to announce that to further assist Victorian women the government has contributed $250 000 to an important Salvation Army centre in Geelong. The funds will go towards the redevelopment of the Kyewong Women's Hostel. The government also provides funding for 46 domestic violence centres, and for a statewide women's housing service, which particularly targets young and marginalised women to ensure that they have access to transitional housing.

This major initiative for Victoria builds on the high priority the government gives to women's services and tackling homelessness in Victoria.

Police: stations

Mr BRACKS (Leader of the Opposition) — I refer the Premier to his promise of 400 extra police based on a submission made by the Chief Commissioner of Police. Will this new promise ensure the survival of the 47 police stations that have already been shut down or are earmarked for closure?

Mr KENNETT (Premier) — As I have said previously, the way in which the police both use their budget and ultimately determine their operations is determined by the police force. Only two weeks ago the Leader of the Opposition actually said in this place that he would not interfere with the Chief Commissioner in the exercising of his work. I certainly do not intend to.

Mr Bracks interjected.

Mr KENNETT — Oh, here we go again. He is my candidate, and we have to treat him lightly because he has a lot to learn. Let me just say again that the Leader of the Opposition has to make a decision about whether he will interfere in the administration of the police force. The government has said now and will say in the future that the operational considerations of the police force are determined by the Chief Commissioner and police command. It is not up to politicians to be artificially interfering simply for electoral purposes. It is quite obvious based on the question asked by its new leader that the Labor Party, if it were given the opportunity, would be prepared to interfere. If that is the case, the involvement of politicians in the operational work of the police force is most undesirable and puts at risk the purity and the reputation of the force, which is better than any other police force in Australia.

Over the past few years a number of police stations — I am not quite sure of the number, but I think it is 29 — have been built or are in the process of being built. Continual change occurs as new facilities are provided to meet new demands in new areas to bring about better-resourced police stations. Ongoing changes occur in the provision of government services to meet demands. Woe the day that the Leader of the Opposition ever forms a government if he and the honourable member for Yan Yean commence directing police command on the use of its resources. That is what the question of the Leader of the Opposition said today. The Labor Party is on about interference in the police force. That is untenable and something other states are endeavouring to weed out. As I said, the police force is well resourced. As with education, when the government came to power a backlog of maintenance and provision existed in the police force.

The government will continue to provide the resources to enable the police to meet the needs of the community.

Child protection services: family conferencing

Mr PHILLIPS (Eltham) — Will the Minister for Youth and Community Services inform the house of the results of introducing family group conferencing into Victoria's child protection system?

Dr NAPTHINE (Minister for Youth and Community Services) — I thank the honourable member for Eltham for his question and the honourable member for Broadmeadows for his endorsement of family group conferencing as a good policy.

An honourable member interjected.

Dr NAPTHINE — An honourable member opposite says it is Labor Party policy. However, it was implemented by the Kennett government in 1996. Some of the evaluations — —

An honourable member interjected.

Dr NAPTHINE — I welcome the bipartisan approach to child protection services. The government continues to look for new ways of improving child protection services to improve the health and welfare of Victorian children, particularly those at risk. The family group conferencing concept uses family and extended family members and the expertise of child protection officers under the leadership of a family group conferencing convenor to provide better case planning for children at risk. Families are more committed to the decision-making process when they are involved.

When negotiations take place between the family, the child protection services and the convenor a much better outcome is achieved with less likelihood of children being removed from their families. Families put in their own support structures and systems that can assist the direct parents or extended families to support children and ensure that they are given every opportunity to grow and develop, continue their education and be provided with a safe and caring environment.

As I said, family group conferencing was introduced in 1996 across the state. Recently I launched an evaluation report by Monash University on family group conferencing. The report encompasses the two and a half years in which family group conferencing has been in operation. Several families, various child protection services and convenors were interviewed. The report seeks to bring together some of the issues concerning family group conferencing. It points out that although family group conferencing has positive and beneficial effects, in many cases it is not necessarily the method to take with all child protection cases.

In some bottom-line issues child protection officers must take firm and decisive action to protect children at risk. In other cases family group conferencing is a positive and constructive way of involving families and extended families in producing a case plan to provide better outcomes for the children.

The report highlights the effectiveness of family group conferencing as part of the government's child protection service system and identifies ways of making further improvements. Family group conferencing is a component of the government's efforts to continually improve the quality of child protection services, whether it be with the high-risk infant program or the high-risk adolescent program, to ensure that the state's child protection system is the best in Australia if not the world.

I thank the people involved in family group conferencing because good results have been delivered for the children involved. Family group conferencing will continue to be a part of Victoria's child protection service and will be used where appropriate to provide benefits to children at risk.

Hospitals: staffing

Mr THWAITES (Albert Park) — I refer the Treasurer to his promise in last year's budget to provide 1000 extra health workers. Given that 600 jobs are to be cut from the Department of Human Services and this year the Austin hospital has been forced to cut more than 100 staff and the North Western Health Care Network has had to cut more than 200 staff, will the Treasurer admit that last year's promise of extra health staff was nothing more than a cruel hoax?

Mr STOCKDALE (Treasurer) — The first issue I dealt with as a member of Parliament in 1985 was when the then Labor government closed the former Brighton Community Hospital. These days honourable members opposite do not recall that.

Mr Thwaites interjected.

Mr STOCKDALE — You cannot say he preserves the political image when he pretends to be angry. It doesn't look right!

Last year the Department of Human Services budget received the largest funding increase in the state's history. Throughout the whole of the government's

term of office the costs of funding growth and demand, new initiatives, new technology in public hospitals and meeting the costs of the shift in demand — —

Mr Thwaites interjected.

The SPEAKER — Order! Throughout question time the Deputy Leader of the Opposition has asked questions across the table by interjection. During the budget debate he will have the opportunity to examine the issue at length. I ask him to hold his supplementary questions until that time or he may have the call for the next question.

Mr STOCKDALE — You probably noticed when I sat down that I actually sat on this year's budget — it is a very comfortable budget.

An opposition member interjected.

Mr STOCKDALE — Oh, an angry honourable member. Just look at him — he could not even pretend to be angry for 5 seconds. I take it as a great compliment that the Labor Party has seen the budget under embargo, and no doubt that accounts for all the happy smiles we see on the other side right now.

An opposition member interjected.

Mr STOCKDALE — There is another angry member. Tweedledee, Tweedledum and Tweedledumber — they are all angry.

Last year Victoria received the biggest increase in its history in funding for the Department of Human Services. Meeting cost increases and giving the health system the capacity to treat more patients has been the highest priority of the Kennett government and that has been reflected right through its term of office. The government has committed $1 billion — —

Mr Thwaites — On a point of order, Mr Speaker, the Treasurer is debating the question. He was asked specifically in relation to extra staff that he claimed would be put into the hospital system — none of whom exist.

The SPEAKER — Order! I do not uphold the point of order.

Mr STOCKDALE — The Kennett government is extremely proud of the effort being put in by the nurses and other staff of Victoria's hospitals — they have improved the standards of clinical care and they are treating hundreds of thousands more patients than they were in 1991–92. It has met the costs associated with changing technology, population shifts and the decline in private health insurance. The networks are doing a superb job and they have the resources to deliver first-class health care to Victorians.

Forest industry: initiatives

Mr A. F. PLOWMAN (Benambra) — Will the Minister for Agriculture and Resources inform the house of progress to realise the potential of private forestry in Victoria and advise the house of the incentives being offered to land-holders to achieve that goal?

Mr McNAMARA (Minister for Agriculture and Resources) — It is worth noting the tremendous improvement in plantation forestry in Victoria since the government launched the private forestry strategy to develop private forestry. I am happy to announce that the government is making available grants totalling some $250 000 to enable farmers who wish to develop plantation forestry to get agronomic advice and employ consultants to develop sound financial strategies to get plantations in place.

There has been an astronomic growth in planting in the short period of a couple of years in which the program has been running. Three years ago only 2000 hectares of plantation forestry was going in per annum. The figure is now 10 000 hectares per annum. On any measure a 500 per cent increase would be seen as evidence that the strategy is working successfully. The government is endeavouring to encourage farmers to use for plantation forestry areas of agricultural land that it would have been better not to have cleared and thereby provide real benefits to the environment by reducing dry land salinity and incidence of run-off of nutrients into waterways and streams.

I pay tribute to certain honourable members who have been involved in the program, not the least of whom is the honourable member for Benambra, who has been a great advocate of it. The honourable members for Gippsland East and Gippsland South have also been involved and the honourable member for Polwarth is a great advocate of plantation forestry. The honourable member for Warrnambool has been very busy planting trees, and the Minister for Youth and Community Services is one of the strongest government advocates for the promotion of plantation forestry. I could name many other individuals, but most represent electorates in Victoria's high-rainfall belt.

Once the program has been completed $6 billion per year in wealth will be generated from plantation forestry. To put it in perspective, the total value of food exports from Victoria in 1992 was $2 billion. That has

since more than doubled and the government plans to increase the figure to $12 billion. When the 20-20 vision situation is achieved the program in question will return an additional $6 billion to Victoria's rural communities. It will provide real investment in regional Victoria and 10 000 new real jobs. All that will be possible only because of the strategic approach and sound planning by the government and the good support of local communities.

I encourage all opposition members to support the government as strongly as they can on this positive initiative for rural Victoria.

Schools: information technology

Ms DELAHUNTY (Northcote) — I refer the Minister for Education to his commitment in the last budget to provide funding for computers in schools through a formula of $1 in government contributions for every $3 raised by schools. Although school communities nobly and through a great deal of hard work raised $41.2 million for computers last year, the government coughed up only $6.7 million.

Why has the government short-changed schools by $3.6 million and when will it stop cheating on its budget commitments to our children's education?

Mr GUDE (Minister for Education) — I thank the honourable member for her question because it gives me an opportunity to again inform the house of the Kennett government's marvellous record in introducing learning technologies into our schools.

When the previous government went out of office the ratio of computers to students — worn out, neglected and hopeless computers that were not integrated into the school curriculum — was 1 to 16. I am pleased to say that today that ratio is 1 to 6. The government has a clear commitment to achieving a ratio of 1 to 5 by June 2000, a commitment it will more than meet.

The honourable member for Northcote referred to the $1-for-$3 funding arrangement between schools and the government, and she is correct. The government does not resile from that at all. But she failed to point out to the house that each and every opportunity for making contributions has been oversubscribed by the schools concerned. I have on a number of occasions been pleased to extend the government's contributions to meet the requirements they have created.

As was pointed out by way of interjection from this side of the house during the honourable member's question, the vast bulk of the funds from those schools comes from money provided by the Kennett government. They are the funds paid year by year into the schools' global budgets.

At the end of 1990–91 school bank accounts held about $80 million. As evidence of the increase in funds paid to schools, at the end of 1997 those accounts held more than $250 million. The increase came not from funds raised in the local community, as the opposition would assert, but from funds that were allocated by the government to the schools, which the schools have used prudently to resource things such as information technology. It is all very well to have computers, but you need to have them wired up. Again, the government has made a clear commitment in that area.

We are pleased to see the way in which net days have been applied, whereby funds are provided through the information technology industry working in conjunction with schools. Companies have wired up thousands and thousands of school classrooms at no cost to the schools.

In the context of providing information technology and computers in our schools, I recall referring in the house to a program under which the industry provides computers to schools as they trade up to new models and as the government departments upgrade their information technology. As a consequence of that Kennett government initiative thousands of computers have been provided to our schools at no cost.

Members on this side of the house take great pride in our achievements to date. The government is recognised as a leader in the important area of providing information technology to schools, not just in Australia but around the world — and we are recognised as a world leader by all the important players in the industry.

Schools: overseas students

Mr WELLS (Wantirna) — I ask the Minister for Education to advise the house of any progress in the government's program to attract overseas fee-paying students into government schools.

Mr GUDE (Minister for Education) — I thank the honourable member for Wantirna for his question and for his ongoing interest not only in fee-paying overseas students but particularly in schools within his electorate. He is one of the hard-working local members and does a tremendous job in his schools, as do all members on this side of the house.

Unfortunately I frequently have to visit schools in the western and northern suburbs just so they can see a member of Parliament. I was in the electorate of

Footscray only last week, for example, doing just that on behalf of the absent honourable member for Footscray.

In 1995 the government made a commitment to increasing the enrolment of fee-paying overseas students. The pilot program, which involved 33 government secondary schools, began in October of that year with a modest enrolment of 12 fee-paying students. The target for 1998 was 500 students. I am pleased to inform the house that that target was surpassed: the enrolment grew to 753, including 406 new enrolments. This year's target was 800, and 826 overseas students have been enrolled, with more enrolments expected during the course of the year.

We have over 300 more overseas fee-paying students than any other government school system in the country. It is projected that this year the Office of Schools will receive more than $6.3 million from overseas students. That is in addition to the $8.3 million the department has received since the program commenced.

Due to the economic problems in Asia, during 1998 the number of student visas issued to secondary students across Australia fell by 12.3 per cent. At the time the government decided not to increase the fees charged to those students in recognition of the economic difficulties those Asian countries faced.

The decision has been a rewarding one for the state. Victoria has gone against the national trend because the number of students in those areas has continued to grow. The fact that those students are being sent to government schools and paying school fees that are comparable to private school fees is a clear indication that we are offering them an education system that is recognised as world class, particularly throughout the Asian community. Victoria's school curriculum and the technology programs that I referred to in a previous answer are also recognised as world class.

The government has spent around $1000 million on school facilities over the past four years — and they, too, are also recognised as world class. Most importantly, Victorian teachers are among the world's best, and their performance has been fantastic. Some 115 secondary schools and 79 primary schools are taking part in the fee-paying program, and I applaud the work being carried out in those schools. The increasing number of students coming into Victoria's schools is fantastic because it reflects the multicultural nature of our society and adds great value to an already outstanding school system.

PETITIONS

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

Fishing industry: professional netters

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

The humble petition of the undersigned recreational fisherpersons and citizens of the state of Victoria sheweth our concern for professional netters overfishing areas of Corio Bay and outer harbour including Stingray Bay, Curlewis Bank and Bellarine Bank. Also associated safety features which include recreation fisherpersons gaining access and egress of the aforementioned locations whilst professional netters are in operation and other associated safety factors.

Your petitioners therefore pray that the state government acknowledges our concerns and takes action to address the situation immediately.

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

By Mr SPRY (Bellarine) (849 signatures)

Gippsland Lakes

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

The petition of the undersigned citizens of Victoria regarding the Gippsland Lakes blue-green algae —

1. We draw to the attention of the honourable members our great concern at the current state of the water systems comprising the Gippsland Lakes where the present out-of-control growth of the blue-green algae throughout all of the lakes is, in our opinion, a major ecological disaster. The stench from rotting algae is now so powerful and all-pervasive in many areas that it is akin to living in an abattoirs. Its effect on surrounding areas is of great concern.

2. Because the Gippsland Lakes are part of our national and international heritage and have a well-recognised recreational potential its marine environment must be of great concern to all citizens in the state of Victoria.

3. Tourism to this area will be adversely affected if this modern-day escalation of blue-green algae is allowed to thrive unchecked because of the possible effect of a number of factors such as weather, water flow through the lakes, damming of rivers, rivers carrying farm chemicals into the lakes, local effluent inflow, together with any other unnamed agents. What we now see and experience is a totally unpleasant environment in this vast lakes area comprising a significant part of the south-east of this state. This coastal lakes system needs our immediate and expert attention to implement short and very long-term management plans to combat this and similar problems that can afflict this type of fragile marine environment.

4. We do not believe that this present problem is the responsibility of any individual but that a combination of events over many years involving residents, farmers, local authorities and government may have created a set of

circumstances that now needs urgent remedial attention. The important fact is that the blue-green algae is there in monstrous proportions and needs to be dealt with on a crisis basis before that marine environment is irrevocably damaged.

Your petitioners therefore request that the state government's Legislative Assembly take immediate steps to:

1. Control and manage the effects of the current Gippsland Lakes' blue-green algae disaster in order to lessen the present impact on residents and tourists.

2. Immediate implementation of scientific investigations into all possible causes of the explosive growth of the blue-green algae including weather patterns, water flow or lack of it through the lakes, the effects of the damming of rivers that flow into the lakes system, the carrying of farm chemicals by the river systems or other means into the lakes, local effluent inflow, together with any other unnamed agents.

3. Based on the findings enact appropriate legislation, regulations together with finance and manpower to ensure that a manageable solution will be able to be implemented in the short and long term to provide ongoing protection for the Gippsland Lakes environment.

We petitioners prayerfully request your consideration and appropriate action.

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

By Mr BRUMBY (Broadmeadows) (11 signatures) and Mrs ELLIOTT (Mooroolbark) (8 signatures)

Home loan schemes

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

The humble petition of the following residents of the state of Victoria sheweth state government-sponsored home loan schemes under the flawed new lending instrument called capital indexed loans sold since 1984–85 under the subheadings: Capil, deferred interest scheme (DIS), indexed repayment loan (IRL), home opportunity loan scheme (HOLS), shared home opportunity scheme (SHOS), are not fit for the purpose for which they were intended.

We the undersigned believe these loans are unconscionable and illegal and have severely disadvantaged the low-income-bracket Victorians the loans were meant to assist.

Your petitioners therefore pray that:

1. the existing loans be recalculated from day one in a way as to give borrowers the loans they were promised 'affordable home loans specially structured to suit your purse';

2. the home ownership be achieved within 25 to 30 years from date of approval;

3. the payments to be set at an affordable level (i.e. 20–25 per cent of income for the duration of the term for all the loan types;

4. past borrowers who have left the schemes be compensated for losses that have been incurred by them being in these faulty structured loans;

5. any further government home ownership schemes be offered in a way as to be easily understood by prospective loan recipients;

6. the interest rate will be at an affordable rate (i.e. flat rate of 3 per cent per annum or less for the length of the term of the loan) geared to income;

7. capital indexed loans be made illegal in this state to protect prospective loan recipients;

We ever pray that we may lead a quiet and peaceable life in all godliness and honesty (1 Tim 2:2).

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

By Mrs WILSON (Dandenong North) (90 signatures)

Racial discrimination

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

The humble petition of the citizens of the state of Victoria sheweth:

Racial abuse and discrimination is prevalent throughout Victoria. Such discrimination strikes at the very fabric of our society. As instance we cite the ongoing campaign of racial vilification, death threats and attempts on life directed against Captain Frank and Elisabeth Staberhofer of Captain's Lodge International Motel and VIP Restaurant.

Your petitioners therefore pray that the government immediately launch an investigation in relation to occurrences of racial abuse and vilification generally and in respect of Captain Frank and Elisabeth Staberhofer particularly. This inquiry must focus on the effectiveness of such avenues of recourse as are open to victims of racial discrimination. It must also focus to halt the abuse immediately, to exonerate the parties concerned and to compensate them for their hideous suffering.

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

By Mr HAMILTON (Morwell) (646 signatures)

Cemeteries and crematoria

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 all existing and future Victorian cemeteries and crematoria will be publicly owned.

That management of Victorian cemeteries and crematoria remain under the control of the Victorian government.

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

By Ms CAMPBELL (Pascoe Vale) (9 signatures)

Laid on table.

Ordered that petition presented by honourable member for Morwell be considered next day on motion of Mr HAMILTON (Morwell).

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 4

Mr RYAN (Gippsland South) presented *Alert Digest* No. 4 of 1999 on:

Dental Practice Bill
Fair Trading Bill
Fair Trading (Inspectors Powers and Other Amendments) Bill
Finance Sector Reform (Victoria) Bill
Guardianship and Administration (Amendment) Bill
Land (Reservations and Other Matters) Bill
Local Government (Melbourne City Council Rates) Bill
Magistrates' Court (Amendment) Bill
Marine (Amendment) Bill
Mental Health (Amendment) Bill
New Tax System Price Exploitation Code (Victoria) Bill
Police Regulation and Firearms (Amendment) Bill
Rural Finance (Amendment) Bill
Shrine of Remembrance (Amendment) Bill
Stamps (Amendment) Bill
State Trustees (State Owned Company)(Amendment) Bill
Surveillance Devices Bill
The Constitution Act Amendment (Amendment) Bill
Water Acts (Amendment) Bill
Year 2000 Information Disclosure Bill

together with appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Bendigo Regional Institute of TAFE — Report for the year 1998

Box Hill Institute of TAFE — Report for the year 1998

Central Gippsland Institute of TAFE — Report for the year 1998 (two papers)

Chisholm Institute of TAFE — Report for the year 1998

Council of Adult Education — Report for the year 1998

Crown Land (Reserves) Act 1978 — Section 17DA Order granting under 17D a lease by the Historic Buildings Management Committee in the City of Geelong

East Gippsland Institute of TAFE — Report for the year 1998

Gordon Institute of TAFE — Report for the year 1998

Goulburn Ovens Institute of TAFE — Report for the year 1998

Holmesglen Institute of TAFE — Report for the year 1998

Hospitals Superannuation Board — Report for the period 1 July 1998 to 31 December 1998

Kangan Batman Institute of TAFE — Report for the year 1998

Medical Practitioners Board (incorporating the Report of the Intern Training Accreditation Committee) — Report for the year ended 30 September 1998

Melbourne City Link Act 1995 — Order pursuant to section 8(4) increasing the Project Area

Melbourne Institute of Textiles — Report for the year 1998

Northern Melbourne Institute of TAFE — Report for the year 1998

Planning and Environment Act 1987 —

Notice of approval of the following new Warrnambool Planning Scheme

Notices of approval of amendments to the following Planning Schemes:

All Victorian Planning Schemes — No. S74

Baimsdale (City) Planning Scheme — No. L45

Berwick Planning Scheme — No. L143

Boroondara Planning Scheme — No. L51

Brimbank Planning Scheme — No. L65

Corangamite Planning Scheme — No. L12

Glen Eira Planning Scheme — No. L25

Greater Bendigo Planning Scheme — No. L86

Knox Planning Scheme — No. L182

Macedon Ranges Planning Scheme — No. L25

Monash Planning Scheme — No. L55

Phillip Island Planning Scheme — No. L77

Sherbrooke Planning Scheme — No. L137

Whitehorse Planning Scheme — No. L46

Wodonga Rural City Planning Scheme — No. L23

South West Institute of TAFE — Report for the year 1998 (two papers)

Statutory Rules under the following Acts:

House Contracts Guarantee Act 1987 — S.R. No. 41

Physiotherapists Registration Act 1998 — S.R. No. 43

Tobacco Act 1987 — S.R. No. 42

Subordinate Legislation Act 1994 — Minister's exemption certificates in relation to Statutory Rule Nos. 42, 43

Sunraysia Institute of TAFE — Report for the year 1998

William Angliss Institute of TAFE — Report for the year 1998 (two papers)

Wodonga Institute of TAFE — Report for the year 1998

The following proclamations fixing operative dates were laid upon the Table by the Clerk pursuant to an Order of the House dated 17 February 1998:

Electricity Industry Acts (Amendment) Act 1998 — Sections 5, 7, 8, 9, 10, 11, 12, 13(1), 22, 27, 28, 29 and 30 on 3 May 1999 *(Gazette No. G17, 29 April 1999).*

Electricity Safety Act 1998 — The remaining provisions of Part 3; Parts 4 and 5; Part 6 (except section 70(4)); Part 9; section 128; Division 1 of Part 12; sections 152, 153, 154, 155, 156, 160, 161 and 163(1)(d); and Schedule 1 on 3 May 1999 *(Gazette No. G17, 29 April 1999).*

Rail Corporations (Amendment) Act 1997 — Remaining provisions (except sections 4, 36 and 37) on 29 April 1999 *(Gazette No. G17, 29 April 1999).*

Rail Corporations (Amendment) Act 1998 — Section 10 on 29 April 1999 *(Gazette No. G17, 29 April 1999).*

Rail Corporations (Further Amendment) Act 1998 — Part 2 (except section 6); sections 20, 21, 23, 24, 34, 35, 37, 38 and 39; and the remaining provisions of Part 4 (except section 48) on 29 April 1999 *(Gazette No. G17, 29 April 1999).*

State Taxation (Further Amendment) Act 1998 — Sections 22 and 23 on 1 May 1999 *(Gazette No. G16, 22 April 1999).*

ROYAL ASSENT

Message read advising royal assent on 28 April to:

Barley Marketing (Amendment) Bill
Environment Protection (Amendment) Bill
Statute Law Revision (Repeals) Bill
Tattersall Consultations (Amendment) Bill
Transport Accident (Further Amendment) Bill
Transport Acts (Further Amendment) Bill

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

Dental Practice Bill
Financial Sector Reform (Victoria) Bill
Land (Reservations and Other Matters) Bill
Mental Health (Amendment) Bill
New Tax System Price Exploitation Code (Victoria) Bill
Police Regulation and Firearms (Amendment) Bill
Stamps (Amendment) Bill

APPROPRIATION (1999/2000) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 1999–2000.

Estimates ordered to lie on table.

Introduction and first reading

Mr STOCKDALE (Treasurer) — I move:

That I have leave to bring in a bill for the appropriation of certain sums out of the consolidated fund in respect of the financial year 1999–2000 and for other purposes.

Mr BATCHELOR (Thomastown) — I wish to speak on this motion in order to make a number of procedural points.

The SPEAKER — Order! I hope the honourable member for Thomastown is not making a frivolous point at this stage of the house's deliberations.

Mr BATCHELOR — No, Mr Speaker. Before the Chair is a procedural motion that is a lead-up to the second-reading speech on the bill, which in essence is the delivery of the budget. In order for there to be a smooth processing of the budget through the house and for the Leader of the Opposition to respond there is a need for not only an understanding of the standing

orders but also for cooperation between the government and the opposition. I wish to report that there has been obstruction and obfuscation by the Treasurer of the traditional pre-budget arrangements. Traditionally arrangements have been made for the budget papers to be provided to the opposition on an embargoed basis by midday on budget day. The Treasurer referred to the embargoed nature of the delivery of budget papers in question time today. However, it did not happen because today the budget papers arrived more than an hour late.

The SPEAKER — Order! At this stage the honourable member can raise only an issue under standing orders. He can raise an issue such as this in the debate on the budget, and can complain about the way the opposition was treated at that stage if he so wishes. It is not appropriate to raise the issue at this time.

Motion agreed to.

Read first time.

Mr STOCKDALE (Treasurer) — I move:

That the bill be printed and, by leave, be read a second time forthwith.

Mr BATCHELOR (Thomastown) — Speaking to that motion, Mr Speaker — —

The SPEAKER — Order! The honourable member can speak on the question of whether the bill should now be read a second time.

Mr BATCHELOR — I am speaking on the motion before the Chair. I am not taking a point of order. I seek to use my right to speak on the motion to put the opposition's concerns at the way the preparation of the bill has been handled by the Treasurer. Under standing orders 128 and 169 the opposition is entitled to debate these procedural motions. The standing orders are there to enable such an opportunity to be provided. The difficulty is that once cooperation breaks down it is difficult for the budget debate process to proceed. It is not satisfactory for the traditional arrangements, which provide a time frame for making the budget papers available to the opposition on an embargoed basis, to be delayed.

In that context the opposition is using the forms of the house to place on the public record that today the Treasurer threw out the window the traditional forms and procedures which should be used and which in the past have been used by Treasurers to make the budget available. Perhaps the Treasurer is preoccupied with other things. Perhaps his mind is elsewhere. Given that it will be his last budget, perhaps he is thinking about — —

Honourable members interjecting.

The SPEAKER — Order! The debate is very narrow — that is, as to why the bill should not be read forthwith.

Mr BATCHELOR — It is narrow and I accept the constraints that are imposed on me. However, the opposition is entitled to use the forms of the house. The last point I wish to make before allowing the smooth passage of the budget to proceed is that during this period of deliberate delay the opposition attempted to contact the Treasurer's office through the office of the Leader of the House and through the parliamentary secretary to try to get the matter resolved. All this was despite the fact that boxes of budget papers were in Parliament House well before 12 noon; they were in the papers office and could and should have been made available to the opposition. It does not bode well if this is the way the government wishes to treat the budget process.

The opposition is using the opportunities that are provided through this procedural motion to place on record its displeasure. The Treasurer should respect the traditional forms and arrangements. The opposition hopes that during the debate he will conform to the understandings and conventions that should be applied.

Mr STOCKDALE (Treasurer) (*By leave*) — As usual the opposition cannot let an issue lie on the basis of its merit; it has to exaggerate its point. My recollection is that I wrote the standard letter to the opposition to indicate that an embargoed copy of the budget papers, or several embargoed copies, would be delivered at 12.30. I take this stunt at this stage as a great compliment as to how great the budget is — that a diversion — —

Honourable members interjecting.

Mr STOCKDALE — I understand from my staff that the delivery of the budget papers was late today, and I apologise for that. There is a great deal to do on budget day and a large number of arrangements must be made. That is not my explanation — that is the explanation that successive Labor Treasurers gave me as shadow Treasurer for the invariable failure of the Labor government to come anywhere near the 12.30 p.m. delivery time. If my memory serves me correctly, under the Labor government the tradition was that we received the budget papers well after 1 o'clock — well into the lunch period. I remember frequently asking my staff an hour after the budget

papers were due whether anybody had managed to raise the Treasurer's office — and nobody had. At least today opposition members were able to speak to my staff and establish what was happening.

I regret that the papers were not delivered at the time the letter indicated they would be delivered. However, if there has been any tradition in recent times, I am in a very good position to attest to it. I have been shadow Treasurer or Treasurer for almost 15 years and the tradition under the Labor government was that the budget papers arrived late, not at 12.30.

Motion agreed to.

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

Introduction

This is the eighth budget presented since the election of the Kennett government in 1992.

It represents an important turning point.

It is a budget which marks the end of Victoria's era of Labor-induced austerity, and focuses squarely on the opportunities of the future.

It comes at a time when Victorians are enjoying the best economic conditions in generations and can look forward to an even better century ahead.

We have experienced a sustained economic expansion, with the Victorian economy growing by nearly one-fifth since 1992. We are now the fastest growing economy in Australia.

Melbourne has its lowest inflation since 1962.

Private business investment has more than doubled since 1992 and is higher in real terms than ever before in Victoria's history.

Employment has reached record levels.

And for the first time since the statistics were first recorded in 1971, net interstate migration to Victoria is positive: more people are coming to Victoria than leaving.

There is a sense of optimism in the Victorian community, extending right throughout our suburbs, regional centres and country towns:

retail turnover in Victoria is growing by 11 per cent a year — the highest of any state;

consumer confidence in Melbourne is above the national average;

non-residential construction in rural and regional Victoria is growing at 13 per cent a year;

Victorian small businesses are more positive about their present conditions than their counterparts in any other state; and

new car sales are rising strongly in Victoria, above the national trend.

These unprecedented economic conditions are not the product of chance.

They are outcomes of the economic strategy of the Kennett government and, in particular, of three key elements of this government's policy:

(i) the restoration of confidence, through strong leadership, and consistency of policy, which has created a climate of certainty for businesses and households;

(ii) a comprehensive program of reductions in household and business costs, including taxes, Workcover premiums, port charges, local government rates, and prices for electricity, gas and water; and

(iii) reforms which have created a more efficient, flexible economy, more able to compete globally and attract new investment and jobs to Victoria.

After six and a half years of often difficult reforms, Victorians are now able to enjoy the benefits of a strong, adaptive economy and a more dynamic society. The partnership between the government and the Victorian community since 1992 has delivered the best economic conditions in generations.

However, a strong economy is not an end in itself. It is a foundation which allows us to make real and lasting improvements to the wellbeing of our community.

The challenge is to ensure that our economic achievements translate into tangible improvements in people's lives, now and in the future.

Meeting that challenge is the central theme of this budget.

Government policy is no longer focused simply on a financial rescue plan.

No longer are we seeking to overcome the economic crisis which we inherited from the Cain and Kirner Labor governments. Accordingly, the period of austerity that Victorians had to endure is now clearly behind us.

This is a budget based on our own vision for the future.

This is a budget for a new, progressive and exciting millennium.

It reflects a vision for Victoria based on four key principles:

(i) locking in the gains we have made over the last six and a half years and building on them;

(ii) positioning Victoria to capitalise on the exciting growth potential which the 21st century will bring;

(iii) ensuring that all Victorians are given an opportunity to share in that growth — a principle we refer to as social advantage; and

(iv) maintaining and improving the policies and programs which are already enriching Victorians' quality of life.

The new initiatives in today's budget are all aimed at furthering that vision: creating a vibrant and opportunity-rich society, and providing all Victorians with the prospect of greater social and economic fulfilment.

Responsible financial management

The Kennett government has always given top priority to planning for Victoria's future.

Even in the darkest days of late 1992, when Victoria's debt was $32 billion, and rocketing interest costs were squeezing out the state's capacity to maintain services to people, the Kennett government came to power holding the firm belief that with strong leadership and a clear strategy, Victoria could secure a brighter future.

It was the Kennett government which envisaged a day when our economy would be the strongest in Australia, our debt dramatically reduced, our AAA credit rating restored and our capacity to deliver essential services stronger than ever.

Today, after six and a half years of the Kennett government, that vision has become a reality.

Our net debt has fallen from $32 billion in 1992 to $6.1 billion today: a reduction of over $25 billion, giving us the lowest level of state debt since the 1970s.

Our AAA credit rating has been restored.

Our interest bill on public debt has been reduced by over $800 million every year in net terms — that is, even after allowing for the expected revenue forgone from privatised businesses, which has provided the additional resources to deliver better services and lower taxes.

The lesson from this experience is clear: policies based on a practical long-term strategy will ultimately deliver results.

The new initiatives announced today are real and sustainable precisely because they are based on a framework of responsible management.

There is no contradiction between responsible, careful management and first-rate services — a better life for people.

That framework of responsible management is continued by this budget, which delivers an operating surplus of $129 million and a modest, sustainable cash surplus of $67 million, after the government's new initiatives are taken into account. Those new initiatives represent the maximum which could be afforded in keeping with a sustainable budget surplus.

It has always been the policy of the Kennett government that benefits would be returned to the Victorian community through tax cuts and new spending, as we earned them.

In 1999 we take another step, delivering the benefits of our long-term strategy, and preparing for a new millennium with initiatives which invest heavily in Victoria's future.

Key initiatives in the 1999–2000 budget

The key initiatives in this budget which will build on Victoria's strengths and position us for the future include these:

major new funding for science, engineering and technology;

50 000 additional apprenticeships and traineeships;

new capital investment, and enhanced information technology in Victorian schools;

another significant funding boost for public hospitals;

400 extra police over two years;

reduced payroll tax;

major new investment in road and transport infrastructure, including the upgrade of the Geelong Road and the extension of the Eastern Freeway; and

new investments in Victoria's cultural assets, including a new development package for the Victorian film industry.

An Honourable Member — Hear, hear!

Mr STOCKDALE — Hear, hear! It is the only way I can get my initiative in here!

Investing in Victoria's future

Science, engineering and technology (SET)

In the knowledge-based economy of the 21st century, one of the key drivers of Victoria's economic performance will be our capacity to develop new ideas, and ultimately, to realise those ideas as commercial opportunities.

This will be achieved only if we are able and prepared to invest in innovation, research and development.

In 1997, the Premier established a science, engineering and technology taskforce, co-chaired by Professor Adrienne Clark, Lieutenant-Governor of Victoria, and comprised of academic and industry leaders, to advise government on improving our use of technology, our engineering capability and our scientific research effort.

In today's budget, the government makes a very significant financial commitment to achieving those goals.

This budget provides new funding for science, engineering and technology initiatives, investing $310 million over the next five years, targeted at programs which:

contribute to Victoria's skills base in science, engineering and technology;

promote priority industry sectors and technologies; and

generate significant net benefits for Victoria.

Wherever possible, the aim of the program will be to leverage increased private sector involvement in innovation and scientific advance.

These initiatives will provide maximum benefit where the government, business and other research institutes work in partnership.

And in all cases, the government's overriding priority will be to convert the outcomes of scientific advance into increased economic activity, new jobs and lifestyle benefits for all Victorians.

In this budget year, $35 million will be provided to new programs including:

$12.4 million to boost agricultural research, some $6 million of which will be committed to specific programs which have already been approved and which contribute to the government's long-term target of achieving $12 billion in food exports from Victoria by the year 2010;

$1 million to fund magnetic resonance technology for research into brain structure;

$8 million to expand science, engineering and technology education in schools;

$5 million to support promising research ideas in their earliest stages, through a technology incubator program; and

$1 million for development of programs to improve Victoria's skills base in telecommunications, information technology and multimedia.

These initiatives are, by their very nature, long-term investments in new ideas and new technological applications.

The new century will belong to those people who harness science, engineering and technology to create economic and social advantage. Creating jobs, and improving quality of life in the future requires that we invest now in science and technology, and then convert that investment into tangible lifestyle benefits.

Investment in scientific research and technological advance has important human outcomes, offering people an increased opportunity to enjoy a more healthy, secure and fulfilling life.

That investment will allow us to work smarter and compete internationally, enrich peoples' lives through enhanced access to the world's storehouse of information, news and entertainment and the whole world's cultural and other social assets. New technology will encourage closer communication with friends, relatives and other contacts around the globe.

To seize these opportunities, Victoria must make significant investment now in generating the creative culture which will make us a leader in scientific and technological innovation, and a centre for engineering excellence.

This is not just a vision. It is a major investment in a plan for a better life for every Victorian. That better life depends on the investment that we now deliver.

Delivering government services

Better government services are vital to our ability to position Victoria for growth in the next century, and to ensure that the benefits of that growth are available to all Victorians.

Improving government services is also the most tangible means by which the community can benefit from the government's responsible management over the past six and a half years.

This budget builds on the service delivery improvements of recent years, focussing on four priority areas: education, health, law and order and transport.

Since 1992, we have achieved massive improvements in the efficiency with which government services are delivered. Victorians are now getting more for every dollar invested in hospitals, schools and the police force than they did in 1992.

In addition, it must be emphasised that in health, education and law and order, the government now spends substantially more — after taking account of inflation — than was spent under the Labor government in 1991–92.

Spending on education rises by a further 6 per cent in this budget.

We now spend 12 per cent more on education, allowing for inflation, than was spent in 1991–92.

Spending on health and welfare rises by another 4 per cent in this budget.

We now spend 24 per cent more on health and welfare, allowing for inflation, than was spent in 1991–92.

Police funding rises by a further 4 per cent in this budget.

We now spend an estimated 21 per cent more on police, allowing for inflation, than was spent in 1991–92.

All of these increases have been made possible because of the stark reduction in the interest paid on public debt. In 1991–92, 13 per cent of government spending went to pay the interest on our public debt. In 1999–2000, only 3 per cent of the budget will be spent on interest payments.

In addition, major reforms to improve public transport services are being delivered and the government is undertaking record levels of investment in roads.

Education

There is no more important investment in our future than the quality of the education we provide to our children.

A quality education system is also fundamental to ensuring that the economic opportunities of the new millennium are available to all Victorians.

This budget commits $107 million to build new schools and improve existing schools.

As a result of that commitment, in the year 2000, the government will exceed our 1996 election pledge to spend $1 billion on capital works in Victorian schools over four years.

In addition, $40 million has been allocated this year to deal with the scandalous school maintenance backlog inherited from the previous Labor government. It was estimated that in 1992 it would require $670 million —

An honourable member interjected.

Mr STOCKDALE — Scandalous? I am glad you agree it was scandalous; it certainly seemed to me to be scandalous. You write scandalous in your copy for me, then.

It was estimated that in 1992 it would require $670 million to eliminate that backlog. With the successive funding injections made by this government, the backlog has been reduced to $190 million this year.

The government has also invested heavily in computers and information technology, facilitating, in last year's budget, the purchase of extra computers for our schools, bringing the computer-to-student ratio down to 1:6 — the best ratio of any state in Australia. This was complemented by the purchase of 37 500 notebook computers for teachers, 15 000 of which have already been delivered.

This budget builds on that investment, with $104 million over four years to provide IT technical support to schools, thus maximising the effectiveness of

the investment in new computers which this government has already made, and directly creating 250 jobs in the IT industry.

Fifty thousand additional apprentices and trainees will be trained in our TAFE system over the next four years, with a $94 million funding commitment, complemented by a $23 million capital investment in upgrading our TAFE colleges.

These new initiatives will build on Victoria's high-quality education system, which has already delivered high retention rates, high levels of parental satisfaction, increased computer-to-student ratios, better literacy and numeracy skills and the highest employer satisfaction with vocational education of any state in Australia.

Human services

The government's commitment to improving the quality of services provided to the Victorian community extends to the health system and, in particular, to our public hospitals.

All state governments in Australia face the challenges brought about by an ageing population, low levels of private health insurance in the face of increased demand, and the cost of new technology.

The doctors, nurses and other staff in our public hospitals continue to provide an outstanding level of service and commitment to their patients. The results are impressive. The quality of clinical care improves year after year. Independent and audited surveys indicate 97 per cent patient satisfaction with our public hospitals. Services are more accessible: for the first time, cancer patients will be able to receive treatment in centres like Bendigo, Ballarat and the Latrobe Valley rather than having to travel to Melbourne. There are more nurses employed in our hospitals today than in 1992–93. This year, Victoria's public hospitals will treat 271 000 more patients than in 1992.

Bringing about these improvements in Victoria's hospitals has been by far the most substantial spending priority of the last three budgets. This budget provides yet another funding boost. A massive $200 million in new investment is committed to our health infrastructure over the next three years, including:

an extra $20 million to provide new medical equipment in our hospitals;

$18 million for the redevelopment of the Royal Women's Hospital;

$19.3 million allocated to stage 2 of the redevelopment of the Royal Melbourne Hospital;

$31.4 million for the Royal Dental Hospital;

$18.6 million upgrading aged care institutions in country Victoria; and

$7 million for the purchase of 54 new ambulances.

In addition, the government is injecting extra funding where it is needed most: acute services in public hospitals.

Last year saw the largest-ever increase in acute-care funding in public hospitals in Victoria's history. As a result of this budget, the funding for acute care in public hospitals will rise by a further $82 million, bringing the total increase over the last two years to $363 million, or 13 per cent. These funding increases for Victorian public hospitals are massive and unprecedented. Because of that additional funding, Victorian hospitals are targeted to treat 950 000 patients next year, an increase of 40 per cent over 1992 levels, with continuing high levels of patient satisfaction.

Law, order and public safety

The government is strongly committed to maintaining Victoria's position as the safest state in Australia, to ensure that people are able to feel safe in their homes and in the streets, through a comprehensive law and order strategy.

In last year's budget, $120 million was committed to the Victoria Police for a long-term contract with IBM to upgrade police IT systems, enabling the police a stronger and more effective local community presence to deter crime and apprehend offenders. This budget builds on that commitment by investing in the Mobile Data Network, which will improve the dispatching of police vehicles, enhance the effectiveness of enforcement activities and streamline policing procedures.

Along with these significant investments in high technology crime prevention, the government has, in conjunction with police command, conducted a review of police numbers. As a result of that review, this budget provides funding for an extra 400 police officers over two years. Police numbers will then be looked at again in 2001. These 400 officers, being 200 new police each year for the next two years, will fill to capacity the police training college at Waverley.

The additional officers, and the crime prevention and detection investment which supports them, are the

product of an objective, responsible assessment of the resources required to underpin the best possible police force. Moreover, they form part of a broader, comprehensive law and order strategy which has delivered for Victoria the lowest crime rates in Australia.

This budget also commits a further $19 million over two years for an increase in the capacity of our existing prisons to cater for growth in prisoner numbers. Those funds will be directed in part to rehabilitation and drug treatment programs for prisoners, which are aimed at breaking the cycle of reoffending. In addition, innovative pilot projects will explore alternatives to imprisonment for less serious offenders, and an extra $4 million will be provided for legal aid, to ensure that adequate legal representation is available to those genuinely in need.

A competitive tax regime

A vital ingredient in our strategy to position Victoria for growth in the next century is the competitiveness of our taxes and charges.

High taxes are not only a burden on the community but a major impediment to attracting new investment and creating jobs in Victoria.

In 1993–94, it was estimated that Victoria would need to cut taxes by $732 million just to be competitive with New South Wales.

Today, it is estimated that New South Wales would need a significant tax cut to be competitive with Victoria.

This reversal has come about because, in recent budgets, the government has passed on the benefits of our new reforms as we have earned them, in the form of substantial reductions in payroll tax, land tax and stamp duty as well as petroleum franchise fees.

In addition, businesses and households have benefited from lower utility charges, by virtue of far-reaching reforms to our utility sector, including:

savings of up to 60 per cent for large businesses through the competitive electricity market;

real savings of more than $130 per year in electricity charges for households and more than $920 for small businesses through regulated real price reductions and the new $60 winter power bonus;

savings of 18 per cent on an average household water bill, as a result of water pricing reforms, with even larger savings for most businesses; and

savings to gas consumers, with changes in gas prices pegged between 2.2 per cent and 10 per cent below the inflation rate between now and the year 2001.

Today the trend towards lower taxes is given further impetus.

From 1 July this year, the rate of payroll tax will be further cut from 6 per cent down to 5.75 per cent.

This initiative will make Victoria the first state ever to have reduced the rate of payroll tax in three successive budgets. When this reduction is implemented, our payroll tax rate will have fallen from 7 per cent in 1997 to 5.75 per cent in 1999.

The value of this tax cut in a full year is estimated at $97 million, bringing the total payroll tax relief over the last three budgets to around $300 million and the total reduction in taxes and charges by this government since 1993–94 to a massive $2.3 billion.

A commitment to infrastructure

No vision for the future would be credible or complete without a clear commitment to public capital works. This budget makes a significant commitment to building new and improved infrastructure.

Under the Cain and Kirner Labor governments, infrastructure spending actually fell in real terms: from $960 million in 1982-83 to $850 million in 1991–92.

Under the Kennett government, that figure has risen by 60 per cent in real terms to $1.36 billion.

Much of that spending supports our key service delivery priorities in the areas of health, education and law and order.

In addition to these investments, the Kennett government has also given a high priority to infrastructure which brings more direct economic benefit, including world-class transport infrastructure, and a commitment to the emerging area of information technology.

21st century transport infrastructure

1999 will see the opening of the City Link project, which will dramatically reduce travel times along the Tullamarine and Monash freeways, connecting for the first time Melbourne's major arterial routes through the city.

This budget complements that investment, funding the construction and upgrade of three of Victoria's most strategically important road transport links:

$118.5 million has been allocated for the upgrade of the Geelong Road — one of the most heavily travelled roads in Australia, with a request to the federal government that it be declared a Road of National Importance, thus receiving matching funding from the commonwealth.

$175 million has been allocated to the construction of the Hallam bypass along the Princes Freeway.

$255 million has been provided to fund the extension of the Eastern Freeway to Ringwood.

A further $48.8 million will fund a series of outer metropolitan arterial road upgrades, and the rural component of the Better Roads fund will pay for a series of non-metropolitan projects during the year.

Complementing these road projects is the ongoing reform of Victoria's public transport system which is due for completion by the middle of this year.

The introduction of private sector operators for Melbourne's passenger trains and trams will produce a more innovative, dynamic public transport system, generating additional investment in transport infrastructure and improved passenger services.

To reinforce these benefits, the budget makes substantial new investments in our bus system and other transport infrastructure including:

$20 million to upgrade interchanges linking the bus and rail systems in metropolitan Melbourne, and several others in rural Victoria;

$5 million to provide better bus services in outer Melbourne and in centres like Bendigo, Shepparton, Swan Hill and Wonthaggi, as well as additional evening and weekend services to Frankston, Nunawading, Lilydale and Chadstone; and

$14 million to upgrade Station Pier, to further encourage cruise ship visits to Melbourne.

These major investments in Victoria's transport infrastructure will dramatically modernise and integrate our road, rail and sea links, providing us with 21st century transport infrastructure. Significantly, all of these investments have been fully funded from within the budget, without resorting to debt.

Victoria's IT infrastructure

This government has also invested heavily in enhancing Victoria's information technology infrastructure.

The VicOne initiative is already providing a broadband cable network linking government schools across the state. Our Skillsnet program is providing greater Internet access and training to people in the community who would not otherwise have this.

This budget provides new funding for three more vital priorities:

$6.6 million has been provided to develop a framework for electronic commerce, enabling a more secure environment for business transactions over the Internet — an issue on which Victoria has played a leading role internationally;

additional funding has been provided to address the Y2K millennium bug across the public sector bringing our total expenditure over three years to $480 million; and

an extra $13.1 million has been allocated in this budget to facilitate the government's Online 2001 policy which will see government services available to Victorians online as well as face to face by the year 2001 — an initiative in which Victoria is seen as a world leader.

New and improved online services funded out of this budget will include the Business Channel, the Health Channel, the Education Channel and Tourism Online.

In all of these programs, Victoria is regarded as a model to other states, and indeed to other countries, of preparedness for the realities of the information age.

Most importantly, the government, through this budget, is bringing the benefits of new technology to the wider Victorian community through enhanced services and better access to government agencies.

This is the essence of the government's strategy: that the benefits of a strong economy, sound public finances and the technological innovations we are encouraging be translated into real benefits for all Victorians.

Rural and regional Victoria

Investment in rural and regional areas is vital to Victoria's future economic prosperity.

This budget maintains our strong commitment to capital works in non-metropolitan areas, committing 36 per cent of new capital works in health and 36 per cent of new capital works in education to country Victoria and country Victorians.

Under the new science, engineering and technology initiative, $12.4 million will fund additional agricultural

research. A significant portion will be spent in our rural research centres.

The spin-off benefits of that research will ultimately flow to the agricultural and food processing sectors, just as our investment in the new $50 million Natural Fibres Institute in Geelong will ultimately deliver benefits to Victorian and Australian wool producers.

These initiatives support the government's philosophy, which has always been to provide rural Victoria with a sound platform for self-reliance. That strategy is now delivering positive outcomes. Country Victoria is experiencing strong investment and increased confidence.

Since October 1992 Business Victoria has attracted more than $2.1 billion in new investment to country Victoria, amounting to 35 per cent of the total investment attracted by Business Victoria across the state.

For example, National Foods has made a $60 million investment in Morwell, creating more than 150 jobs and helping the Latrobe Valley to diversify its economy away from its traditional reliance on electricity generation.

This budget builds on that partnership with country Victoria, providing $19 million over four years for the government's rural and regional strategy, which includes a rural leadership initiative and five regional action plans.

These action plans are the product of regional forums comprising community leaders who have put forward the priorities they want to pursue in order to secure their region's future.

In addition, the budget extends a range of assistance programs for farmers, which are delivered through the Rural Finance Corporation, including the productivity enhancement program and the young farmers finance scheme.

Social advantage

A stronger economy and sound public finances are not ends in themselves.

They are the means by which the quality of people's lives can be improved and the range of choices available to people can be expanded.

It is the strength of our economic and financial position today which has made possible the better services and lower taxes outlined in this budget. Such initiatives could not have been delivered under Labor, because escalating interest bills were driving out Victoria's capacity to improve, or even maintain, service spending, let alone to reduce taxes.

Social advantage is about encouraging greater social and cultural diversity, as evidenced by this government's celebration of our multicultural heritage — given a further boost today with the establishment of an Office of Business Migration within Employment Victoria.

Through *Women on the Move*, the two-year action plan for women, the government has focused attention on issues including the encouragement of women's participation in education, work and leisure activities and greater representation in leadership and decision-making roles.

The budget also furthers the government's aim of promoting the advancement of the Aboriginal community and the preservation of indigenous culture, in particular. Some $2.75 million will fund capital works for the benefit of Aboriginal associations, with $1.18 million provided to promote a greater understanding of Aboriginal heritage.

In addition, this government is doing its part to address problems confronting those in our community who are in the greatest need. The government has provided national leadership in tackling problems such as drugs, suicide and depression.

But this is not just idle rhetoric: it is backed up by a substantial funding commitment to programs which positively and directly address these social problems.

The government has already committed $100 million to Turning the Tide, our strategy against drug abuse; $23 million a year has been committed to suicide prevention; $17.5 million from the Community Support Fund has helped provide assistance to families in crisis; and $100 million has been provided to assist carers in our community.

No government can claim that by simply spending more money we can solve all of the underlying causes of social dislocation, but we *can* see evidence of the government's substantial funding commitment making a real difference in improving people's lives. For example:

we have made possible the establishment of new shared accommodation in Wantirna for young people at serious risk of suicide;

we have established new accommodation for homeless youth in Waverley;

we have opened a domestic violence service office in Swan Hill to offer support to families who have been the victims of domestic violence;

we have established a Koori outreach service in inner Melbourne; and

we have seen 16 969 Victorian parents making use of the government's Parentline service to receive confidential advice from professional counsellors.

These are just some of the tangible results of the funding commitment made by the Kennett government to address some of our most pressing social problems.

The theme of social advantage is extended by this budget as evidenced by:

$4 million in extra funding provided for legal aid;

a $4.4 million expansion in mental health services;

a $2.4 million funding boost for the youth employment initiative, which has allowed 90 per cent of participants to find lasting employment;

a new special school to be constructed in Mildura;

an additional $2.76 million for the Futures for Young Adults program, which provides training and recreational options for young adults with disabilities, allowing them to leave their school environment and live a more full and active adult life;

$3.9 million to expand the VICPAC service, which provides a 24-hour telephone monitoring and personal response service for frail old people; and

Additional funding of $9 million over four years for a targeted strategy for health and development needs of children and adolescents, particularly those at risk of abuse and neglect.

These initiatives are a key component of the Kennett government's approach, which has been to achieve sustained economic growth, soundly based, which then enables us to improve the quality of life for all Victorians, and to particularly target those in greatest need, or at greatest risk, in our community.

Enhancing quality of life

The benefits of a strong economy and sound public finances have also allowed the government in recent years to invest heavily in a renewal and rebuilding of Victoria's social and cultural assets not seen since the gold rush.

This budget invests further in Victoria's reputation as a cultural, creative and sporting centre.

Additional funds have been provided for the opening of Melbourne's new $260 million museum in Carlton;

$91 million has been allocated for the State Library redevelopment, which is expected to bring about a doubling of the usage of the facility, rising to three million users every year by the year 2003. The upgrade will see an expansion of the library's collections, including the enhanced preservation of heritage material, along with extra reading rooms and new exhibition spaces which will assist the library in fulfilling its important civic role in the community;

$3 million has been provided to boost film-making in Victoria, including an ongoing script development fund of $1 million per year and a production investment attraction fund, with ongoing funding of $2 million per year; and

$11 million has been allocated to expand the Melbourne Sports and Aquatic Centre at Albert Park which has seen patronage levels rise to 30 per cent above predictions. The upgrade is also a part of Melbourne's bid to host the 2006 Commonwealth Games.

The size of the budget surplus

The government's policy of delivering benefits to the community only as we have earned them through sound financial management means that new spending initiatives and tax cuts must be affordable and still leave a modest, sustainable budget surplus.

In 1999–2000, the operating surplus will be $129 million, which is less than 1 per cent of the government's total revenue. This figure reflects the new spending and tax cuts outlined in this budget.

The surplus for 1998–99 (the current financial year, which we have nearly completed) is expected to be a larger figure — some $6.3 billion. However, for a variety of reasons this is not a pool of money available to fund new initiatives.

The $6.3 billion figure includes $5.5 billion of privatisation proceeds and other such one-off revenues. Clearly, these amounts are not available to be spent each year: they represent the sale of significant assets, and the proceeds are used to fund reductions in debt and other liabilities. It is because of these payments that

public debt has now fallen to $6.1 billion this year — the lowest figure in nominal terms since the 1970s.

In addition to these privatisation proceeds, account must be taken of $170 million in increased spending and changes to revenue, which have come about due to the increasing cost of government services, including wages for teachers and nurses, and changes in economic conditions.

Had we not introduced any new initiatives in this budget, the surplus would have been $600 million.

This was the amount of money which the government had available in order to fund additional spending programs or tax cuts.

This budget includes $383 million in new spending initiatives, and $89 million in tax cuts.

These new initiatives must be subtracted from the $600 million which was available. So 78 per cent of the available funds have been delivered as tangible benefits to the community.

The remaining $129 million represents the operating surplus for 1999–2000.

Once account is taken of a variety of revenues and expenditures which are only temporary, we arrive at a sustainable cash surplus of just $67 million.

It is this figure which represents the small buffer protecting us against unforeseen developments.

Appropriation bill

The Appropriation (1999/2000) Bill provides authority to enable government departments to meet their agreed service delivery responsibilities in 1999–2000.

The bill supports a financial management system that recognises the full cost of service delivery in Victoria and is thus based on an accrual framework which includes both cash and non-cash costs.

Schedule 1 of the bill contains estimates for 1999–2000 and provides a comparison with 1998–1999.

In line with recent practice, the estimates included in schedule 1 of the bill are provided on a net appropriation basis. These estimates do not include certain receipts that are credited to departments pursuant to section 29 of the Financial Management Act 1994.

Conclusion

This budget makes a substantial investment in our future.

It provides proof that a long-term strategy can deliver tangible benefits.

In 1992, very few Victorians would have dared to believe that by the end of the decade we would have the strongest economy in Australia, public net debt reduced to just $6.1 billion, our AAA credit rating restored and be the envy of the nation.

But those are the results of the difficult but essential reforms implemented over the past six and a half years.

And we have earned rewards through that process which have been returned to the Victorian community in lower taxes and better services.

It has proven to be a practical strategy with real benefits for all Victorians.

The period of austerity is behind us, and Victorians can enter a new millennium with the confidence that never before have we been so well positioned to realise the opportunities of the future.

For the government's part, we can now focus greater attention on continuing our commitment to investing in Victoria's future — an investment which takes account of both our economic and our social capital.

Economic growth is only part of the story. Our vision for Victoria's future is based on a vibrant, dynamic and compassionate society — one with the capacity to deliver world-class services to the community, and to direct particular attention to those in greatest need.

To that end, the initiatives announced in this budget are based on four guiding principles:

(i) to lock in the gains already achieved through economic reform and financial responsibility;

(ii) to position Victoria for a prosperous and opportunity-rich 21st century;

(iii) to ensure, through a strong focus on social advantage, that all Victorians are given an equal chance to share in those rewards; and

(iv) to maintain and improve initiatives which are already enriching our quality of life.

This is a budget grounded in solid past performance and optimism about the future.

It is a budget based on the principle that because of strong but fair leadership, a clear strategy and community support, all Victorians can now look forward to a secure and rewarding future in the 21st century.

I commend the bill to the house.

Government members applauding.

The SPEAKER — Order! I have commented to members previously that clapping is not considered parliamentary.

Honourable members interjecting.

The SPEAKER — Order! Even though some members may not like it, it is a tradition in the Westminster system, and I intend to uphold that tradition in this Parliament.

Debate adjourned on motion of Mr BRACKS (Leader of the Opposition).

Debate adjourned until Thursday, 6 May.

APPROPRIATION (PARLIAMENT 1999/2000) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 1999–2000.

Estimates ordered to lie on table.

Introduction and first reading

Mr STOCKDALE (Treasurer), pursuant to standing order no. 169, introduced a bill to appropriate certain sums out of the consolidated fund for the Parliament for the financial year 1999–2000 and for other purposes.

Read first time.

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The bill provides appropriation authority for payments from the consolidated fund to the Parliament in respect of the 1999–2000 financial year, including ongoing liabilities incurred by the Parliament such as employee entitlements that may be realised in the future.

Honourable members will be aware that other funds are appropriated for parliamentary purposes by way of special appropriations contained in other legislation. In addition, unapplied appropriations under the Appropriation (Parliament 1998/1999) Act 1998 have been estimated and included in the budget papers. Prior to 30 June actual unapplied appropriations will be finalised and the 1999–2000 appropriations adjusted by the approved carryover amounts pursuant to the provisions of section 32 of the Financial Management Act 1994.

In line with the wishes of the Presiding Officers, appropriations in the bill are made to the departments of the Parliament.

The total appropriation authority sought in this bill is comprised of $63.7 million — clause 3 of the bill — for the expenses of the Parliament in respect of the 1999–2000 financial year.

I commend the bill to the house.

Debate adjourned on motion of Mr THWAITES (Albert Park).

Debate adjourned until Thursday, 6 May.

BUSINESS OF THE HOUSE

Orders of the day

Mr GUDE (Minister for Education) — By leave, I move:

That the orders of the house making the resumption of the second readings of the Local Government (Melbourne City Council Rates) Bill, Mental Health (Amendment) Bill and Stamps (Amendment) Bill orders of the day for Thursday, 6 May 1999 be read and rescinded and that they be made orders of the day for tomorrow.

Motion agreed to.

Program

Mr GUDE (Minister for Education) — 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, 6 May 1999 —

Rural Finance (Amendment) Bill

State Trustees (State Owned Company) (Amendment) Bill

Fair Trading (Inspectors Powers and Other Amendments) Bill

The Constitution Act Amendment (Amendment) Bill

Local Government (Melbourne City Council Rates) Bill

Mental Health (Amendment) Bill

Stamps (Amendment) Bill

Motion agreed to.

RURAL FINANCE (AMENDMENT) BILL

Second reading

Debate resumed from 15 April; motion of Mr McNAMARA (Minister for Agriculture and Resources).

Mr BRUMBY (Broadmeadows) — I am pleased to inform the house that the opposition supports the bill. I hope the debate will provide an opportunity for a wide-ranging discussion of the role and functions of the Rural Finance Corporation (RFC), including how it assists new developments and investment in rural Victoria.

The general intent of the proposed changes is straightforward — that is, to enable the corporation to have a limited deposit-taking function.

The Rural Finance Corporation was established under that name in 1998, and recently has had a more market-orientated role. It has been in the market competing with banks and has been successful in the role it undertakes. Over recent years there has been a much more competitive and flexible deregulated financial environment.

The bill seeks to provide the Rural Finance Corporation with more flexibility in the marketplace and will give it the opportunity to take deposits, albeit in a limited way. It does not set out to make this a Westpac-type bank, offering the full range of deposit services that some of the commercial banks would offer, but recognises that many of the bank's clients want to deposit money and want the RFC to provide that function. The legislation will give effect to that requirement.

The annual report of the Rural Finance Corporation for the financial year ended June 1998 sets out the mission and the vision of the RFC, which are:

> To provide a specialised range of financial products and other services to Victorian rural industries ... To be a significant contributor in achieving a sustainable and profitable rural sector in Victoria.

If one looks at the recent profitability of the RFC one sees it has done well in the terms of its loan portfolio and of earning a profit before tax after allowing for abnormal items. The report states that, in round figures, in 1994 the profit before tax and abnormal items was $26 million; in 1995, $30 million; in 1996, $30 million; in 1997, $29 million, and in 1998, $22 million.

For various reasons 1998 was a difficult year. That enabled the corporation to pay a dividend to the government, and after the dividend was paid the government still had some money left over to return to the corporation as accumulated capital reserve.

In the report of the Rural Finance Corporation to the government last year, which is signed off by the chairman, Stuart McDonald, he touches on a number of issues. The chairman advises that:

> During the year the El Nino effect and the Asian economic crisis presented increased challenges for the farming sector. Much of the state experienced a dry year with drought conditions prevailing in East Gippsland. South and West Gippsland farmers also suffered seasonal adversity as a result of an extremely wet 1996 winter followed by a prolonged dry period. Exceptional circumstances were declared for both events by the Minister for Primary Industries and Energy enabling farmers to access interest subsidy support. An early autumn break brought relief to much of the state although stock water supplies remain a concern in many areas. A severe downpour in the valleys of East Gippsland in late June resulted in many farms, houses and businesses being flooded. A flood relief scheme has been initiated.

This is the report for the financial year ended June 1998; the report for the year ending June 1999 is not available yet. I remember those events very well — both the drought and the flood in East Gippsland. Last year I visited East Gippsland and was taken on a tour of the flood areas by the mayor, Cr Shaun Beazley, when we flew over the area. Recently I returned to assess the recovery operation, particularly concerning flood plain management. I am pleased to say that the effect of the combined efforts of local volunteers — the SES and other service clubs; the farmers; the local community; the state government and the shire council — has been to make a huge amount of progress in restoring the environmental sustainability of East Gippsland by repairing the damage after the floods.

I was also involved in the West Gippsland drought. Many honourable members will remember what was known in 1997 as the green drought, which affected many dairy farmers. I visited that area often during 1997, when many dairy farmers were in a critical financial position. The drought that hit West Gippsland resulted from Gippsland having had its lowest recorded summer rainfall in 50 years. That caused the worst drought since 1967, and the resulting feed shortages cost farmers in the area approximately $100 million. I travelled there frequently to argue the case for drought assistance. I was there in April, and in June I addressed

600 farmers at the rural crisis rally in Korumburra. I stated that the conservative estimates of the cost of the drought were that the region had already lost $125 million because of government inaction, with further losses of $85 million expected over the subsequent three months. The drought had a huge impact on the area.

Later in June I returned to the area and kicked off the Gippsland crisis appeal. I was working with the Gippsland crisis committee, and in the absence of government support the farmers kicked off their own crisis appeal. On Monday, 16 June, I visited the area and donated $200 of my own money to kick off the fund. It was a small amount, but it was a start. I am pleased to say that the fund grew and grew. I have always been very grateful, and the residents and farmers of West Gippsland should also be grateful to the members of the Gippsland crisis committee. I cannot remember all their names, but they included Jack Vanderland, Robert Ettery, Glen Geoghegan, Noel Tonkin and Tina Hofman. There were many others on the Gippsland crisis committee. They were like terriers: they never let up. They kept at it until the federal and state governments finally provided drought assistance. It was their efforts that led to the prompt response by the Kennett government to the subsequent drought and flooding in East Gippsland. I remember it well, and it is worth making those comments.

The RFC chairman's report to the Treasurer also mentions the dairy industry, which was affected by the green drought in West Gippsland. The dairy industry is a spectacular success story for Victoria. To find the reasons for that success, apart from the enterprise of the dairy farmers, one can go back to the Kerin dairy plan in the 1980s, followed by the Crean dairy plan in the 1990s. The big public policy issue that will face dairy farmers, the opposition and the government over the next few months and will have to be resolved is what form of dairy plan and dairy industry support arrangements will be put in place after 2000. Vigorous debate is occurring within rural communities and among members of the United Dairyfarmers of Victoria (UDV) about that at the moment. The Kerin dairy plan in the 1980s reduced protection for the dairy industry. It was the first of what was described as two plans. The Crean plan further reduced that protection and foresaw a complete phase-out of industry subsidy and support arrangements. We are now at the business end of the equation when hard decisions have to be made about the future of the industry.

Members of the opposition have been consulting widely with relevant groups. We will continue to do that over the next few months, and everyone is eagerly awaiting the release of the report on the competition policy review into the industry to see what it says about future arrangements.

In his report to the Treasurer the chairman of the Rural Finance Corporation, Mr Stuart McDonald, also mentions grain growers. More recently many growers across the state have been affected by some shocking frosts and hail. Later I shall say more about the opportunities in that area and how well some of the growers are moving into new industries.

The report also refers to wool, and I shall come back to that later. In reference to the pork industry Mr McDonald states:

> The pork industry experienced a downturn with a number of factors combined to dramatically decrease prices and margins. Increased imports, steadily declining domestic consumption and high feed costs resulted in many pig producers experiencing financial pressure.

The pork industry has been poorly treated by both federal and state governments alike. I refer to the general change in protection arrangements, including particularly the lowering of tariff protection against products imported from Canada. I remember visiting a number of places around Victoria in May 1998 and being interviewed in Albury–Wodonga about the pork industry. At that time I called for urgent action on pork imports and the report in the press stated:

> The importation of cooked pork from Denmark and Canada was devastating the local industry.
>
> 'This has put at risk a $40 million export industry and thousands of Victorian jobs — mostly in regional areas'.

In that interview I pointed out that the 460 pig farmers in Victoria produce some 18 per cent of Australia's pork products and that the major processing plants are around central Victoria — obviously Castle Bacon in Castlemaine — and Wodonga, as well as Don Smallgoods in Melbourne. I said also that the federal government needed to take basic steps to create a level playing field. I called for truth in labelling and for advertising laws to prevent imported pork from being described as made in Australia. I pointed out that perhaps a bit of water or brine or some fancy wrapping was added to the pork brought into Australia in bulk so that the 'Made in Australia' label could be put on it. The same problems were being experienced with Brazilian orange juice concentrate, all of which came from Brazil. Although water was the only thing added in Victoria or Australia it was possible to bottle it labelled 'Made in Australia'.

I have always favoured an outward-looking, internationally focused Victorian economy, so I have

never been and will never be a protectionist. However, I have always supported the establishment of a level playing field. That did not happen with the pork industry. The federal government abruptly removed protection and provided no supporting mechanisms to assist the industry through a period of transition. Worse still, the government turned a blind eye to flagrant breaches of basic consumer protection laws. As I said, people who imported pork, added a bit of brine or salt to it and then wrapped it were allowed to label it 'Made in Australia'. That is not accurate and it is just not right.

Average consumers did not know that some 30 per cent of the ham and pork sold in the Coles, Safeway or other supermarkets was imported, as they never saw that on the labels. Consumers have a right to know such things so that they can make informed choices. If at the end of the day they choose the Canadian or other imported product, I have absolutely no problem with that, but they were not getting the opportunity to make an informed choice because they were not getting the information. Despite some changes to federal government law they are still not getting that basic information. It was particularly the federal government's mishandling of that situation that enabled people like Pauline Hanson and others to jump onto the pork industry bandwagon, as it were, and offer members of that industry some easy, short-term solutions that are untenable in the long term.

At the time I was saying in the marketplace that a level playing field was needed and that one of the ways of establishing it was through truth in advertising legislation.

Mr McDonald refers to a range of other industries in his report and states:

> On a brighter note Victoria's viticulture industry continued to grow for all components, including wine, fresh table grapes and dried fruit.

I am pleased to see that and I echo Mr McDonald's remarks. The wine industry has been a great success story for Australia as a whole and Victoria in particular. The Victorian industry is maintaining the momentum of significant growth experienced over the past five years. Victorian wines are established in the premium and commercial markets of Europe, the United States of America, Canada and Asia, where they have gained recognition for quality and price. According to the 'Investing in Victoria — Wine' home page of the Department of Natural Resources and Environment:

> Volume growth is expected to be high with an additional 7000 hectares of vines expected to be planted up to 2005. Around 300 wineries operate in Victoria producing approximately 18 per cent of Australia's wine output covering an increasing diversity of wine styles and wine regions.

I am sure all honourable members support the sentiments expressed in that document.

Southern Victoria, with its cooler climate and natural rainfall, has attracted international wine companies to establish vineyards and processing facilities to produce premium wines for export markets. Significant growth has been experienced also in northern Victoria, where excellent wines are produced.

I refer to some of the grape production areas in Victoria. The Port Phillip region encompasses the Mornington Peninsula, the Yarra Valley, the Macedon Ranges and Geelong. Central Victoria includes Bendigo, Heathcote, the Upper Goulburn Valley, the Lower Goulburn Valley and the central Victorian High Country. The Western region encompasses Ballarat, the Grampians, the Pyrenees and the far south-west. North-eastern Victoria includes Glenrowan, Rutherglen, the King Valley and the Ovens Valley. North-western Victoria has Sunraysia and Swan Hill; and Gippsland has the three regions of East Gippsland, West Gippsland and South Gippsland.

It is interesting to note the current growth in Gippsland, where a modest number of companies are producing some wines of notable quality. Recently I was fortunate to sample wine made at the Narkoojee vineyard from grapes grown around the Latrobe Valley. The honourable member for Morwell and the Minister for Tertiary Education and Training are nodding their heads in agreement that it is very good wine.

Mr Hamilton — It's expensive.

Mr BRUMBY — Last year the shadow cabinet was given a sample of the wine at a meeting we had with the Shire of Latrobe. I thought the drop of Narkoojee wine that I had was very good. When Robert Fordham offered to send me a dozen at a special price, I accepted. The invoice showed 6 bottles at $26 each and 6 at $18 a bottle. As I said, it is very nice wine, but I wondered about the special price!

Other wines from that region come from the Nicholson River Winery, which is much further east, near Bairnsdale.

Mr Honeywood interjected.

Mr BRUMBY — Obviously the Minister for Tertiary Education and Training has been travelling widely around the state.

Excellent wine is also produced at Nicholson River. Those are just some of the wineries. I retrieved from the Internet a 20 or 30-page list of facts and figures on hundreds of companies across Victoria. One page refers to Bendigo wineries and lists them as Balgownie Estate; Bin Billa; Blanche Barkly Wines; Chateau Dore Vineyards; Chateau Leamon; Dulcinea Vineyard; Harcourt Valley Vineyards; Kangderaar Vineyard; Laanecoorie — I have quite a collection of Laanecoorie wine at home; Passing Clouds Vineyard, which has what I consider the best wine anywhere in Australia; St Anne's Vineyard; The Newstead Winery; Tipperary Hill Estate; Water Wheel Vineyards — its wine is excellent and is improving in quality every year; and Yellowglen, which, rightly or wrongly, is also classified as a Bendigo winery. There are hundreds of great Victorian wineries.

I mention wineries because they have been extremely successful in generating export income and creating jobs. During the next five years the industry is likely to develop further. We are likely to see: firstly, a concentration of larger scale, corporate grape planting in the Murray Valley, western Victoria and the Yarra Valley; secondly, an increasing number of independent grape growers in the central Victorian high country, including in the Strathbogie Ranges and the King and Alpine valleys; thirdly, a continuation of small-to-medium-sized wineries; fourthly, a greater focus on Victorian regional grapes and wine brands; fifthly, the continued emergence of Victorian icon brands or labels; and sixthly, the further development and mixing of tourism, wine and food.

In a decade or so, given the olive plantings that have occurred in Australia, particularly in Victoria, I think the industry will develop to be similar to that in Tuscany, northern Italy. A mix of large corporate plantations and small-and-medium-sized wineries and olive producers will produce exceptional and premium quality wines and olive oil. Australia has a trade imbalance of around $150 million a year in olive oil, yet there is huge potential for olive oil in Australia. Already there has been a massive amount of plantings which, if they bear fruit and are processed, have the capacity to meet something like 50 per cent of the total demand. I believe the demand for olive oil will continue to grow strongly. Even if one assumes there will be no growth in olive oil consumption, the huge plantings that have taken place will still meet only 50 per cent of the Australian demand. If one assumes growth in demand, which I think will eventuate for dietary and other reasons, there is a huge potential for olive oil production.

I now refer to the Australian Bureau of Statistics data for 1991–97 for vineyard plantings per hectares by state. It shows that Victoria had 363 hectares in 1991, 460 hectares in 1992, 774 hectares 1993, 1509 hectares in 1994, 1760 hectares in 1995, and it went back a bit to 1520 in 1996.

Mr Honeywood — On a point of order, Mr Acting Speaker, I do not want to make a big deal out of this, but the debate is limited and relates to a couple of clauses of the Rural Finance (Amendment) Bill. Although the honourable member is delivering an entertaining speech and has referred to vineyard after vineyard and provided statistics on the wine industry and so on, I point out that the bill is of a small and restricted nature and deals with changes to the Rural Finance Corporation, specifically its financing role. I am having trouble understanding how all the statistical analyses relating to the wine industry relate to the bill.

Mr BRUMBY — On the point of order, Mr Acting Speaker, the bill is about and amends the financial arrangements of the Rural Finance Corporation. I am referring to the letter that was sent from the chairman of the Rural Finance Corporation to the Treasurer outlining the nature of the corporation's business and stating how the rural industries are progressing. Furthermore, the Rural Finance Corporation's annual report not only talks about the wine industry but also includes a table headed 'Review of operations', outlining where the corporation lends money. From that it can be seen that the corporation lends money to vignerons and viticulturists, among others.

Page 5 of the report contains a photo of Mr Neil Roberts, with the caption 'Neil Roberts, "Rising Vineyard", St Andrews Victoria inspects recent pruning with Mike Kermode, Regional Manager Central'. Mr Roberts is quoted. It states:

> Rural Finance provided finance at competitive rates for the development of the stage 3 expansion at Rising Vineyard. The on-farm service provided by the regional manager is an attractive part of doing business with Rural Finance.

Mr Acting Speaker, I am speaking exactly to the bill, which amends the financial arrangements so that clients — people who have been lent money — can pay back deposits if they wish.

Mr Clark — On the point of order, Mr Acting Speaker, clause 1 of the bill provides that the main purpose of the act is to amend the Rural Finance Corporation's deposit-taking powers. As the honourable member indicated, the bill is narrowly confined to that point. I submit that even though it is the practice of Speakers to give some latitude to the lead

Opposition speaker in canvassing a range of issues, the nature of the bill does not allow the honourable member to wander at large over the whole gamut of the operations of the Rural Finance Corporation.

In responding to the point of order the honourable member quickly commenced to link the matters concerning various wineries to deposit-taking powers. It is exactly that sort of nexus that the honourable member should be establishing in his remarks. It would be in order for him to link the issues concerning various wineries to the deposit-taking powers and lead on to draw conclusions relating to those powers and the amendments provided by the bill. However, over a period of at least 10 minutes the honourable member has gone through a general catalogue of wineries. It seems he now needs to relate those references to the bill.

Mr Hamilton — On the point of order, Mr Acting Speaker, traditionally this house has always taken into account what is said in the second-reading speech, which is reported at page 356 of *Hansard* of 15 April. The first paragraph of the second-reading speech refers to the deposit-taking capabilities of the Rural Finance Corporation that will be changed, and goes on to state:

> Rural Finance Corporation specialises in providing finance to Victoria's primary producers and rural businesses, and is a significant lender to the Victorian rural economy.

The minister went on to describe how the Rural Finance Corporation works.

I submit that the lead Opposition speaker on any bill is given a degree of leeway in addressing the broader impacts of the bill. The comments of subsequent speakers — and on this bill I shall be one — should be on what a bill is about — in this case what its impact is likely to be on the operations of the Rural Finance Corporation.

I will not give a broad résumé of the wine industry; being almost a teetotaller I know very little about it. However, the point of order should not be upheld because the honourable member for Broadmeadows has included both the spirit and the wording of the second-reading speech in his remarks.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member for Broadmeadows has ranged widely during his contribution, which I was prepared to overlook as honourable members seemed interested in his remarks. However, several points of order have been taken and I now ask that he confine his remarks to the bill.

Mr BRUMBY — Thank you for your ruling, Mr Acting Speaker. I am about to move away from the subject of wine. The wine industry is a growth industry supported by organisations such as the Rural Finance Corporation. Undoubtedly, the enormous growth in small and medium vineyards will be obliterated if the GST and the wine-equalisation tax are implemented. Those taxes will replace a volume-based tax with an ad valorem tax, and the price of wine produced by most of the wineries I have mentioned will rise astronomically. Export production will be discouraged, consumer-demand will drop off and cellar-door sales will be destroyed.

The annual report of the Rural Finance Corporation also raises several issues about its business — that is, looking at future opportunities for agriculture, lending money and, as a result of this bill, taking deposits from primary industries and farms with the potential to do well. Great opportunities exist for rural industries if they are properly supported and nurtured, including, firstly, increased living standards in the Asia-Pacific region and the industrialisation of those countries. In countries with higher-living standards the diet moves from one that is starch-based, for example rice and similar products, to proteins and vegetable oils. The argument is set out in the government publication *The Golden Age of Agriculture*, and I agree with the strategy set out.

Secondly, strong opportunities exist for rural industries through domestic dietary demands. A positive factor for Victorian agriculture is the ageing of the baby-boomer generation, their higher-income levels and their concern about nutrition and quality foods.

A third opportunity is described as 'plants as factories'. With biological, and genetic engineering. it will be more commonplace in the future for plants to effectively produce products such as high-value oils and polymers which are presently produced synthetically.

Fourthly, overseas environmental and population pressures in countries such as Taiwan will create opportunities. I have been to Taiwan, which is a small country with a large population. Some years ago the settlements of Taiwan were beginning to encroach on its pig farms and the country had to choose between pig farming and people. It chose people and cut pig production back to some 2 million per annum. As a consequence, Taiwan has become a larger importer of pig meat from Canada, Denmark and Australia. Many overseas countries face similar population pressures, thus creating opportunities for Australian industries.

A fifth opportunity is increasing health concerns in overseas countries. People want clean, green food. Last week the United Kingdom government announced a further ban on meat imports that were the subject of concerns about pesticide and hormone residues.

There has been much publicity about those issues in recent years. Consumers want safer, cleaner and purer food now and in the years to come. One of the roles of the Rural Finance Corporation is to ensure that finance is provided to companies that can produce clean, green food so that Victorians can take advantage of opportunities overseas.

I am disappointed that no mention was made of the $150 million of capital payments that last financial year were extracted from the corporation and paid to the Treasurer.

Mr Honeywood interjected.

Mr BRUMBY — No, it did not. The 1996–97 annual report of the Rural Finance Corporation contains a letter from the chairman, Mr Stuart McDonald, to the Treasurer. It states:

> I also confirm our agreement to repatriate to the government $150 million of our capital base by progress payments during the 1997–98 financial year. The capital repatriation will leave RFC with more than sufficient capital to meet the prudential standards you have set and will not result in any increase in charges or interest rates to RFC's clients in rural Victoria.

That raises the question of whether, if the money had been left there, it would have allowed more competitive loans to have been made and perhaps would have allowed more lucrative rates on deposit.

It is of major concern to me — it is not a fact well understood among farmers — that the accumulated capital reserves built up over the years by the corporation were simply transferred to the state government. There was not much mention of that in previous budget papers. At page 451 of *1997–98 Budget Estimates*, table 4.3, which is headed 'Consolidated Fund Receipts', contains the line item 'RFC $150 000 000'. Many people reading the budget papers would not have a clue what 'RFC' stands for. It appears immediately below 'TCV', and many people would also not know what 'TCV' stands for. I am making the point that it was designed to be hidden in there because it was not a privatisation proceed.

Mr Honeywood interjected.

Mr BRUMBY — The Minister for Tertiary Education and Training shows how wrongly informed he is. Each year Rural Finance Corporation pays a dividend to the government and that $150 million was in addition to that dividend. It was $150 million of accumulated capital reserves. If that fund had been earmarked for regional infrastructure it would be a different matter, but it was swallowed up in the Treasurer's consolidated receipts. The Rural Finance Corporation is out there in the market assisting farmers. If there were accumulated capital reserves it would have been appropriate to allocate them towards regional infrastructure development projects.

Today's budget is a disaster for country Victoria. The capital works allocations are $255 million for the extension of the Eastern Freeway, $170 million for the Hallam bypass, $118 million for the Geelong Road, a Labor initiative that I strongly support, and more money for the aquatic centre, the museum and the library. Where is a single allocation for a regional infrastructure project for country Victoria in the current budget? There is not one. The government has stolen $150 million from the Rural Finance Corporation, which was the accumulated surplus generated as a result of lending to regional Victorians. Has that money gone back into country Victoria? No. It has gone into major infrastructure projects in the middle of Melbourne. Opposition members object to and are disappointed with that course of action.

In conclusion, I return to where I started. Many positive things are occurring in agriculture across Victoria. I know you, Mr Acting Speaker, take a keen interest in these matters and would know about them, particularly value adding to agricultural products. I have seen some of the developments in the meat and wool industries, and the government's initiative in establishing the Natural Fibres Institute of Australia at Geelong is also a positive initiative. In my capacity as Leader of the Opposition, last year I visited Boort and addressed the Boort branch of the Victorian Farmers Federation. I think I was the first Labor leader to ever address the branch. I stayed overnight and the next day looked at some of the developments in the area, including lucerne cubing and tomato growing. The technology used in tomato growing is absolutely world best; it is state of the art, and Victoria is doing it better than anywhere else in the world.

An article by Tim Colebatch headed 'Hope amid trade deficit crisis' at page 3 of today's *Age* states:

> Australia has recorded its three highest trade deficits, but financial markets are optimistic.

The article continues:

> Australia's trade deficit has slumped deep into crisis with another $1.5 billion trade deficit in March setting the scene

for the current account deficit to top 6 per cent of the nation's output.

The single biggest problem confronting both Victoria and Australia is the current account deficit. It can be solved only with more exports.

Agriculture has a vital role to play. The minister will know that exports of processed dairy products are worth $1.5 billion per annum, making that industry Victoria's largest single export earner.

The meat industry is another rural industry experiencing a growth in exports. Despite low cattle prices, meat is still earning $700 million a year. Other industries include horticulture, which is exhibiting sensational growth in some areas and presenting great opportunities for us overseas; wool, which is doing it hard but which, fortunately, is predominantly an export industry and consequently has a key role to play; aquaculture, which is growing rapidly and which now earns $20 million a year, with great additional potential; and the grain industry, which is worth about $1.4 billion to the Victorian economy and which is displaying some spectacular successes including canola and value-added oil seeds, exports of which have more than doubled.

Those industries have great prospects for helping Australia overcome its trade deficit. However, they need the support that infrastructure provides to get their products into the marketplace. The $150 million should have been reinvested in rural and regional infrastructure.

Other ways in which governments can help include assistance with marketing. Producers need help to get new products onto export markets. That is clearly a role for government, not for the Rural Finance Corporation. The Kennett government spends a huge amount on self-promotion. That money would be better spent getting agricultural products onto export markets.

Finally, governments can help rural industries by lowering the costs borne by primary producers, and there are many ways they can do that. We are living in a low-inflation decade, and that is good news for primary producers. However, the government must be mindful of other costs such as the catchment management authority levy, which, although modest, is just another burden for primary producers. All those costs feed into the cost chain and hence make our products less competitive than they otherwise would be.

There are some great things happening in Victorian agriculture. The Rural Finance Corporation has been an effective lender and has facilitated some of the changes that are taking place. However, the repatriation of the $150 million is serious. It should have gone back into regional Victoria.

There is some support in the budget for agricultural research, but the opposition would prefer much stronger support for the marketing of agricultural programs to give some of the new products such as canola and oil seeds a leg up into export markets. The opposition supports the bill and commends it to the house.

Mr CLARK (Box Hill) — The opposition's support for the bill is welcome. I listened with interest to the generally supportive remarks the honourable member for Broadmeadows made about rural industry and the need to enhance competitiveness. I was also interested in his extensive discussion of winegrowing throughout Victoria. I thought for a while we were progressing from the era of the Chardonnay socialists to the era of Chardonnay New Labor. That hope was, however, dashed when the honourable member returned to traditional Labor style and demonstrated his lack of understanding of financial matters in referring to the $150 million of capital that the Rural Finance Corporation returned to the government. He then compounded that error by making sweeping allegations about the lack of funding in the budget for projects outside the metropolitan area.

I will respond briefly to each of those points before addressing some other aspects of the bill. The honourable member's claims about the reduction in capital proceed from the assumption that putting capital into an entity is somehow free or costless. He does not recognise that having any level of capital tied up in a government business enterprise is a cost to the taxpayer because it is an opportunity forgone. Because the money is in the business it is therefore not available to be used elsewhere.

That test has always to be applied when assessing the appropriate capitalisation level of a business. Proper financial practice requires a government business to make a return on that capital to reflect the sacrifice taxpayers are making through funding the entity concerned. That is a policy the present government has adopted across the board in recognising that equity capital is not free but has opportunity costs attached.

That reflects the practice in the private sector, where shareholders expect a return on their capital. In recent years a number of private sector institutions have decapitalised and returned portions of their capital to their shareholders because they believe they have adequate capital and the funds could be better used by the shareholders. For the same reasons it was concluded

that $150 million of the Rural Finance Corporation's capital could be put to better use by being returned to the government, which is the corporation's shareholder. That is exactly what has happened. That does not in any way diminish the capacity of the Rural Finance Corporation to carry on its traditional activities.

The decision left the RFC adequately capitalised; it has more than $150 million of capital remaining. The RFC has a good balance sheet structure and debt-equity ratio, so it can continue unimpaired to do the good work referred to by the honourable member for Broadmeadows.

Given the fact that the money was returned to the government coffers, the honourable member for Broadmeadows claimed that the government is not spending funds on projects outside the metropolitan area. Although government members interjected to make the point that that is indeed happening, the honourable member for Broadmeadows denied it in very sweeping terms.

In the budget papers issued this afternoon the Treasurer made it explicitly clear that 36 per cent of new capital works in both health and education would be established in country Victoria.

Mr Brumby interjected.

Mr CLARK — The honourable member for Broadmeadows has asked where the works will be established, and I will provide specific examples. I refer him to Budget Paper No. 2 at page 79, which states that:

> Major base hospitals in rural Victoria will also receive $27 million to upgrade and redevelop facilities over the same period.

I am sure other members of the government who join the debate will add further examples. The honourable member for Broadmeadows has twice fallen back into old Labor Party habits, which is a source of disappointment given his otherwise supportive remarks about the rural industry.

The bill changes the deposit-taking powers of the Rural Finance Corporation, and those changes have two worthwhile aspects. The first allows the RFC to take small deposits of less than $100 000 and the second brings the RFC's deposit-taking powers within the prudential standards framework that is being rolled out and reinforced across government agencies in the budget sector. This will be done through the power of the Treasurer to set the conditions of the RFC's deposit-taking powers.

The ability of the RFC to take modest deposits in conjunction with some of its lending and financial activities will be beneficial to its clients. I understand that the ebb and flow of accounts between the RFC and clients has resulted in credit balances in the past, and because the RFC has not been able to take small deposits those balances have had to be returned to clients. It will now be possible for those balances to be held by the RFC with interest being paid on them. That will improve the flexibility of the RFC's operations and the standard of service it can offer to clients. It is not intended that the RFC will become a broad deposit-taking institution competing with banks and other financial institutions, but it will be able to offer services ancillary and complimentary to its core business.

The second aspect of the bill hardly needs elaboration as one need only recall the difficulties faced by public financial institutions when they did not have adequate financial controls. Since coming to office, the government has diligently and systematically reviewed and strengthened the prudent financial controls that operate over financial entities within the public sector. This is one more modest step in enhancing and reinforcing the regime of prudential control.

The bill will both strengthen the supervision of the RFC on behalf of taxpayers and enable it to offer enhanced services to its clients. I urge the house to support the bill.

Mr HAMILTON (Morwell) — It is always interesting to follow the honourable member for Box Hill. I am not sure whether he is difficult to understand because he is a lawyer, an economist, an accountant or the like. Perhaps that says something about me as much as it does about him!

The honourable member for Box Hill at least in part clarified the bill when he said that the Rural Finance Corporation (RFC) will now be able to take deposits of less than $100 000. However, I was not sure whether he said it could take only deposits of less than $100 000 or any deposit approved by the Treasurer. I note that he is nodding his assent to the second proposition.

The easiest clause in the bill to comment on is clause 4, which corrects a spelling mistake. It would seem computers are not infallible, but one would have thought that a spellcheck of the bill should have been performed somewhere along the line.

The bill provides that the RFC is able to accept deposits of less than $100 000 and it reduces the corporation's statutory responsibility because the taking of deposits

will be subject to the approval of the Treasurer. In other words the Treasurer has wrapped his arms around the RFC and said, 'You can do those things provided you have my approval'. I note some government members are smiling as if they are asking themselves, 'What's wrong with that?'. It must be kept in mind that what goes around comes around, and it may well be that the current Treasurer may not be the Treasurer in the foreseeable future. The position could change.

If unfettered powers are given to ministers, problems could be caused further down the track — for example, when there is a change of government. When considering giving wide powers to an arrogant government whose members believe they will be in power forever it should be borne in mind that the voters will have a say.

In my previous life I spent a fair bit of time dealing with statistics and figures. One is always suspicious of what might be called the 'snowdropping', or other not-so-complimentary terms, that appeared in the Treasurer's statement today — and there will be lots more of it!

Mr Baker — Not snowdropping!

Mr HAMILTON — It was a deliberate faux pas. Some people have real trouble with the use of the Queen's English.

The point that needs to be made is that there was great emphasis in the Treasurer's budget speech, which was backed up by the honourable member for Box Hill, on saying, 'Hey, we are looking after country Victoria'. Then he said, 'We are committing 36 per cent of new capital works in health and education to country Victoria' — not generally in country Victoria. As the honourable member for Broadmeadows said, that may or may not be accurate; one must take that statement at face value. If the government were saying, 'We are committing 36 per cent of our capital works to country Victoria' that would have meant something. Clearly, nothing like 36 per cent of capital works — in fact, nothing like 25 per cent, which is country Victoria's fair share — is going to country Victoria.

Let us expose the myth that all that capital works expenditure is being committed to country Victoria. The government has selected health and education as an example, but it has not been game to state in its budget papers or in the Treasurer's speech this afternoon that an equitable share of capital spending will go to country Victoria. The reason is clear: this is a Melbourne-centric government, and that fact needs to be put on the record for all to see.

Much comment has been made about how wonderful the electricity reforms have been. Country Victorians — particularly the farmers and agricultural businesses that use the Rural Finance Corporation — are not getting the benefits of all the so-called reforms. For example, electricity costs in Morwell, which is situated alongside the power station, are a darn sight dearer than electricity costs in Dandenong or any of the Melbourne suburbs in this Melbourne-centric state. The Treasurer has set up the electricity industry so that the residents of Morwell pay to have electricity produced, sent along the lines, and then back again. The new private United States-owned transmission company collects its share of the bill for zilch. Country Victorians ought to be gaining advantage from the industry rather than being at a great disadvantage because of the way it is set up.

That fact should be on the record, too. It is absolute stupidity that defies all logic. Energy is lost through transmission from the area and in sending the power back. Those who live near generating stations — whether in the La Trobe Valley or in north-eastern Victoria, near the Snowy Mountains — should be able to gain a competitive advantage from their proximity to the stations. Country Victorians who use the Rural Finance Corporation will inevitably be disadvantaged by the way the electricity market is set up.

Mr Steggall interjected.

Mr HAMILTON — I know the honourable member for Swan Hill did not really mean what he said. It is a bit hard to locate a dairy farmer and 800 cows in Melbourne. Even with feed lots or anything else, it just does not work!

It is important for Victorians who live outside Melbourne to realise that they are at a competitive disadvantage with their electricity supply when they ought to be at a competitive advantage. Country Victorians save the state millions of dollars every year because they do not put excess demands on the infrastructure that exists in the fair city of Melbourne. For example, it costs something like 10 times more to service a block of land in metropolitan Melbourne than it does in the country. The government ought to be acknowledging the contribution of country Victoria to the total economic and social health of the state. The government should be taking that into consideration when talking about a lending, and now limited deposit-taking, institutions such as the Rural Finance Corporation.

Mr Steggall interjected.

Mr HAMILTON — I can see his eyes flashing! One nice thing about this Parliament is that most debate takes place in good spirit, which is important.

Much is made of the fact that the RFC is not a bank and is not competing with a bank. The Rural Finance Corporation is a bank! I believe that honourable members on both sides of the house would agree that it is an important bank for rural Victoria.

Mr Steggall — It is a socialist bank.

Mr HAMILTON — We have socialists opposite! This debate could really get out of hand.

Mr Baker — They won't let you privatise this one; that's one thing you can be sure of. Nor will they let you market interest rates.

Mr HAMILTON — The honourable member for Sunshine will have his turn shortly. The RFC is a bank. It acts as a bank and its prudential requirements are similar to those of banks and other government institutions. That is rightly so, because Victoria's rural industries and businesses are vulnerable to changes in commodity prices and exchange rates for the Australian dollar and to export markets now that we operate in a so-called global economy. I am not sure exactly what that means, but I think it means we are ruled by the US-run International Monetary Fund. I reckon that is what it means — we are getting screwed by someone!

The RFC, acting as a bank for the rural sector, ought to be acting more like a bank by supporting rural industry rather than maintaining its traditional operations for the farming community and agricultural business, which are directly linked. The Rural Finance Corporation could expand its horizons a little, both in lending and deposit-taking, so that it could be seen more clearly, as would be proper, as the bank for country Victorians and country businesses. There is no more important business in country Victoria than farming, because that is where it starts.

The opposition supports the bill with some hesitation and some reservation, because it requires that we trust the Treasurer, and that is a big ask — even though it is half past 5 on 4 May 1999!

Mr A. F. PLOWMAN (Benambra) — At lunchtime today the honourable member for Bellarine and I wandered down Collins Street to meet with a member of the Rural Finance Corporation and get a few statistics I thought might be beneficial to the debate. It is interesting that 17 per cent of the Victoria's 28 000 farmers are clients of the corporation. It is even more interesting that 17 per cent of the total institutional rural debt — something in the order of $3 billion — is handled by the corporation. One of the most interesting things to come out of our discussion was the suggestion that the Rural Finance Corporation is exceptionally understanding of its clients — that is, it understands and looks after its clients' interests well. However, that is true only after the client gets through the gate. The issue of the limitation on the number of rural clients must be considered in future debates on the corporation and should be addressed by the government.

I was staggered by the comment of the honourable member for Broadmeadows that today's budget is not rural friendly. In my contribution I will contradict that statement completely. During the 10 years of Labor regime I well remember looking at each budget and hoping it would contain something to satisfy the needs of rural Victoria. It was devastating. I cannot remember one budget satisfying in any way the capital requirements in country areas. However, that is not the case with this budget.

For example, $15 million has been allocated for the Wangaratta hospital, and that follows expenditure of over $16 million on the recently completed Wodonga hospital. The needs of the fastest growing country centre are being met with an allocation of $9 million for the Wodonga police station and courthouse. Mitchell College received $3 million for a gymnasium and library. The Wodonga TAFE and Latrobe University have been allocated $1.1 million for a purpose-built library and associated learning area they will share. Those examples in north-eastern Victoria alone indicate the sort of capital expenditure that is occurring as a result of the budget. It is complete nonsense for the honourable member for Broadmeadows to suggest that the budget does not look after the interests of country Victorians.

I turn to the bill. The bill was not addressed by earlier speakers, apart from the honourable member for Box Hill. The bill's sole objective is to overcome the limitation on the statutory power of the Rural Finance Corporation under which it can receive only deposits of more than $100 000, on the basis particularly that the farm management deposit scheme introduced by the commonwealth government allows farmers to deposit any amount under that scheme. More than 80 per cent of amounts farmers deposit under the scheme are under $100 000. The limitation puts the Rural Finance Corporation — the honourable member for Morwell rightly described it as a bank — at a disadvantage compared with its competitors.

The bill will enable the Rural Finance Corporation to accept money in deposit as authorised by the Treasurer,

particularly in respect of the farm management deposit scheme. Effectively it will put the corporation as a banking institution on an equal and competitive footing with other trading banks. I support that initiative because the corporation is a banking organisation that has done a lot throughout its history to assist farming industries and other support industries in rural areas.

I turn to the history of the corporation. The second-reading speech of the Rural Finance Corporation Bill was made on 18 May 1949 by the then Premier and Treasurer, the Honourable T. T. Hollway. The introduction states:

> It also coordinates under the one authority the various forms of rural advancing which have operated in this state for many years, —

which, I might add, were quite diversified —

> and provides for the future administration of the debt adjustment funds amounting to approximately two and a half million pounds.

In 1949 the figure of establishment was approximately £2.5 million.

On 21 November 1961, Mr Bolte, as he then was, introduced the bill establishing the Rural Finance and Settlement Commission Bill. The second-reading speech states:

> Since it came into existence, the Rural Finance Corporation has handled a sum of £14 800 000, of which £11 500 000 has been advanced to farmers.

On 27 October 1977, Mr Borthwick, the then Minister of Lands, delivered the second-reading speech on the Rural Finance and Settlement Commission (Amendment) Bill. It states:

> Since 1963, when the merger of the former Rural Finance Corporation and the former Soldier Settlement Commission was consummated, over $207 million has been expended by the commission ...

Today approximately $450 million is loaned out by the Rural Finance Corporation. Over the period referred to the Rural Finance Corporation has grown expeditiously in accordance with the needs of rural Victoria — the farmers and the industries that have benefited from it. It has made a major contribution to the successful implementation of new policies, the development of new farming enterprises and the support of industries vital to the development of those farming enterprises.

In conclusion, I go back to the initial charter of the Rural Finance Corporation. The Rural Finance Corporation established in 1949 was a rural corporation; it has come full circle and is again a rural corporation. The objectives of the corporation as it was initially established and constituted were, firstly, to encourage settlement, which is certainly behind us, and secondly, to stimulate country production and encourage the establishment of new country industries:

> ... by the making of advances by way of loan at the lowest possible rates of interest ...

It is necessary to look to the future of the corporation to determine whether those original objectives are still appropriate. The corporation has done a remarkable job in the past and will be needed in the future. However, in future debates honourable members must look at what will be necessary to ensure that those basic objectives are met. I look forward to being part of those debates and to taking a role in ensuring that the Rural Finance Corporation plays a valuable part in the development and ongoing profitability of rural industries, both farming and industries that support farming.

Mr BAKER (Sunshine) — The Rural Finance (Amendment) Bill may not seem all that important but it relates to an issue that I regard as being extremely significant. Many honourable members have referred to the vagaries and the mathematical odds and evens of farming life. Nothing sums it up better for me than what happened in my first week as Minister for Agriculture, which was some years ago now. I remember getting home from work. I had not seen much of my wife during that week and she was clattering around the kitchen — it was her turn.

Mr Hulls interjected.

Mr BAKER — The honourable member for Niddrie would not understand that, but some of us have had to cook quite a bit through the years, especially if you are left with two kids when they are three years, and six months. Neither of them can cook, I can assure you, but they have grown up big and strong.

The boys came from the kitchen asking, 'What has the great Minister for Agriculture done in his first week in the job?'. I was gloomily looking into a glass and I said, 'There is an outbreak of fruit fly in Mooroopna South; they have salmonella in the milk at Wandin South; the department committed some atrocity in Gippsland years ago where it sprayed a whole lot of land with something that had not been ordered and that will cost us $6 million; a weird disease has been found in the $32 million-a-year potato crop that will wipe it out; and, on top of that, the economists on the eighth floor tell me that about 5000 farmers are about to walk off their farms'. There was a bit of a giggle and clatter from the kitchen and my wife said, 'Well done, darling. And all that in just one week!'. Of course, honourable

members on the government side very quickly and with great glee blame me for all those things.

But in amongst all this gloom there has been one constant — and not just in Victoria but in many states over the years, especially since the time of the Depression — rural and industry banks or rural finance corporations were started with similar objectives. It is probably easier for a member of the opposition rather than a member of government to point out that the real function of the Rural Finance Corporation — it is a legitimate and most useful function — has been that it has managed the rationalisation of the farming industry. No-one likes to hear that, but if you take a 60-year time scale, for example, you will see that the trend has been for total farm numbers across Australia — this is reflected equally in Victoria — to reduce by 1 to 2 per cent per annum. There have been bumps and blips along that line, but if you take a 60-year line it most definitely shows a 1 to 2 per cent reduction.

The Rural Finance Corporation has been able, especially under the capable stewardship of people like the current chairman, Stuart McDonald — I pay credit to him, he has done an excellent job, and the chief executive who has been there for a few years is also a person of great competence — to manage the good farmers who were having a rough trot to move to bigger holdings; help the smart young farmers who decided to go back to the farm to move to bigger holdings; and help families and manage the consequences of wills that split up farms.

Those of us who come from families with a long farming tradition have seen time and again that just through the accident or event of death good farms have been put in jeopardy because their sizes were to be reduced. At times like that and when the Four Horsemen of the Apocalypse ride, as they do, through the farming community, the Rural Finance Corporation has been on hand as an option to provide low-interest loans subsidised by the general community and by people in the city.

It is understood that that is a legitimate function for an organisation of this kind to undertake. It is a proper function for it. I get a little annoyed, as I used to, with people in the bush always whingeing about benefits that are provided to people in the city. I mean, when the businessman in my area who started out his business and worked his way up gets flooded out or burnt down nobody moves in to offer him a cheap loan. Yet it is understood by all of us — it is part of our culture — that when the Four Horsemen of the Apocalypse ride through the countryside, because most of us come from that farming tradition and because we appreciate the special romantic — not just economic — value that life in the bush attracts to it, we are prepared to support it. I have always said to people in the country, 'Shut up, take it. You get cross-subsidised in umpty-doo ways. Please do not complain when you see a bit of subsidy coming back the other way to people in the city'.

The Rural Finance Corporation fulfils those functions. As I said, it helps manage the problems when good farmers have difficult times and provides low-cost loans, but it also helps manage out of the industry the bottom 10 per cent or the bottom quartile, people who basically need to be removed. I am sure we all know that the trend to turn to effective farming will be bigger and more sophisticated and smarter, not smaller. In the dairy industry, for example, one could make quite a reasonable living with 120 Holstein-Friesians and a bit of modest herd and pasture management. That is not possible now. Even a herringbone shed is passé. You need a rotary shed and 300 cows, sophisticated herd management and breeding programs for which you use computer analysis and, most of all, you need top-grade pasture management. If farmers do not do that the reality is that the community needs to get them out of the industry — not brutally but to help manage people get out of the industry and enable those with smaller herds and smaller holdings to be amalgamated.

There are serious concerns afoot as to some of the people who are staying in farming. I have relatives who have shown me their total capital holdings. They obey the essential historic farming premise that you do not carry a lot of debt, that your debt-equity ratio needs to be watched carefully: anything below 90 per cent is outrageous, and anything below 95 per cent — —

Mr Steggall interjected.

Mr BAKER — Nevertheless, they were the basic principles. My relatives showed me the advantage of selling their holdings and putting the money in bankers trusts or managed funds, flats in the city, or a mixture of both, instead of having to get up in the morning, go around the troughs or do the fences and work jolly hard and still have to put up with the roll of the dice in terms of the weather and the Four Horsemen of the Apocalypse for a 3 per cent return.

An honourable member interjected.

Mr BAKER — Don't you fudge your figures. I am being generous on your side here — it is probably closer to 5 per cent.

Over the past 15 to 20 years people have been able to get an easy 10 to 15 per cent by good strategic investment. The question that hangs in the air is why

you would do it. Victorians have to weight the equation for the fact that people are needed who are prepared to do that. Although there is a sense of romantic equity in owning one's own land and being able to live off of it, and that counts a lot, Victorians need to be aware of the variance in economic values.

It is alarming that these days the smarter children, male or female, in a lot of farming families are being educated — even the farming communities have woken up to the fact that women have to be educated — and in many cases do not go back to the farm.

An honourable member interjected.

Mr BAKER — Some Liberal and National Party members are sent in here so they can get off the farm — I do not want to point out anyone in particular, but some members are sent off their farms so those members can be saved from economic ruin — and save for those exceptions the smart people from the farms are going off to do other things, such as work in the professions, or whatever. The end result is that Bozo the Wonderdog is at home on the farm. Unfortunately, modern farming needs to be run a little better than Bozo the Wonderdog is capable of. The activity is no longer 98 per cent physical; it is about 95 per cent cerebral. Statistics I saw a few years ago suggested that the average age of farmers in the Mallee was somewhere in the low 50s. That is not a healthy trend. Options of the kind provided in the bill are needed to encourage smart people and provide finance for them to do smart farming. I am solidly in support of such options.

Another trend that has emerged as banks and organs of government have withdrawn from the bush is the need for the provision of banking opportunities. I understand that that is not proposed here, but the house should note it with interest. It may well be that some members opposite see an opportunity to start a farmers' bank or to allow the Rural Finance Corporation, as it is currently constituted, to further broaden its activities to allow it to operate branches in rural communities, perhaps in cooperation with local farming communities.

The results of a succession of government decisions have already been seen in small rural communities being left as little better than ghost towns. From my experience the best indicator of the health of a rural town is whether it has a local football team. In the past decade many rural football teams have disappeared. Their numbers have been slashed to something like 30 per cent of what they were 10 years ago. The old rule in the bush was that the goal-to-goal line was filled with the local coppers, schoolteachers, the forester, the bloke in the post office, and a couple of blokes from the bank, and perhaps a couple of good local players from the farms. Then during the wait for the quarter generation to come on some old heavy from the city was hired to come up and trouble the wives and daughters, and stand in the centre and pass the ball out. Because of the actions of governments such as this and the sway of the economic rationalists, that has all gone. Those towns are now ghost towns. The government has dotted the landscape — —

Mr Finn interjected.

Mr BAKER — That is your legacy for the bush — you have dotted the bush with ghost towns.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member for Sunshine should get back to the bill. He has stirred everybody up sufficiently.

Mr BAKER — That the government has dotted the bush with ghost towns in the most appalling way shows that government is not just a business. If ever there were an example to illustrate that a government should not behave like a business — it should be businesslike, but not necessarily be a business — it is what has happened to country towns. That is the mistake made by people with a druid-like obsession with keeping their own narrow faith, I expect partly out of the bitterness of their own youthful experiences and partly out of the historical baggage and bitterness they are carrying. It is ingrained in their souls, written on their faces and written in their policies.

The honourable member for Box Hill gave an assurance that currently the bank is well and truly liquid. I suggest that the mystery $150 million — well, it is no mystery — that was tipped into the larger bin, and I confess I am not necessarily into hypothecated taxation, may well have been used to expand the loan portfolio or to explore some other opportunities. Even though hypothecation as a broader principle is annoying to and makes life difficult for the government, the reality is that the government should be able to point to the $150 million and say to the farming community, 'We made that out of loans that we advanced to you and here it is being used for further loans for farming businesses, farm machinery, farm amalgamations, or for people who want to quit their farms but who are having difficulties doing so because of family wills, and whatever'. It should be made available for those things.

The allowing of deposits of up to $100 000 is a useful initiative. I accept the assurance given by the honourable member for Box Hill that proper prudential

provisions will apply. I am only too pleased to support the bill.

Mr STEGGALL (Swan Hill) — I am exhausted after that wander back through the ages! It shows, Mr Acting Speaker, how long it is since the honourable member for Sunshine had anything to do with agriculture. His comments are relevant to parts of Australia where areas of grazing are still dependent on the wool industry. The wool industry has been lost to Australia, and the areas most suited for grazing are still suffering from the problems he mentioned. Some eight or nine years ago the honourable member for Sunshine was the Minister for Agriculture. If he got back into that harness he would be surprised at the changes in country Victoria where growth, investment and development are taking place at a rate never before experienced.

The honourable member for Sunshine gave a valid and apt description of the role of the Rural Finance Corporation over many years in the management of rationalisation of banking. I have played a vital role in that rationalisation following the breakdown of banking in the Mallee in the mid-1980s. In the mid-1980s a problem arose in assisting other banks, which in difficult times look to the RFC for assistance and for help with people's problems.

As the honourable member for Sunshine said, Australia is a tough country to farm. The wool industry was good for Australia in part because grazing could be undertaken in areas where there was no irrigation. Merino sheep could survive well in the country's arid regions. Unfortunately, in the 1960s the wool industry was overwhelmed. Now for the first time the government is endeavouring to introduce textiles into that industry. Had Australia's wool industry not lost its place in the world, the difficulties experienced in many of its rural areas such as the grazing sector and the wheat and sheep belt would not be as great as they are.

I have been an avid supporter of the change regime in country Victoria developed by the government since 1992. In the 1960s I was one of those who tried to direct the Australian wool industry away from the devastating path it was following. I was about 23 years old when I returned from overseas after working in the wool industry. No-one was interested in introducing wool to the world of textiles. The arguments put by people of my ilk were laughed at. We were patted on the head and told, in effect, 'Run away; this is the way we do it. We will send bales of wool to England in the same manner as it has been done for the past 80 or more years'.

In 2000 Australia will still be shipping bales of wool to the textile industries of the world. Given your history of involvement in the Australian Workers Union and the shearing industry, Mr Acting Speaker, you would know that a bale is designed as it is because it fits comfortably on the side of a camel!

The role of the Rural Finance Corporation is vital in the rationalisation of many rural industries. Some have been enlarged and others have been given assistance to close down. As the honourable member for Sunshine said, the romance of farming life in our wheat-sheep zone has been, and in some cases still is, associated with beef cattle, sheep and the merino wool industry.

Farming and business communities in many parts of country Victoria are moving away from producing commodities; they are beginning to produce products for world markets, which is making a huge change. Although a high percentage of Australia's grain industry produces product for a specific niche market it still needs to make the big leap. The honourable member for Broadmeadows referred to the canola industry which is concentrating on its contract production. The farmers planting canola and the new legume crops are producing as much product as they can, which is a great improvement.

A group of farmers and businessmen in Manangatang have put together an outfit for pelletising grain and preparing it for the stock-food industry — for pigs, beef cattle, poultry, and aquaculture — and for the first time they have exported pellets to the Middle East for camels. That attitude is totally different from the former, which was, in effect, 'Put it in the truck at the silo and send it off to the Australian Wheat Board. Good luck. Hope it works. We will get our cheque later'.

The Nullawil cooperative is doing the same thing. These are early days but farmers are now considering business opportunities at the farm gate, which I strongly encourage. We are seeing the growth of investment in horticulture. Three or four years ago we could not have dreamed of the type of investment now taking place.

Investment and growth are evident there where supply is way below what the market demands. The opportunities exist and the problem is getting more investment. The biggest problems in those areas include housing and education. In today's budget the government foreshadowed the introduction of 50 000 new traineeships. In places like Shepparton and Echuca in my electorate the government hopes to develop training programs that will come with a job — for example, a job with four or five days per week of work

that has a training program attached to it to enable a person to gain a tertiary education.

The government is making a lot of changes, and in that environment there has been speculation about the role of the Rural Finance Corporation in attracting investment. Is its role to broker and bring in investment? The corporation has been wrestling with that notion and as yet has not settled on a policy. It is hoped it will help play a much-needed role in providing investment in rural food production.

The management of rationalisation is the best description I know of the corporation's function. It has two functions. It has a commercial arm that is able to take deposits, with which we are concerned in the bill, and it has a rural adjustment arm. Some people have difficulty understanding those functions. The corporation is the agency the state uses to carry out rural adjustment programs over the years. Those programs are becoming fewer as the federal government is moving farming enterprises towards an insurance industry that will be able to pick up people who are in a wipe-out situation, whether as a result of flood, drought or fire. That will change the role of the corporation.

The corporation has played an important role in rural areas. The bill will help to correct an anomaly that prevented the corporation from taking investments or deposits of less than $100 000. The bill also strengthens the supervision of the corporation. It is a step forward. I appreciate the support of the opposition for the legislation. I wish the Rural Finance Corporation continued success. Today's debate, although short, has been valuable. I do not believe there is enough discussion in this place about what is happening in the many regions of and the many industries in country Victoria. The corporation has a role to play in assisting with and working actively in rural industries.

The Treasurer, or the parliamentary secretary, might consider trying to ensure that next year debate takes place on rural issues. Victoria is the home of some of the most exciting opportunities and advances ever in science, production, investment, logistics and exporting. Some of the things that are being thrust up in those areas now are at the cutting edge and it is up to us as a society to pick up the opportunities. Unfortunately the majority of Melbourne people — 75 per cent of the population — believe that country Victoria is their poor cousin. Country Victoria is poor in so far as there are not enough people in many areas to do the required jobs. Country Victoria has more jobs than it has people to do them, and it is not possible to convince people of what is happening.

If the people of Melbourne would start to take a broader outlook and enjoy country life they would see a very different picture to that which the opposition usually espouses, but which it did not espouse today. I was moved to hear the comments of the honourable member for Broadmeadows. I enjoyed most — not all — of his remarks and I appreciate his support for the bill. Country Victoria has turned the corner and the challenge is to make it work.

Mr SPRY (Bellarine) — I will make a brief contribution to the debate and pay tribute to the Rural Finance Corporation. I do not want to talk about camels or football teams, as the two previous speakers have adequately covered those subjects. The remarks I have heard this afternoon have been to the point and appropriate.

By way of paying tribute, I reflect on the Barwon River floods of a few years ago, when many industries situated on the banks of the Barwon, and farms above and below it, were seriously affected. A significant relief program was auspiced by the Rural Finance Corporation. The organisation was immediately responsive and should be commended and recognised for its work in such emergency relief operations, as I am sure it is. People in Gippsland would be equally grateful for the support they received more recently.

The organisation has made a transition over the past 50 years from what was initially a soldier settlement commission, through its post-war role as a financing institution and later on its role as a development corporation. At one point the commission, as it was then known under the Rural Finance Act, owned thousands of Hereford cattle — one of the biggest herds in Victoria.

They were used for grazing stock during the huge land development phase. The commission also had a fleet of 60 crawler tractors. That gives an indication of the scale of the organisation in those days. In more recent times the Rural Finance Corporation has concentrated on its responsibility for providing financial assistance to people on the land. It has supported a number of important initiatives, including Farmbis training grants and scholarships.

The bill allows the corporation to offer limited deposit-taking products that fall below the current $100 000 statutory limit so it can compete with the banks and complement its core business. I support the bill and wish it a speedy passage through the house.

Mrs TEHAN (Minister for Conservation and Land Management) — I thank honourable members for their contributions to the debate on this relatively small bill.

I have had many years experience in the rural environment, and I am aware of the work of the Rural Finance Corporation (RFC). The bill mainly concerns the RFC's role as a commercial or banking organisation. It empowers the corporation to accept deposits of any size with the consent of the Treasurer, and it replaces the existing provisions that confine the commission to accepting deposits in excess of $100 000. Various honourable members have noted that that is a good thing because it will give the RFC's commercial arm a broader role, as referred to by the honourable member for Swan Hill.

The debate has been positive. I note that the opposition supports the bill. I was not here for all of the contribution made by the honourable member for Broadmeadows, who spoke broadly of the developments in agriculture and other rural industries. He referred in particular to the wine industry, which is growing incredibly quickly. The honourable member also spoke of other rural development opportunities over and above those in the wool, grain and beef industries that have traditionally occupied Victorian farmers.

The honourable member for Box Hill gave a precise image of the bill, describing it as a small, compact bill that clearly defines the two arms of the RFC. As he said, the commission needs to take a wide range of deposits but is currently restricted from doing so. The bill removes that restriction so that the corporation can now accept deposits of less than $100 000.

The honourable member for Morwell said the RFC should consider supporting rural industries other than farming. There was value in his contribution to the debate. Rural society is becoming more sophisticated, and not all rural industries are concerned with farming. I am sure the chair, the board and the senior executive of the RFC can, given their foresight and vision, take that idea into account.

The honourable member for Benambra presented interesting statistics on the RFC which show that the rural debt is about $3 billion, of which 17 per cent is owed to the RFC. I believe the RFC is still a second lender in most instances and is often a lender of last resort. That is a considerable component of the finance underpinning our farming and rural sectors. The government is right to support the RFC having this important additional role because the corporation is vital to rural sector financing.

It is not always easy to get finance from other sources, especially when the Four Horseman of the Apocalypse referred to by the honourable member for Sunshine come galloping over the land in strict formation. It is important to have a specialised banking and finance corporation to help out in times reminiscent of the Apocalypse.

The honourable member for Sunshine gave a personal account of some of the vicissitudes of agriculture. He rightly explained that, on the whole, farming enterprises offer low commercial returns on the value of the enterprise. If agricultural enterprises were sold up and the money invested in, for example, property, flats, fund management or stocks and shares, the return would be much greater than the 3 per cent he referred to.

The honourable member for Sunshine also referred to changes in rural life and to the idea that smart children need to be educated elsewhere. As the daughter-in-law, wife and mother of a farming family I take umbrage at his suggestion that the dumb ones stay on the farm. My no. 1 son, James, is a progressive and able farmer and is a good example of the bright young people continuing on in farming. If other sons of James's calibre are staying on the farm despite the low returns, the hard work, the problems and the challenges, the rural sector, including farming and agriculture, has a bright future.

I ask the honourable member for Sunshine to consider the fact that in rural Victoria many bright, intelligent and educated young people are using their cerebral strength as well as their physical strength. Sons may choose to go into farming because of their love of the land, and they should be given every opportunity to do so.

Mr Mildenhall — And they should not be denigrated for doing so!

Mrs TEHAN — They should not be denigrated, and I will not allow it to happen.

The honourable member for Sunshine gave a good overview of the current agricultural situation. He was optimistic and positive about the opportunities in the newer agricultural industries, such as processed food and horticulture. Growth in those industries has escalated over the past three to four years, and I agree wholeheartedly with the sentiments expressed by the honourable member. Last week in Ballarat I was told about the incredible increase in productivity in the grain industry following the introduction of raised-bed cropping. Innovative ways of addressing and using technology create optimism and hope across the rural

sector. I also commend the honourable member for Bellarine, who gave a good outline of the history of the Rural Finance Corporation.

The debate has been positive and wide-ranging and has given honourable members the opportunity to examine the rural sector, particularly the farming and new growth industries. The bill is supported by both sides of the house, and I wish it a speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.25 p.m. until 8.04 p.m.

STATE TRUSTEES (STATE OWNED COMPANY) (AMENDMENT) BILL

Second reading

Debate resumed from 15 April; motion of Mr MACLELLAN (Minister for Planning and Local Government).

Mr MILDENHALL (Footscray) — Mr Deputy Speaker — —

Government members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Footscray, without assistance from the government benches.

Mr MILDENHALL — That reaction demonstrates that government members are as contemptuous of their electorates and constituents as they are of the bill.

The opposition does not oppose the bill. It is relaxed about its intent and accepts the course of action proposed by the bill as appropriate. The overriding purpose of the relatively small bill is to make minor amendments to the State Trustees (State Owned Company) Act to allow $6.1 million of unallocated capital in common funds 1 and 2 of the State Trustees Ltd to be reinvested for the general purposes of the State Trustees.

The second-reading speech refers to the 'unallocated corpus'. I wondered what a corpus might be, and whether we had wandered into a health act. I am reliably informed that it is another term for funds in capital accounts.

The $6.1 million has been sitting in the State Trustees common funds 1 and 2 since it was identified in 1987 with the establishment of the State Trustees predecessor, the State Trust Corporation of Victoria. Extensive work has been conducted on the origins and legal status of the funds, and the consensus is that the money belongs to no person or body of persons. The intent of the bill is to return the funds to the capital reserves of the State Trustees Ltd.

The bill will also make statute law revision amendments to the act, essentially flowing from provisions recently inserted into the Guardianship and Administration Act. At first sight the proposed repeal of large sections of the powers of the administrator were a bit daunting and warranted further attention. However, on closer examination the opposition was satisfied that the changes were of an essentially minor nature.

The bill moves $3.8 million of unallocated capital in common fund 1 and $2.3 million of unallocated capital in common fund 2 to the funds of the State Trustees Ltd for use for general purposes. It specifically repeals parts 6, 7 and 8 of the act and the schedule to the act.

State Trustees Ltd is a state-owned company that was established with bipartisan support in 1994. It was a successor to the State Trust Corporation of Victoria, which was established in 1987 and which in turn succeeded the Public Trustee, which dated back to 1937. Many Victorians would not have grieved at the passing of the Public Trustee. For some time when I was a child my family was dependent on the generosity and judgment of the Public Trustee, and found it a humiliating experience to be at the hands of an extremely paternalistic — —

The DEPUTY SPEAKER — Order! There is too much audible conversation in the chamber. Honourable members will please lower their voices.

Debate interrupted.

DISTINGUISHED VISITOR

The DEPUTY SPEAKER — Order! Before the honourable member for Footscray continues, I recognise in the gallery and welcome a former honourable member for Clayton, Dr Gerard Vaughan.

STATE TRUSTEES (STATE OWNED COMPANY) (AMENDMENT) BILL

Second reading

Debate resumed.

Mr MILDENHALL (Footscray) — As I stated, it was an extremely paternalistic oversight of funds that should have been available to my family.

The Public Trustee had a chequered history. Looking at the annual report of the State Trustees, I note that in the formal documentation at least there is now a much greater focus on client and customer satisfaction. The State Trustees continue to provide a range of services, including will-making, state administration and the administration of the affairs of people with mental or intellectual disabilities when it is appointed administrator by what is now a section of the Victorian Civil and Administrative Tribunal, formerly the Guardianship and Administration Board.

The reasons for the amending bill relate to the identification of the unallocated funds and the revelation that $6.1 million was sitting there. There was a great deal of discussion about the origin of the money and what its destination should be. This came about as a result of the establishment of the State Trust Corporation in 1987, when the result of the financial management techniques then in use was discovered. I do not want to get into the details of the technical part of it because I am sure honourable members will not be interested, but the details are reasonably well laid out in the second-reading speech.

It would not assist the debate to talk about the determined interest rates and the smoothing and reinvesting techniques of the Public Trustee, later replaced by the State Trust Corporation. The funds were identified as a result of the accounting system changing from a cash to an accrual system. The $6.1 million of accrued interest became an asset of the State Trustees Corporation of Victoria, but it was not covered in the legislation establishing the corporation. There was a mismatch between the legislative change and the way the funds had been managed and accumulated.

In the 12 years since 1987 the $6.1 million has remained unallocated in common funds 1 and 2, and the earnings of that unallocated money have been distributed to the beneficiaries of those funds. The interest accumulated has been used and the end result of this legislation will be that the funds will be allocated to the capital reserves — I am assured, to the ultimate advantage of the beneficiaries of the State Trustees.

In examining the State Trustees annual report and looking at the role of the organisation, where the legislation might fit within its operations and the significance of the $6.1 million, and having consulted with some of my colleagues, I have been informed that there are misgivings about the performance of State Trustees at the moment. Many of my colleagues have heard accounts of unsympathetic treatment of clients, who are often their constituents. There are examples where not only has there been unsympathetic financial treatment but some constituents have been forced, through their legal representatives, to resort to using freedom of information legislation to obtain the basic information they require about their own cases and treatment.

While the opposition does not object to the proposed legislation and will not be opposing it, it will be keeping a fairly close eye on the levels of customer service provided by the State Trustees. In looking at the annual report I noted with some concern that the level of customer satisfaction has been falling in recent years. The last annual report identified the fact that customer satisfaction was at the lowest level since 1994 and that there has been a deterioration in that area. Although there is a focus in the annual report on improved customer satisfaction, the data show that the situation is heading, not in a dramatic way, in the other direction. I wonder whether, as some of my colleagues have informed me, there may be an overemphasis within the State Trustees on the business performance and return on investment focus of the organisation now that it is in obvious competition with a number of other agencies for both investment return and other financial criteria.

The opposition expects a reasonable balance between the quantitative and qualitative aspects of the operations of State Trustees in regard to its business performance, but realises also that the organisation has a vital human role in society that requires it to be sympathetic and understanding. It must deal with some of the most vulnerable and disadvantaged members of society in a compassionate and fair way.

It is not an easy task to balance those different aspects of an organisation; it is a difficult mandate. The feedback I have received is that at the moment the balance is not even and there is an overemphasis on the financial aspects — the return on investment and the control of funds — as against the sympathetic and human treatment of people within its care and under its supervision.

The state opposition does not oppose the legislation. It recognises the intent of the bill and agrees that it proposes a reasonable course of action, albeit that it has

taken some time since the funds were identified for the legislation to be presented. However, it has come forward and the bill is a reasonable approach to what has the appearance of being an unusual financial anomaly.

Mr SEITZ (Keilor) — I support the comments of the honourable member for Footscray. The bill is obviously a small housekeeping measure. I know the honourable member for Footscray did not want to get into the detail, but I shall make some observations about how the funds have been accumulated, particularly in view of the fact that the State Trustees are managing the finances of disabled people or people for whom guardians have been appointed.

In the latter part of his contribution to the debate the honourable member for Footscray pointed out that the human aspects of their work should not be lost in the feverish attempts of the State Trustees or their successors to better manage and gain high interest for accounts. Often when people need extra funds from their estate, whether it be for an operation or other special purposes, they, their relatives and even the medical profession have to go to great lengths to gain access to the money needed. Often people are forced to wait on the public hospital system — and we all know what that is like these days.

The mention of the further accumulation of funds brings back a vivid memory of the time when the Labor government was closing many government institutions that had also been managing money on behalf of people who could not manage it themselves. Subsequently money was held in funds for which no-one was accountable. I hope the further development of record keeping and financial administration will improve accountability to that portion of our community.

After many of the institutions were closed nobody could tell us how the funds were kept, how the money could be divided up, to whom it could be returned or who was entitled to claim the remaining portion of the pensions that had not been used by the institutions. As a result, legislation governing public trustees was changed and various bills were agreed to by both parties at the time. I hope that this last step of transferring funds to a more appropriate location will give Public Trustees Ltd extra funds to work with and that they will support and deal compassionately with people rather than acting totally within a limited accounting mentality.

Even recently numerous cases of difficulties have been directed to my attention at my electorate office. In particular, people of ethnic background are not aware that when responsibility for managing their funds is given to guardians and trustees, fees are charged for even simple 6-monthly or 12-monthly reports.

It is easy to say that the State Trustees should accumulate the money, invest it and ensure profitability for the estates they manage, as in a private enterprise. However, there is a need to be mindful of what the organisation was originally set up for and that the trustees are dealing with a vulnerable section of Victorian society. Therefore decisions need to be made with compassion. The first consideration should not be the additional dollars that could be earned in interest but rather the needs and interests of the clients being supported and looked after. Family members often go through anguish over money not being accessible when additional services need to be provided for a family member whose interests are being looked after.

I wish the bill a speedy passage through the house.

Mr W. D. McGRATH (Minister for Police and Emergency Services) — I thank the honourable members for Keilor and Footscray for their support of this small bill, which amends the State Trustees (State Owned Company) Act. As outlined in the second-reading speech, the purpose of the bill is to transfer the unallocated capital held in certain funds to the general funds of State Trustees Ltd and to make amendments of a statute law revision nature. The government anticipates the amendments will assist the State Trustees to manage certain moneys from time to time more effectively and efficiently.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

FAIR TRADING (INSPECTORS POWERS AND OTHER AMENDMENTS) BILL

Government amendments circulated by Mr W. D. McGRATH (Minister for Police and Emergency Services) pursuant to sessional orders.

Second reading

Debate resumed from 15 April; motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

Mr HULLS (Niddrie) — The primary purpose of the Fair Trading Bill, which was dealt with in this

house last week, is to protect consumers from unconscionable and unfair trading practices. The bill now before the house is really an addition to that legislation and deals with the powers of inspectors appointed under that legislation.

As I said last week in the debate on the Fair Trading Bill, it is probably appropriate to refer to the reasons why the fair trading legislation was originally introduced in 1985 to give members of the house some indication of the philosophy underlying that legislation so that we can get some idea of why this bill has been introduced.

Indeed, the Honourable Peter Spyker, then the Minister for Consumer Affairs, introduced the fair trading legislation into this place in 1985. When talking about the reasons why the fair trading legislation was necessary he said in his second-reading speech:

> More importantly, the bill is a reflection of the government's commitment to the principles of social justice.

Of course, at that stage we had a government with some understanding of what the principles of social justice are all about. He continued:

> Its provisions will increase the access of those people most disadvantaged in the marketplace to protection and compensation. It will ensure a fair deal, particularly for those in our society who are forced to count every cent in purchasing essential goods and services, and who cannot afford to be misled by deceptive business practices.
>
> It will enhance the reputation of honest business and will contribute towards the achievement of a fair market for all.

He was really saying that honest and reputable business people would have nothing to fear from the introduction of the original legislation.

Mr Spyker was also saying there should be an appropriate balance between consumers in the marketplace, particularly vulnerable consumers, and small businesspeople by ensuring that consumers' rights were protected and that a proper regulatory regime was in place so that people in small businesses would act appropriately and without infringing personal rights. The former minister was also saying that the legislation should not infringe to an undue degree on honest businesspeople, but that in any event they had nothing to fear from such legislation. That is the philosophy behind the legislation. Previous fair trading legislation dealt in the main with misleading statements, as opposed to misleading and deceptive conduct. Current fair trading legislation prohibits unconscionable conduct.

As I said a couple of weeks ago during debate on the Fair Trading Bill, unconscionable conduct is defined in equity as being conduct of a character that is unfair and unconscientious. That issue was dealt with in the case of the *Commonwealth Bank of Australia v. Amadio*, which is reported at (1983) CLR 447. In that decision Justice Mason dealt with the doctrine of unconscionable dealing:

> Whenever one party by reason of some condition or circumstance is placed at a special disadvantage vis-a-vis another and unfair or unconscientious advantage is then taken of the opportunity thereby created.

Justice Deane — now the Governor-General — talked about the special disadvantage that was experienced by the couple in the case, who were induced to sign a contract with a bank. His judgment states:

> The results of the combination of their age, their limited grasp of written English, the circumstances in which the bank presented the document to them for their signature and, most importantly, their lack of knowledge and understanding of the contents [of] the document was that they lacked assistance and advice where assistance and advice were plainly necessary if there were to be any reasonable degree of equality between themselves and the bank.

It is important that honourable members understand what the prohibition of unconscionable conduct is all about. It is a prohibition of the unfair use of social inequality that can result in an unfair contract.

The Fair Trading Bill that was passed a couple of weeks ago updated the law on fair trading. It prohibits a number of things, including unfair or false testimonials, pyramid selling, and the like. That is appropriate legislation because certain consumers can be taken advantage of by people who present false testimonials and entice them to get involved in pyramid selling, and the like. This bill introduces an inspectorate regime to ensure that fair trading legislation can be properly policed and enforced.

During my contribution in the debate on the Fair Trading Bill I referred to a number of examples of false testimonials being given and to the fact that the sort of regime that currently exists in the United States is developing in Australia — that is, where companies that want to sell their goods or services use well-known sportspeople to advertise those goods and services by talking about how excellent particular products are. The bill provides for the prosecution of people who use false testimonials to sell their products. That is a good thing. In the United States there is a tendency to use famous sportspeople to give testimonials because in the main young people are attracted to such testimonials. The bill will enable any false testimonials to be picked up.

Fair trading legislation outlawing that type of behaviour is not enough. There is a need for complementary legislation that provides inspectors with appropriate powers to inspect documentation, including the credit documentation of people who lend money. There is a need to keep such people honest. The bill will provide an appropriate regulatory regime to complement the fair trading legislation. As I said in my contribution in the debate on the Fair Trading Bill, there are a lot of snake-oil salespeople out there — people who will use every trick in the book to entice members of the public to enter into contractual arrangements that are unfair, inappropriate — —

Mr Robinson — Immoral.

Mr HULLS — As the honourable member for Mitcham says, some of these arrangements are immoral. They can rip the life savings out from under certain individuals. The minister has done her best in her last term as a member of Parliament to introduce legislation to stop that type of thing occurring, and she is to be congratulated on that. The last thing Victorians want are shonks and charlatans running around the state taking advantage of vulnerable members of the community by attempting to entice them into inappropriate contractual arrangements that will leave them in debt for the rest of their lives.

The bill introduces an inspectorate regime that gives inspectors what some might say are fairly wide-ranging powers. The opposition will monitor the powers of the inspectors to ensure that they are not abused in any way. The inspectors will have wide-reaching powers, particularly in relation to the administration of the Credit (Administration) Act. For instance, proposed section 19, which is inserted by clause 7, requires a credit provider to keep all documents relating to the business — that is fair enough — open and available for inspection at each of the credit provider's registered offices. It also requires former credit providers to keep such documents open and available for inspection for three years in a form and at a place where they can readily be inspected. Further, the bill provides that the registered credit provider is obliged to answer, orally or in writing, any questions put by an inspector, or to supply documents at a time and place specified by an inspector.

The bill also provides for powers of entry and search with the consent of the occupier of a premises. Proposed section 27, which is also inserted by clause 7, deals with entry without consent or a warrant and provides that an inspector may, on production of his or her identity card, enter and search any premises of a credit provider that is open for business between 9.00 a.m. and 5.00 p.m., may seize or secure any document or thing and may make extracts of documents kept on the premises. Inspectors are provided with fairly wide-ranging powers.

Proposed section 31 permits the seizure of anything not mentioned in a warrant of a kind that could have been or will afford evidence of a contravention of any Fair Trading Act or related acts. The bill is silent on the onus of proof. Perhaps the Attorney-General will explain the onus-of-proof provisions in this proposed section to all honourable members. As it reads, inspectors have wide powers to enter premises without warrants — but certainly with permission — and to enter premises with warrants to search for or inspect certain documents. Inspectors are also given power to seize anything that may not be mentioned in those warrants.

The opposition does not oppose the bill. It understands the need for complementary fair trading legislation. However, under the guise of legislation that says anything not mentioned in the warrants that may afford evidence of contraventions of any Fair Trading Act or related act may be seized, inspectors should not be able to go into premises with warrants to search for particular documents and upon happening to see other items seize those items on an ad hoc basis. The opposition will monitor the legislation to ensure that inspectors do not indulge in their own frolics or use the wide powers contained in the bill to intimidate business people appropriately going about their business.

Proposed section 38(1) deals with a rule against self-incrimination and provides:

> A person is not excused from answering a question or producing a document under this Part on the ground that the answer or document might tend to incriminate the person.

For a range of obvious reasons a rule has always existed where persons do not have to answer questions that may tend to incriminate them. Legislation has been passed where the rule against self-incrimination has been abolished in exceptional circumstances.

Proposed section 38(2) states:

> If the person claims, before answering a question, that the answer might tend to incriminate them, the answer is not admissible in evidence in any criminal proceedings, other than in proceedings in respect of the falsity of the answer.

Although not opposing the bill, the opposition cautions the Attorney-General against a last hurrah by abolishing the rule about self-incrimination. It is hoped subsection (2) is not a step down that path by the Attorney-General. Although the opposition understands

the merits of the legislation, that would be inappropriate and the opposition would oppose it. I repeat that the opposition does not oppose the bill.

Proposed section 42 provides for an inspector not to reveal any information obtained in enforcing the provisions of the act in circumstances such as a court order requiring such disclosure or any other matters specified in subsection (2).

The three-day cooling-off period under the Motor Car Traders Act is extended. The extension applies to off-trade-premises sales. The Scrutiny of Acts and Regulations Committee analysed the legislation in depth. I understand it wrote to the Attorney-General expressing concern about the changes to the Travel Agents Act, certain sections of which will be repealed. I refer specifically to section 26 of the Travel Agents Act, which deals with specific undertakings given by a travel agent if it appears to the director that a person who carries on a business of a travel agent is in the course of that business repeatedly engaged in unjust conduct. Certain things, including the fact that a travel agent who has engaged in unjust conduct must execute a deed in terms approved by the director, must occur. That section will be repealed, as will section 41, which deals with powers of entry, and section 42, which deals with the production of records.

The committee wrote to the Attorney-General stating that the bill did not provide enough assistance on the reasons for repealing those sections. The committee wanted further assistance with the consequences of the repeal of the particular sections. Perhaps this is a perfect opportunity for the Attorney-General to give such an explanation, which I am sure will be passed on to committee members.

I understand the concern of the Scrutiny of Acts and Regulations Committee. The particular sections have been abolished. I understand they have been included in other fair trading legislation and that travel agents will still be required to execute certain undertakings if required under other legislation. Perhaps the minister might take a short time in her summing up to give the explanation the committee requires.

The opposition did not oppose the Fair Trading Bill and will not oppose this bill, because it has to be read in conjunction with that previous legislation. The bill gives the inspectors certain powers and the opposition cautions that it will monitor those powers to ensure that they are used appropriately and that inspectors do not go outside them. The opposition would expect those powers to be read fairly narrowly in the event of any court proceedings. The opposition does not oppose the bill.

Dr DEAN (Berwick) — It is a pleasure to say a few words on the bill because it is part of a network of bills and actions taken by the government to revamp the fair trading area. Fair trading has been around for a long time. When I started out as a young lawyer the fair trading area was not comprehensive or well understood. It was dealt with under the common law. We were still dealing with negligence and those sorts of things.

The genesis of the statutory control of fair trading, negligence and the requirements of traders was the introduction by the federal government in 1974 of the Trade Practices Act. Part 4 of that act dealt with monopolies and similar situations and part 5 dealt with the basic fair trading notion. The main provision was that one could not engage in conduct that was misleading and deceptive. It was a simple way to start what was to be an enormous growth in protection of the consumer in areas in which protection was needed but in which to that time it was necessary to rely on the common law. Often the consumer avoided taking action because the common law was complex and difficult to understand. It was difficult to be sure of a particular course of action and whether or not the right facts could be garnered to support a common law action where a consumer was trying to protect himself or herself from unfair conduct by a trader.

The simple phrase 'misleading and deceptive conduct' became part of legal parlance, and as is often the case the common law was affected by the statutory law and the statutory law was affected by the common law. It was a great step forward in the ability of the community to operate in a more civilised and appropriate manner in respect of trading and how consumers were treated.

The introduction of the Trade Practices Act opened up a new area of the law. It was wonderful for the lawyers, and although jokes are made about lawyers profiting through the expansion of that area of the law, in the end average consumers gained rights they had never previously had. If ever there was empowering legislation, the small phrase 'misleading and deceptive conduct in trade', and so forth, provides the perfect example. It led to the states enacting their own legislation. The commonwealth legislation applied only to those bodies over which the commonwealth had power, and for the fair trading legislation dealing with misleading and deceptive conduct and various similar provisions to apply to state jurisdictions it was necessary to introduce mirror legislation. The Victorian Fair Trading Act provided similar protections.

Fair trading legislation led to another expansion in the law. It is possible to find the points in time where giant steps forward have been taken in the law and in the capacity of ordinary individuals to have their rights adjudicated. The effect of those advances is one of the reasons Victoria is going through an enormous process of reform of its courts and court procedures. The rights of individuals and their capacity to have their rights adjudicated have been advanced by legislation such as the Fair Trading Act. Many more people who previously did not know they had rights or that they could have their rights adjudicated on are now stepping forward and saying they want that to happen. As a consequence, the pressure on the courts is building daily.

Many people ask why we are having so much trouble with legal aid and other mechanisms that are designed to enable the courts to operate fairly and efficiently. The population has not grown to the same extent, so why is there such pressure on the courts? It is simply because we have passed legislation which has enlivened and empowered people and which has created expectations. Our community now includes a much bigger middle and lower socioeconomic group — to use an unfortunate term. Those people are saying they want to exercise the ability they have been given to determine their rights

The bill may seem small, but it is another step in empowering the ordinary consumer or person in the street who wants his or her rights determined. The determination of rights is no longer the preserve of those in the know or those who have the required financial resources. The bill follows on from the enormous steps taken at the federal level in 1974 and at the state level in 1976 when the principal act was introduced. This new step will enable businesses to trade more fairly and efficiently.

Part of my duty as parliamentary secretary is to assist the Attorney-General in administering the fair trading awards. I refer to those awards because they emanate from the Office of Fair Trading and Business Affairs. Those promoting the awards, me included, have travelled the country encouraging people to apply for them.

One of the avenues for promoting fair trading is legislation that disciplines people who do the wrong thing: the inspectors come out and knock on the door and everyone dives out the back wondering what they have done wrong. Discipline is an important part of the fair trading legislation because it ensures that those doing the wrong thing get caught.

However, the government is now taking a new approach that accentuates the positive. It encourages people to do the right thing by convincing them that if they trade fairly and treat people well they will increase their customer base and achieve greater profits. Statistics show that it takes five times the resources to get a new customer as it does to retain an old customer. If you respond quickly to a complaint, you have an 80 per cent chance of keeping your customer. If he or she has to come back twice about the same complaint, that falls to only 50 per cent. If the customer has to come back a third time, the statistics show that you have virtually no chance of keeping him or her.

The Office of Fair Trading and Business Affairs, through the fair trading awards and other mechanisms, is more than just the bogeyman. It wields the stick — the threat that if you go out there you will get wet — while encouraging traders to do the right thing and be rewarded for it. That is the idea behind the fair trading awards.

Given the number of people who apply for the awards, we try to make them as attractive as possible. There is a regional competition and a city competition. We want to attract a large number of applicants because every time someone fills out an application form he or she is testing his or her own customer service. The awards are a mechanism for getting people to think about their own businesses. Are they doing the right thing? Are they being honest? Are they providing service?

The bill is about inspectors' powers and all the things that go to make up the stick that ensures that people who do the wrong thing get caught and change their ways. However, it is important to emphasise that the government is more inclined to promote the positive than the negative side of fair trading.

The government is often accused of being exclusively market oriented. As I have had to point out several times during other debates, the government's legislation is about the exact opposite. The bill again shows that the government understands that fair trading legislation must be detailed and strong and must properly empower inspectors to ensure that consumers are protected from traders who behave badly in the marketplace. If the market is left to itself certain things will not happen given the power on one side and the lack of power on the other. The bill serves to remedy that imbalance.

The government has a good record for protecting consumers in the marketplace. It does not adhere blindly to any philosophy; rather, it deals in solutions that are practical and appropriate for the constituency.

The government and the Attorney-General have once again introduced a clever piece of legislation, which, as an ex-lawyer, I appreciate. I spent many years arguing — —

Mr Hulls interjected.

Dr DEAN — We both agree about that. You cannot take the lawyer out of the lawyer! When as a lawyer you have to explain a bad piece of legislation to a client or a court, you come to appreciate good legislation when you see it.

The problem the government faced was that inspectors powers were spread throughout a range of acts — I counted 20 — and the different powers were difficult to reconcile. As the honourable member for Niddrie pointed out, they are very powerful: they give people who wish to abuse them the capacity to do horrific things. That is why it is important to ensure that consumers clearly understand them. The Attorney-General gathered the inspectors powers contained in acts including the Estate Agents Act, the Credit (Administration) Act, the Fundraising Appeals Act, the Motor Car Traders Act, the Disposal of Uncollected Goods Act and the Domestic Building Contracts Act, and repealed the Consumer Credit Act, and put them all in the bill so sense could be made of them.

There are two types of powers. The first is the power to monitor and inspect an agency that requires a licence, and the second is the power to monitor and inspect an agency that does not require a licence. Given that a licence is a privilege, the powers of inspectors who are responsible for licensed agencies need to be stronger than the powers of those who are responsible for unlicensed agencies. If a person has the privilege of having been given a licence, it is all the more important that an inspector has powers strong enough to ensure that that person complies with the conditions of the licence. A licensee who does not comply should have no recourse because he or she has agreed to the licence conditions.

The bill outlines the powers of inspectors who have a responsibility to monitor either non-licensed bodies or licensed agencies. The bill clarifies the situation so lawyers and consumers can understand the process. The provisions governing the monitoring of unlicensed agencies include the power to obtain a court order for the production of documents; the power to search by consent or by warrant to seize items; the power to embargo seized items that have to be returned within three months; and the power to prosecute if a person refuses to disclose information or hinders the process of disclosure. The bill also provides that a person can make a complaint against an inspector and requires an inspector to register seized items and register the exercise of warrants so the department knows what has happened.

The powers of inspectors who are responsible for monitoring licensed agencies are the stronger of the two. Those inspectors are also required to keep records, produce documents and answer questions, but they also have the power to apply for court orders for the production of documents. They have the power to enter, search, inspect and seize documents and other items from a licensed premises without having to go to court to obtain a warrant to do so. Inspectors of licensed premises are not confined to the same extent as inspectors of unlicensed premises, who must obtain a warrant or the consent of the proprietor before inspecting a premises. The bill also contains a requirement to identify and return items and provides protection against self-incrimination in criminal proceedings. The powers of inspectors of licensed premises that enable them to enter premises and demand to see certain items are justifiable given the conditions of the licence.

As I said, those powers have been gathered together to make them easier to understand. For example, the powers in the Credit Act will be included in the new Fair Trading Act. A once complex system has been made simpler by the process outlined in the bill. That will help those who may be on the receiving end of inspections to understand their rights. It is important to remember that the bill allows any person to complain about or ask for an investigation of what an inspector has done. The bill also contains confidentiality provisions that prevent an inspector disclosing seized documents willy-nilly. He or she must ensure the confidentiality of the person from whom the documents have been seized.

The bill will be a success. I can understand why the honourable member for Niddrie claimed that the opposition will monitor some of the provisions, because the government will, too. Even if the process does nothing more than rationalise the existing powers of inspectors, it will be extremely important to keep a close eye on it.

The bill will allow a close eye to be kept on that. In a number of specific circumstances the rule against self-incrimination, which was raised by the honourable member for Niddrie, is not absolute. It is not a new rule, but has appeared in other acts governing inspectors' powers, such as company inspectors' powers under commonwealth legislation.

It is important to remember that proposed section 38(2) provides that:

> If the person claims, before answering a question, that the answer might tend to incriminate them, the answer is not admissible in evidence in any criminal proceedings, other than in proceedings in respect of the falsity of the answer.

The effect of that will be that although an inspector will be able to obtain the information and therefore pursue the inquiry, neither the inspector nor any other person can use that information in other criminal proceedings to incriminate the person concerned. The bill does not propose the provision of a blanket capacity to refuse to answer, which is the absolute right under the self-incrimination rule, but it provides a protection against self-incrimination.

The bill provides the capacity to work through the maze of inspectors' powers and the opportunity to further increase the capacity of the consumer to properly utilise fair trading legislation.

Mr ROBINSON (Mitcham) — As was evident from the contribution of the honourable member for Niddrie, the opposition does not oppose the bill. That position is largely justified on the basis that the bill flows from the recent passage of fair trading legislation. The opposition is keen to ensure that any legislation that will enhance the fair trading rights of Victorians is backed up by necessary amending bills.

The bill provides honourable members with the opportunity of reflecting on the broad area of government administration involving fair trading, an area about which Victorians and the Victorian government must remain vigilant. The substantial number and range of fair trading acts that the bill proposes to amend are impressive.

It is probably true that no government of any persuasion will ever get fair trading legislation precisely right; that is a reflection of some of the unfortunate aspects of human nature. Some people — unfortunately, including some Victorians — will always strive to find, and will occasionally succeed in finding, ways to rip off fellow citizens. One need only look through the history books to confirm that. If one looks back at the debates on fair trading issues that took place 100 years or more ago, one finds *Hansard* replete with references to quacks, snake-oil salesmen and charlatans, as well as various other descriptions of unscrupulous individuals who demonstrated unfortunate characteristics and a poor regard for their fellow Victorians.

The honourable member for Niddrie has given a clear exposition of the rationale behind ensuring that inspectors are given adequate powers to enforce the laws of the state. The powers granted to inspectors must continually be reviewed to keep abreast of the things that unscrupulous operators are attempting to do in Victoria. In my experience, communication by word of mouth is fairly effective among those who ply their trade through unscrupulous means. In a few moments I will refer to the strong network established among itinerant roof painters. If legislation can give inspectors in Victoria strong powers to tackle the rorts that are being attempted, then word-of-mouth communication will ensure that others in those networks also get the message.

The communications revolution has contributed to the difficulties being experienced in attempting to ensure fair trading; every day unscrupulous operators are finding new ways of ripping off their neighbours and other Victorians. That fact demonstrates the need for the government to review the powers available to fair trading inspectors.

Last year the Parliament debated and passed legislation to strengthen the protections afforded to Victorians against unscrupulous actions by people seeking to raise funds in an unreasonable and unacceptable manner. In part the debate touched on the increasingly sophisticated manner in which dodgy fundraisers are plying their trade. In recent weeks newspaper headlines have featured the activities of what might be called dodgy charities. Unscrupulous people are seeking to utilise new and sophisticated forms of trade to do over fellow Victorians. As I said, it is important that the powers available to fair trading inspectors in this state keep abreast of those developing practices.

In addition to increasing powers for inspectors, the government must give assurances that adequate numbers of inspectors will be available to do the job properly. I invite the Minister for Fair Trading to refer to that in summing up, because I am not certain what the current state of affairs is. The powers of inspectors are only one aspect of tackling fair trading problems; at all times adequate numbers of officers must be available to apply those powers. The powers themselves are not adequate to stop fair trading problems; they must be applied by officers.

In recent weeks, we have had similar debate about police numbers. It is one thing to say that police are well resourced, but if there are not enough police to apply those resources, it is not hard to envisage that many Victorians will regard the maintenance of law and order as not improving but deteriorating.

As I said at the outset, the bill provides a brief opportunity to reflect on some of the constant and abiding difficulties in the fair trading area, some of which stand out more readily than others. I am reminded of the case in the 1960s of the motor car trader who sold a very flash-looking vehicle to a young bloke who had walked in off the street to buy a car that he considered commensurate with his up-and-coming status in the world. Not surprisingly, he was determined to buy the very first flash car he saw sitting in the car yard.

He quickly signed the hire-purchase form. He was shown over the car by the car salesman, only to find when he turned the key in the ignition that the car would not move. There was no response at all. He was then informed by the car salesman that all he had bought was the car, that if he looked under the bonnet he would find that there was no engine and that he should have been more careful. The young man had been told only that the car was extremely fuel efficient, and he had a great deal of difficulty sorting out the problem. That example demonstrates one of the colourful but real problems that affected the motor car trade only a generation ago.

Last year in this place I referred to a more contemporary problem concerning a motor car trader. A resident in my electorate purchased a car on the condition that if his wife did not approve of it he could return it the next day. He returned the car only to be told by the trader that he would not accept the car back and would not return the deposit. A great deal of trouble ensued. The problem was compounded by the fact that at some stage shortly thereafter the motor car trader folded up his tent and walked away. He closed up shop and could not be traced.

The bill deals with the powers of motor car traders and inspectors. The powers of fair trading inspectors will always need to be considered in the light of powers of other government agencies that have a role to play in the conduct of the industry. I refer particularly to the State Revenue Office, which has a responsibility to collect stamp duty from motor car traders. The State Revenue Office collects revenue in a certain manner and its approach does not necessarily alert it as quickly as might be desirable in cases where traders shut up shop and do a runner. My view now is the same as it was last year — that is, that the protection of consumers purchasing vehicles is a function not just of fair trading legislation but also of the way the State Revenue Office conducts itself. A reasonable change in the procedures of that office might lead to a substantial enhancement of the protection being afforded to Victorians under the bill.

Recently I raised a matter concerning a painting company that in a very short space of time chalked up extraordinary debts across Melbourne. I am pleased that the minister has indicated her willingness to follow up that matter. Another traditional form of fair trading problem concerns itinerant roof painters. Prior to my election to Parliament I worked for some time in the northern suburbs with the former honourable member for Pascoe Vale, Kelvin Thomson. In the course of that work I became acquainted with an outrageous practice that continues today and involves groups of painters travelling up and down the east coast of Australia following the warmer weather.

Mr Maclellan interjected.

Mr ROBINSON — The minister reminds me that I was going to talk about politicians who engage in fair trading misdemeanours. However, I thought reference to the Premier's former dabbling in the jade bracelet market might lower the standard of the debate. I do not want to comment on that, Minister, but you are tempting me.

The problem of itinerant roof painters involves people who come to Melbourne in the warmer months of September and October and set up camp in a caravan park in the northern suburbs of Melbourne. The persons involved look for people working in their front gardens in the spring, typically older people. The itinerants state that they are in the neighbourhood doing a roof repainting job down the road, that they have spare materials and could do a roof repaint on the property of the person in question, which in their professional opinion desperately needs painting. The older person feels compelled to allow the painters on to the property and before long the itinerants are on the roof doing no more than slapping on a coat of paint.

The painters are then down at the door asking to be paid an extraordinary amount for the bogus repainting job. In some cases the itinerant trader will offer to drive the older persons, in many cases pensioners, to the bank to assist with the withdrawal of the money. By the time the home owner has woken up to the fact that there has been little more than a slap of paint on the roof, the traders are well gone. Investigations revealed the strength of word-of-mouth contact in the industry. It was found there were family links between the groups of people travelling up and down the east coast of Australia.

Mr Hulls interjected.

Mr ROBINSON — We never got as far as questioning them on their political allegiance, but from

the work we did in pursuing them and getting the Hinch crew out to chase them up the Hume Highway we were guaranteed they would never vote Labor in this state or return here for some time!

Mr McArthur interjected.

Mr ROBINSON — The issue was taken up with the former minister and he was very proactive in consumer affairs. The interjection reminded me of the outstanding record the previous Labor government had in fair trading. I thank the honourable member for Monbulk for reminding me of that because it had almost slipped my mind.

I am pleased the bill strengthens powers to deal with the travel agency industry. In addition to motor car traders and fitness centres, the travel agency industry is a great bugbear of any minister for consumer affairs or fair trading. Over many years Victorian and other state governments have had great difficulty in coming to terms with the industry. In the typical case it is the travel agent, not the customer, who ends up taking the holiday at the expense of the hardworking Victorians who have put down their money for a future holiday. Anything that strengthens the confidence of Victorians in the travel agency industry is to be welcomed.

I support the comments of the honourable member for Niddrie regarding the need for the powers to be granted to inspectors to be used carefully. It is a reasonable rule of thumb in this place that on any occasion where increased or enhanced powers are being granted to any group of Victorians there is an associated risk of those powers being used inappropriately. All governments should be required to maintain a close eye on the way any new powers are applied.

The extent of the new powers can possibly be ascertained by reference to part 3 of the bill, which deals with motor car traders. Of the 31 separate provisions in that part, only two effectively constrain or put some onus on inspectors as to how their new powers should be used. Generally speaking, the remainder of the provisions outline the extent of the new powers being granted.

Honourable members are considering granting new powers to ensure they are being applied in a manner which Victorians would find reasonable. We do not need to look too far to find examples of where powers have been abused. All Victorians have been concerned over recent years with the revelations of some practices in the police force involving shutter windows. Police are an example of a group of Victorians who are given very broad powers, but unfortunately in that instance a group of police officers chose to use those powers in a manner which was totally unacceptable. To some extent it is a corollary of granting additional powers that some people will at some stage seek to abuse them. All governments need to be very careful to ensure a close eye is kept on the people who are entrusted with additional authority.

The opposition does not oppose the bill. As the honourable member for Niddrie has spelt out, if the powers contained in the bill are correctly applied they will assist the good conduct of commerce in Victoria and protect consumers. However, I place on record that an effective fair trading inspection regime requires three things: firstly, adequate powers — in this case adequate powers of inspection; secondly, an adequate number of inspectors to apply those powers; and thirdly, complementary action by other departments.

I have outlined the role the State Revenue Office could play to enhance the powers given by the bill. I certainly hope the minister will bear my comments in mind with the passage of the legislation.

Ms McCALL (Frankston) — I shall try to liven up the feeling in the chamber. I thought it was getting a little — not quite docile — supine at one stage, or even sombre.

Mr Hulls interjected.

Ms McCALL — Somnambulant.

Mr Hulls — And you think you are a good judge of what is a good speech and what is not?

Ms McCALL — I certainly am, with no difficulty at all. I listen to enough of them in here, and I have become a very good judge of good and bad speeches.

The bill is part of legislation tied up with fair trading and it deals specifically with issues of the consumer and consumer protection. As a very comfortable consumer — someone who enjoys retail therapy at every opportunity — I am particularly interested in three areas of the bill that affect private individuals. I am interested in, firstly, the provision of credit; secondly, the provision of motor cars; and, thirdly, travel agents. They are three areas in which most of us in the consuming business take an interest.

Credit provision is very important. Honourable members know about the loan sharks, the Shylocks out there, the unscrupulous moneylenders, money launderers or whatever. It is certainly appropriate that the bill provides licensed inspectors with increased powers to allow them to enter premises with no notice

and seize documents as they see fit because the people are dealing with the provision of credit. For those who are unlicensed, or the third parties in deals, it is not unreasonable that inspectors should go through a perfectly legal and reasonable process to ensure they have the correct documentation and the warrants to enter premises.

I also take particular interest in the areas of motor cars and travel agents. Women have traditionally been a little hard done by by motor car traders over the years — not all women, but many of them. Many traders have assumed that women take no interest in and have no knowledge or understanding of the mechanics of motor cars, with some notable exceptions. My father sent me on a car maintenance course when I was 15 years old!

There is a general perception that when you go to a motor car trader and are sold a car, as the honourable member for Mitcham rightly said, it is the attitude of the salesperson or your appearance that dictates whether you get a car with an engine, wheels, a steering column or whatever else. The motor car trade has been considered to be less scrupulous than it might have been. There are many good traders and there is much active competition out there. But the use of inspectors and their powers to enter premises to ensure the public is protected and that an unscrupulous trader does not try to sell someone a motor car without an engine under the bonnet seems a reasonable way to go.

The final area of interest is travel agents. Honourable members who like to go on holiday when they have the time to do so or who use travel agents — —

Mr Hulls interjected.

Ms McCALL — That is when you use your parliamentary allowance — some of us use our salaries.

If you employ a travel agent it is not unreasonable to assume that if you are booking a holiday somewhere, when you arrive at the other end there will be a hotel standing for which you have paid, that there will be an aircraft at the airport when you arrive, that the travel agent has not gone off with your money and that you will enjoy your holiday. It is a fairly substantial investment for most people to buy a holiday, particularly if they take their partners, family members and so on. Therefore, it is unfair to suggest that the powers of inspectors would be incorrectly used in such an environment.

It seems to me that the two-tiered inspector powers system provided by this bill — firstly, that they are empowered to enter licensed premises with no warrant where the licensed owners should know better, and secondly, that to enter unlicensed premises or the premises of the third party in the deal they must go through the legal process to ensure they have warrants and the correct documentation to undertake the inspections — is very good legislation.

I am pleased to note the opposition, although sceptical as usual, supports the legislation. I support the bill and wish it a speedy passage.

Mrs WADE (Minister for Fair Trading) — A number of honourable members have contributed to the debate this evening and I should like to respond briefly to some of the issues raised by them. The honourable member for Niddrie was the lead speaker for the opposition. He commenced his contribution to the debate by referring to the Honourable Peter Spyker and his fair trading legislation that was introduced in the mid-1980s.

I was disappointed that the honourable member forgot to pay tribute to Sir Arthur Rylah, who introduced the first consumer affairs legislation to Victoria. I believe it was the first consumer affairs legislation in Australia. I understand that he explored legislation overseas, particularly in the United Kingdom, and initiated the first of the consumer affairs acts in this country. He deserves considerable credit for that.

The honourable member for Niddrie asked me to respond by setting out the basis of the government's fair trading legislation. I believe that has been done adequately by the honourable member for Berwick. I do not think it is necessary for me to go over it.

The honourable member for Niddrie referred to a number of provisions in the legislation. He referred to proposed section 31, which empowers an inspector to seize goods other than goods specified in a search warrant provided for under proposed new section 28. The honourable member for Niddrie talked about the opposition monitoring the power to ensure that inspectors did not go out on frolics of their own. I feel that that would be most unlikely. There could be no question of an inspector who had to get a warrant being on a frolic of his or her own. However, obviously that matter will be closely monitored by both the director of the Office of Fair Trading and Business Affairs and the government.

When speaking about proposed new section 31 the honourable member for Niddrie referred to the onus of proof. Following considerable examination of the section I am unable to understand what he was talking

about. I may take it up with him outside the chamber, and if necessary respond in another place.

The honourable member also referred to proposed section 38, which provides that a person is not excused from answering questions on the grounds that it might incriminate him or her. The honourable member seems to think that is an unusual provision. However, as you would be aware, Mr Deputy Speaker, it is found in quite a lot of legislation, including legislation introduced by the Labor government during the period it was in office in the 1980s. The provision is accompanied, as such provisions usually are, by a subclause that provides that if a claim of possible incrimination is made the answer is not admissible in any subsequent criminal proceedings.

The honourable member for Niddrie also referred to the report of the Scrutiny of Acts and Regulations Committee (SARC) and its reference to clause 19, which repeals certain provisions of the Travel Agents Act relating to undertakings. As other honourable members would realise, those provisions have been replaced by provisions in the Fair Trading Bill, which was debated here a couple of weeks ago.

The honourable member for Mitcham also raised a couple of issues. He was concerned to ensure that there be an adequate number of inspectors, and referred to a number of people as shonky tradespeople. He was particularly concerned about roof painters, to whom he referred as being part of the itinerant roof painters industry. I slightly lost concentration for a while. He may have also referred to asphalt layers, who are also of concern — —

Mr Robinson interjected.

Mrs WADE — They are also part of a travelling organisation that seems to move up and down the coast according to the state of the weather.

I am most concerned that the Office of Fair Trading and Business Affairs should have adequate resources to undertake both inspections and prosecutions. There is some difficulty in catching up with itinerant tradespersons because they are here today and gone tomorrow — usually some distance away. While the office is alert that such people should be prosecuted wherever possible, it is also important to recognise that consumer affairs advisory agencies funded through the Fair Trading budget are placed throughout the Victorian community. Those agencies undertake a useful function in the community by giving advice to individual consumers. They also have a good link-up with the local press in their areas. They are alert to itinerant tradespeople coming into areas and are quick to give notice to local press to advise people of the dangers of dealing with such persons.

The honourable member for Mitcham also talked about the Honourable Theo Theophanous, a member for Jika Jika Province in the other place and a former Minister for Consumer Affairs. During its period in office the Labor government had many ministers for consumer affairs; they seemed to come and go rapidly. I would not attempt to go through all of them, although I noticed in the dining room tonight one former minister who is visiting from Canada. Although those former ministers were quite frequently involved in legal actions, in most cases they were involved as defendants in defamation cases rather than in prosecutions.

The honourable member for Berwick and the honourable member for Frankston contributed to the debate. I thank them for their support and for their exposition of the provisions of the bill. As the honourable member for Berwick said, this legislation is really about replacing the maze of inspectors' powers which are currently found in a range of different acts and which are inconsistent with each other, with a comprehensible, consistent system that distinguishes between powers given to inspectors to investigate possible breaches by licensees and powers that are more suitable for dealing with third parties. I thank all honourable members who contributed to the debate.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 6 agreed to.

Clause 7

Mrs WADE (Minister for Fair Trading) — I move:

1. Clause 7, page 8, line 7, omit "registered".
2. Clause 7, page 9, line 1, omit "registered".
3. Clause 7, page 9, line 32 and page 10, lines 1 and 2, omit "against a registered credit provider or finance broker".
4. Clause 7, page 10, lines 8 and 9, omit "against a registered credit provider or finance broker".

These amendments are of a technical nature and clarify provisions relating to credit providers, particularly that documents obtained under specific sections of the act can be seized for use in any proceedings for offences against credit acts, not just in proceedings against a

registered credit provider or a finance broker under those acts.

Amendments agreed to; amended clause agreed to; clauses 8 to 12 agreed to.

Clause 13

Mrs WADE (Minister for Fair Trading) — I move:

5. Clause 13, page 31, lines 23 and 24, omit "against a licensed motor car trader".

6. Clause 13, page 31, lines 30 and 31, omit "against a licensed motor car trader".

These amendments are similar to the previous ones, but relate to the provisions of the Motor Car Traders Act.

Amendments agreed to; amended clause agreed to; clauses 14 to 17 agreed to.

Clause 18

Mrs WADE (Minister for Fair Trading) — I move:

7. Clause 18, page 53, lines 1 and 2, omit "against a licensee".

8. Clause 18, page 53, line 7, omit "against a licensee".

These are similar provisions but in this case relate to the Travel Agents Act.

Amendments agreed to; amended clause agreed to; clauses 19 to 49 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

AMBULANCE SERVICES (FURTHER AMENDMENT) BILL

Introduction and first reading

Received from Council.

Read first time on motion of Dr NAPTHINE (Minister for Youth and Community Services).

THE CONSTITUTION ACT AMENDMENT (AMENDMENT) BILL

Government amendments circulated by Mrs WADE (Attorney-General) pursuant to sessional orders.

Second reading

Debate resumed from 15 April; motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

Mr HULLS (Niddrie) — The Constitution Act Amendment (Amendment) Bill purports to reform the Victorian electoral system to take into account substantial advances in technology relating to the keeping of electoral rolls and to promote the compulsory preferential voting system that has served democracy well in this country.

It is instructive to look at the history of Victoria's voting system and reforms that have been made to it. The electoral system has come a long way since voting was introduced into the state. On 23 September 1856 — even before the Attorney-General was in this place — —

Mr Spry — Which Attorney-General?

Mr HULLS — The current Attorney-General. From a total enrolment of 60 021 some 56 140 Victorians voted for representatives of some 60 seats. Since that time, Victoria has had 43 Premiers, some of whom have been good, some bad and some appalling. The current Premier certainly fits into the latter class. I expect history to judge him as an appalling Premier, just as history will judge the current Attorney-General as a lightweight in law reform, but that is another matter. As all honourable members know, after the next election the 44th Premier will be the present honourable member for Williamstown.

Mrs Henderson — In your dreams!

Mr HULLS — The Minister for Housing has just arrived in the chamber and is talking about her dreams. I do not know and do not care to know what she dreams about, but I know that she has been a nightmare for her constituents. After the next election in June, the opposition expects her to be replaced as the honourable member for Geelong by Mr Ian Trezise and looks forward to him coming into this place.

Mrs Henderson interjected.

Mr HULLS — The minister is talking about her dreams again. She might like to make a contribution to the debate and tell us about her dreams then. She is becoming a touch irate. She is nervous about the prospect of Ian Trezise rolling her at the next election.

Mr E. R. Smith — On a point of order, Mr Acting Speaker, we can deviate when we are speaking to bills — lead speakers can do all sorts of things — but

what the honourable member for Niddrie is talking about has nothing to do with the bill. I ask you to bring him back to the bill.

Mr HULLS — On the point of order, Mr Acting Speaker, I do not know whether or not the honourable member for Glen Waverley has read the bill, but if he had read it he would find that what I am talking about is absolutely on the bill. I have been talking about the way our voting systems have changed over time and about changes to voting legislation — and a comment in relation to a forthcoming election, although by way of an aside, is certainly relevant to the bill.

The ACTING SPEAKER (Mr McArthur) — Order! I believe the honourable member for Niddrie was making some introductory remarks and I will allow those at this stage.

Mr HULLS — The bill is important as it deals with the way Victorians vote. Victoria has had 43 Premiers, 53 Parliaments, 66 ministries, 53 general elections for the Legislative Assembly and 57 rotational elections for the Legislative Council. One of the things the bill does not address and one of the reforms the Attorney-General should have made prior to the next election is the introduction of proportional representation in the upper house. That reform is desperately needed in Victoria. Victoria has little democracy. It has been stolen by the Kennett government — by the Attorney-General and the Premier. The election will be held on 19 June — you heard it here first — and the opposition is ready. However, it is a pity that we are not going into the next election with proportional representation in the upper house, because it would change the upper house.

Honourable members interjecting.

Mr HULLS — Many government members agree. The honourable members for Mordialloc and Carrum both agree that there should be proportional representation rather than an unelected swill in the upper house.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The ACTING SPEAKER (Mr McArthur) — Order! Under sessional orders the time for the adjournment of the house has arrived.

Pines Preschool Centre

Ms CAMPBELL (Pascoe Vale) — I ask the Minister for Youth and Community Services to explain to the house and to the parents of children at the Pines Preschool Centre why he and his departmental officials have failed to ensure that the preschool remains open until at least the end of term 2.

I remind the minister that in the adjournment debate on 25 March I raised the vital importance of the preschool remaining open for the 21 children who were enrolled at it. The minister advised the house that the government would fund the preschool until the end of term 2 so long as there were 15 enrolled students. How ironic it is that today, budget day, Matt Viney, the next member for Frankston East, visited the preschool and informed me tonight that regrettably the preschool will close tomorrow. How is it that the minister has breached the commitment he made to the house on 25 March and is incapable of providing those preschoolers with an education? Currently there are 15 students enrolled at the preschool and it is another clear example that assurances given by the Kennett government are worth zero.

When the government announced through the minister that there would be a review the preschool had more than 20 children enrolled. The review was akin to sending Dracula into the blood bank. Any audit by the government is a raising of the flag to say that a service is about to be shut. The numbers at the preschool dropped as parents sought alternative places as far away as Seaford. This week the Kennett government is trying to use its largesse to buy votes at the coming election, yet from tomorrow the children at that preschool will be without any preschool education.

I have previously raised in the adjournment debate the fact that last year only 83 per cent of the local primary school children received a preschool education and that thanks to the callous government cuts the figure will be considerably lower next year, with only about 50 per cent of the children attending preschool. Today the parents were obviously angry and quite distressed.

Fishing industry: professional netters

Mr SPRY (Bellarine) — I raise with the Minister for Agriculture and Resources the interaction between recreational fishers and professional net fishermen in populated areas, especially the traditional shallow water fishing grounds adjacent to areas of the Victorian coast.

The issue was brought to my attention a month or so ago by Mr Ray Blayney, the captain of the Seabrae

Boat Owners Club, near Leopold on the Bellarine Peninsula. Mr Blayney is a casual occupant from time to time of a caravan park known as Seabrae, which is located east of the Point Henry aluminium smelter on the Bellarine Peninsula. This afternoon I presented a petition to the house signed by nearly 900 people expressing concerns about two issues. The first is the depletion of fish stock due to alleged overfishing. Mr Blayney graphically described the situation in which the efforts of professional fishermen are thrashing the traditional shallow water fishing grounds.

Secondly, there is the issue of safety. When the net fishermen run their nets around a particular area the lines that suspend the nets float on the surface. When recreational anglers go out in their boats early in the morning or late at night, they run the risk of not seeing the lines, running over and snagging them, and damaging their boats. That is a real issue, particularly in that area.

I ask the minister to examine those two issues with a view to providing some guidance and establishing some protocols to ensure that the resource is fairly shared between recreational fishers and professional net fishers and to address the safety issues raised not only by me but also in the petition tabled this afternoon.

The ACTING SPEAKER (Mr McArthur) — Order! Before I call the next speaker I advise the house that we are having some difficulty with the digital clocks at either end of the chamber. However, both the Clerk and I have access to another clock, so members will get their full 3 minutes.

Berwick community hospital

Mr PANDAZOPOULOS (Dandenong) — I ask the Minister for Youth and Community Services to refer to the Minister for Health the recent announcement of the building of a privately owned public hospital, the Berwick community hospital. The hospital has been on the drawing board for some time.

I am concerned that the government has awarded the contract to the Ramsay Consulting Group, which was involved in a controversial bid for the Mildura Hospital, rather than the other bidder, a consortium of the Berwick Bush Nursing Hospital and the Mercy Hospital. Those two agencies have a record of providing good not-for-profit hospital services at the community level, unlike the Ramsay group.

There is growing concern in the local area that the government will fund the new hospital in Berwick to the detriment of the local bush nursing hospital as well as Dandenong Hospital and the Monash Medical Centre. Dandenong Hospital has already suffered cutbacks. It has had to close 20 beds and its staffing has been cut. Local people are also concerned that prospective patients will be funnelled from Dandenong and Springvale to help the privately owned Berwick hospital pay its bills — in other words, people will be forced to leave their local hospitals.

I seek an assurance from the minister that there will be no reduction in services at the Dandenong Hospital and the Monash Medical Centre and that funding from those hospitals will not be redirected to the new Berwick hospital. I therefore seek an assurance that the budgets of the Dandenong Hospital and the Monash Medical Centre will not be reduced. Both hospitals have considerable needs and both are underfunded. During the past financial year the Dandenong Hospital had a deficit of $11.5 million, which indicates that it is not being funded properly.

Local people are concerned that they will be ripped off if the new hospital is given an additional budget that is drawn from the current funding of nearby hospitals. Will the government guarantee that it will not withdraw funds from those already-suffering hospitals? I seek that assurance so there is a proper community-based hospital in Berwick, not one to which people will have to be funnelled from many miles around, providing profits for a private company at public expense.

Bayside: planning permit

Mr THOMPSON (Sandringham) — I direct to the attention of the Minister for Planning and Local Government a planning matter in the City of Bayside. As the minister will be aware, the City of Bayside is working on a range of planning variations for submission to a planning panel at a later stage. They are designed to provide a planning regime that accords with the aspirations of local communities in Beaumaris, Black Rock and Sandringham.

The matter relates to a property at the intersection of Norwood and Harold streets in Sandringham. That property is part of a three-lot subdivision that was approved by council under two permits. A constituent bought one of the properties, lot 2, which had a return window, installed by the builder, that offered a fine view of the bay. Under the original planning permit, the third lot, which was between the return window and the view, was to be a single-storey dwelling.

Shortly after she bought lot 2, my constituent found, to her great surprise, that the builder who sold her the property had started to erect a second storey on the other dwelling, which would have obstructed her view.

She has sought legal advice, and there has been communication with the council. The matter may go to the Victorian Civil and Administrative Tribunal.

The case shows the builder's absolute contempt for the planning process. He did not comply with the terms and conditions of the original permit. There may be some question as to whether the council's agreement was required by way of a section 173 agreement, which may have resolved the matter. Irrespective of whether there was a section 173 agreement on the title governing the height limit on lot 3, it has been submitted that it was inappropriate for the builder to proceed to build a second storey that obstructed the view of someone to whom, only a month beforehand, he had sold a property on the basis that it had a fine view of Red Bluff and the front of the property along Beach Road, Black Rock.

I ask the minister to see whether any action can be taken by his department to drive the point home very strongly.

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

The honourable member for Frankston East has risen to his feet. I advise him that according to the schedule given to me by the Speaker, he should have taken the place of one of the government members. If he rises after the next speaker I will call him then.

Superannuation: commutation scheme

Mr MILDENHALL (Footscray) — I ask the Treasurer to investigate and report on the progress of a pensioners superannuation commutation scheme that is apparently being established by his department. I ask the Treasurer to inform the members of the state superannuation schemes of the proposed value of the cash option that will be made available. I also ask that he inform pensioners whether they will be able to gain access to independent investment advice, which should be made available by Vicsuper and the Government Superannuation Office.

Speculation is rife that under the secret pensioners commutation scheme the 15 per cent tax rebate may be affected. The Treasurer must inform the members of the schemes about that possibility. It is inappropriate for the Treasurer to use the recently passed legislation to seize control of members' funds when he obviously plans to dangle a pot of cash in pensioners' faces to entice them out of their pension schemes.

He has sold everything that was not bolted down — and everything that was bolted down — to satisfy his privatisation obsession, and now he is turning his attention to the liabilities of the state superannuation schemes with the aim of exerting direct administrative control over them, despite his claims that the liabilities were under control.

The Treasurer must come clean and put his plans on the table. In stark contrast to his recent ambush of superannuation scheme members, he must now inform pensioners of his plans.

Frankston Freeway: upgrade

Mr McLELLAN (Frankston East) — I ask the Minister for Housing to raise with the Minister for Roads and Ports in another place the construction of the proposed Frankston Freeway bypass. Since the construction of the Mornington Peninsula Freeway enormous amounts of traffic have been funnelled through the Frankston–Flinders Road into McMahons Road and onto the freeway. Prior to the construction of the Mornington Peninsula Freeway, about 50 per cent of the traffic travelled down the Nepean Highway so the volume was shared between the two major roads. The diversion has resulted in 80 per cent of the traffic travelling through the heart of Frankston.

On Sunday afternoons when people are returning from Rosebud and further south, the line of traffic can extend over a kilometre. Work is being done to widen the section from Cranbourne Road to the top of the hill to ease the traffic flow, but because the freeway has only two lanes there is a huge build-up when hundreds of motorists are travelling north.

The proposed bypass extends from the Frankston Freeway at Rutherford Road, Seaford, to the other side of Baxter. I understand the freeway will not be constructed for eight years, but if the construction date were brought forward it would alleviate the problems in the area, particularly along McMahons Road and the Frankston–Flinders Road. Fourteen houses along the McMahons Road section of the freeway near the Frankston cemetery are on the market, but no-one will buy them. They cannot be given away because of the difficulties the owners have in getting out of their properties. The same thing happens further up the hill. With traffic travelling south at 80 kilometres an hour down the hill the owners there just cannot drive out. Mothers find it difficult to take their children to school in the mornings because by 9.00 a.m. the traffic can be banked up for half a kilometre.

I ask the Minister for Roads and Ports to bring forward the construction of the bypass to alleviate the traffic problems in Frankston.

Mr Kilgour — On a point of order, Mr Acting Speaker, the list given to me by the Clerks states that the honourable member for Frankston East should have been the fifth member to speak and that a government member should have been called before him. It is unfair that government members should miss out on speaking on the adjournment debate because of a mistake.

The ACTING SPEAKER (Mr McArthur) — Order! I was given different advice to that prior to the commencement of the adjournment debate. I will undertake to sort the matter out after the adjournment debate tonight or prior to the house sitting tomorrow. If there has been a mistake it will be redressed at the next rotation of Independent speakers.

Public transport: Anzac Day services

Mr ROBINSON (Mitcham) — I raise for the attention of the Minister for Transport in another place the provision of public transport services for Melbourne residents wishing to attend the dawn service at the Shrine of Remembrance on Anzac Day.

I ask the minister to reconsider his refusal last year to provide public transport services to allow Victorians to arrive at the shrine before the commencement of the service. The problem with the current transport service is that the first train or tram is not early enough to get the people who travel from the middle and outer suburbs such as Mitcham to the shrine before the dawn service commences. They would be lucky to get there before the ceremony is concluded!

The honourable member for Glen Waverley and I raised the issue last year. The minister's refusal to grant the request was based on the experience in 1994 when early-morning trains were provided. The minister informed the house that only 37 people across Melbourne used the trains. However, the point made last year by both the honourable member for Glen Waverley and me was that buses would be a more efficient way of getting people to the Shrine, as they would not have to change modes of transport.

This year, following the minister's refusal last year, I organised a bus to take people from the Mitcham electorate to the dawn service. With a minimum of effort I was able to get 40 people to travel on the bus. That demonstrates the level of demand that exists in the community for transport to the service.

It was a very moving ceremony. I place on record my thanks to Mr Don Nugent, the proprietor of the Box Hill company who provided the bus free of charge. Provision of early-morning bus services would also help ease the considerable traffic congestion around the Shrine in the minutes before the dawn service commences.

I urge the minister to reconsider his refusal of last year. The provision of buses from the suburbs around Melbourne one day per year would incur a relatively modest expense, but would allow people from all over Melbourne who are currently not able to attend the dawn service to participate in what is a very special and moving ceremony.

Harness racing: driver licences

Mr KILGOUR (Shepparton) — I ask the Minister for Housing to refer to the attention of the Minister for Sport an issue involving harness racing. Harness racing is controlled by the Harness Racing Board under the chairmanship of Mr Ian McEwen, who has done a magnificent job for harness racing in preparing the sport for the next century. He has been a man of great vision, and I am sure the sport will continue to progress.

However, I understand Mr McEwen is currently reviewing driver licences. That review is of concern to some of the hobby drivers and owner-drivers in country Victoria. I understand the review will consider the possibility of harness racing drivers who have not had 15 drives in the city not being eligible to drive in city meetings. The same will apply for country drivers — that is, if drivers have not had 15 drives in the country, they will be allowed to drive only in trials and not in country events. That possibility is causing tremendous angst among hobby drivers, owners and trainers in country Victoria.

The issue needs to be examined. I ask the minister to discuss with Mr McEwen the possibility of considering other ways of grading drivers. All Victorians would support having the best quality drivers available in harness racing, particularly in city races, because a lot of money is wagered on them. However, some anomalies arise if, for instance, one draws a line in the sand at 15 drives. Who is to say that a driver who has had 16 drives is any better than a driver who has had 12 drives? Quality, not quantity, should be what counts. I would be happy to have that judged by the stewards.

Many hobby drivers or owner-drivers in country Victoria, who might have only one or two horses and who do not drive 15 times a year, will not be able to participate in the sport by driving in country meetings. Many of those owners, if they get a good horse, will give it to a better driver to drive at the bigger meetings.

I ask the minister to have serious discussions with Mr McEwen on whether a better grading system could be introduced. A grading system based on whether a

driver has had 15 drives will cause heartache and it will put a lot of the hobby owners and trainers out of the sport in country Victoria. I am sure that Mr McEwen will be happy to consider the issue, and that the drivers and trainers will come up with some ideas.

Austin and Repatriation Medical Centre

Ms GARBUTT (Bundoora) — I ask the Minister for Youth and Community Services to refer to the attention of the Minister for Health patient accommodation charges at the Larundel Hospital, which is a campus of the Austin and Repatriation Medical Centre. Will the minister investigate another crisis at the hospital — which is lurching from one crisis to another — about bills for thousands of dollars in outstanding accommodation fees that have just been received by the psychiatric patients at Larundel? Apparently there was a delay resulting from problems associated with the closure of the Larundel billing system and the transfer of that function to the Austin and Repatriation Medical Centre.

Patients are receiving delayed bills. The example given to me is a patient's bill for $2565.05 covering a period of four months from October 1998 until the end of January this year. It gets worse, because the patient will shortly get another bill for another three and a half months for February, March and April, which will obviously be for a similar amount.

The huge fees are due to mismanagement and problems at the hospital, not to anything patients have or have not done. Many patients will have spent the money — it has been a long time since they last got a bill — and that money will not be recovered. It is not hard to envisage patients finding themselves in financial difficulties trying to pay that sort of money. Not many of us could find that sort of money quickly to pay a bill.

The minister must answer patients' questions, including how did it happen, what were the problems, and more importantly, what are the options for patients to pay off that debt or renegotiate it? It is not their fault that they have been put in that situation.

I point out that the crisis comes on top of many others at the Austin and Repatriation Medical Centre, where no elective surgery has been available to the community for the past two months, where there are appalling waiting lists of more than 800 people, and where patients are waiting for hours on trolleys in the emergency department. When will the crisis end? When will the government properly fund the hospital to provide the health services my community needs?

Jirrahlinga Koala and Wildlife Sanctuary

Mr PATERSON (South Barwon) — I ask the Minister for Housing to refer to the attention of the Minister for Agriculture and Resources an application by the Jirrahlinga Koala and Wildlife Sanctuary in Barwon Heads. The sanctuary has applied for a community grant from the Department of Natural Resources and Environment under the auspices of the Minister for Agriculture and Resources. One of the criteria for the community grants program is that the proposal will improve the level of community awareness of animal welfare issues. That is exactly what the Jirrahlinga organisation seeks to do. It has now written to the minister, and I ask the minister to seek from his staff an assessment of whether the application from Jirrahlinga comes within the criteria required under the community grants program.

Jirrahlinga is open to the public and enables children and adults to have a close-up view of our native animals and birds. That increases the public awareness of the ongoing effort needed to preserve and protect Australia's unique native flora and fauna. Jirrahlinga also does an excellent job in operating 24 hours a day, 7 days a week as a private rescue operation for injured animals. It is also a teaching school; it supports the Make-a-Wish Foundation; people from the sanctuary take animals with them on visits to nursing homes and similar establishments; and they help disabled, handicapped and disadvantaged people.

It is an excellent organisation that is greatly valued in the Geelong region. Its income is limited to that derived from entry fees paid by visitors to the park, boarding fees from the all-animal facility and sponsorships and donations from members of the public and various companies and organisations. It is ably run by Tehree and Hamish Gordon and the excellent staff. I seek the minister's assurance that the application will be treated seriously.

Responses

Dr NAPTHINE (Minister for Youth and Community Services) — The honourable member for Bundoora raised the patient charges levied at the Larundel campus of the Austin and Repatriation Medical Centre. The issue is serious, and the level of patient charges seems to be significant. I am not aware of the issue and will seek advice from the Minister for Health and get back to the honourable member with regard to the matter.

The honourable member for Dandenong raised an issue concerning the new hospital to be built at Berwick. I am

pleased that the honourable member welcomes the movement of health services into that fast-growing corridor in the Cardinia and Casey areas. I am sure the citizens of Berwick and district will appreciate that the government has an active policy of moving health services out to where the people need them. The involvement of the respectable and highly skilled Ramsay Consulting Group will be much appreciated in that area.

The honourable member asked where the funding for the new health services will come from. Part of the answer is in the budget that was brought down today and also in last year's budget, where the Treasurer clearly outlined significant increases in funding for health services, particularly acute health services, of a magnitude that we have never seen before in Victoria. The government, through its sound economic management, has been able to deliver to Victorians massive increases in funding for acute health services so that new services can be provided in the growth corridors. I am sure that when the new service at Berwick is operational it will provide a welcome benefit in the area and will further expand health services there. I assure the honourable member for Dandenong that the government is committed to providing improved health services close to where people live, and that is part of the process.

The honourable member for Pascoe Vale raised a matter concerning the Pines Preschool Centre, saying she had raised the matter in the adjournment debate on 25 March. At the time I stated that if the kindergarten had more than 15 students I would be happy to provide a standard grant for each student there for the second term. I stand by that statement. As the responsible minister I am prepared, willing and able to provide the standard grant of $940 per student if there are more than 15 students. However, I am advised that irrespective of my offer, the committee of management that runs the kindergarten and employs staff in consultation with Kindergarten Parents Victoria and the City of Frankston decided to discontinue operating the kindergarten.

It was not my decision or a decision of the Department of Human Services; it was clearly a decision of the committee of management. I stand by what I said in the house earlier this year, that if the kindergarten had more than 15 students enrolled for the second term I would be happy to provide them with the standard grant. The committee considered the situation and decided that in the best interests of students and because of its moral responsibility as an employer of the teacher, it would discontinue operating the kindergarten. That is the committee's decision and I respect it. As the responsible minister I will continue to provide any assistance I can through that changed process, and the department and I will work to ensure that all students are adequately provided with their kindergarten education in an alternate venue if that is required.

Mr MACLELLAN (Minister for Planning and Local Government) — The honourable member for Sandringham raised the sale of a property on Beach Road with beach views and the possibility that the vendor had given undertakings to an earlier purchaser that would have ensured that a view line was protected. The question seems to rest on whether there was a requirement under the planning permit for a single-storey house to be erected on the front block that would have ensured the better view for the house at the rear.

That is a matter for enforcement action by the responsible planning authority of the local council. If the local council has not provided adequate documentation of such a requirement it may be that there is no offence by the vendor, although it may be unconscionable dealing to sell a block of land with a guarantee of a view to one person and then build a second storey on a house in the front that blocks that view.

There could be a number of remedies. I suggest to the honourable member that the best and first line of approach is to ask the City of Bayside to take enforcement action, if that is possible, at the Victorian Civil and Administrative Tribunal (VCAT) and to encourage the council to argue that the grounds of equity and good dealing should be used in coming to a decision on the matter. VCAT has a wide jurisdiction and is expected to act on the evidence and on principles of equity and fairness. If that is not available perhaps the honourable member could approach me for further discussion about whether some additional planning action could be taken to produce a better outcome on the matter after conferencing.

Mr REYNOLDS (Minister for Sport) — The honourable member for Shepparton raised a matter that is causing a bit of gossip and discussion within the harness racing industry — that is, a view of the Harness Racing Board that harness racing driver licences should be more professional than they currently are. I want to correct one small point that the honourable member raised about a driver needing to drive 15 races in the city. That is not quite true: it is 15 metropolitan meetings, and many metropolitan class meetings are run in the country, such as the one at Ballarat last Saturday night or those at Echuca or other venues.

There is no doubt that the proposal is causing angst amongst the owner-drivers and the drivers who have fewer horses in their stables and in some instances may not have horses good enough to drive 15 races in metropolitan class races. There are some anomalies, and I agree with the remarks of the honourable member for Shepparton. I have therefore asked the board to review the decision in the hope that we can reach a different position.

I have no jurisdiction to order anybody to do anything. However, in the past couple of days I have discussed the matter with Mr McEwen and I can assure the honourable member that I will be seeking that the decision be reviewed.

I point out further that when the Harness Racing Board took over harness racing in this state it was in a very parlous condition — in fact, it was in an absolute mess. The usual gauge by which the racing industry is judged is the percentage of turnover on the TAB it is able to generate. At about that time the harness racing industry was deriving some 12 per cent of the total racing turnover. It is now up to about 16 per cent, which represents a 33.3 per cent increase. It is magnificent that the current Harness Racing Board has achieved that.

I can assure the house that hundreds of people agree that the board, comprising Mr Ian McEwen, Mr Joe Beder, Mr Ron Casey, Mr Neville Gibson and Mr Michael Brennan, has done a magnificent job in bringing harness racing to its current level.

Next year Victoria will host the $1 million inter-dominion event known as the $1 million Inter Dom. It will be the richest harness race ever run in this hemisphere, and harness racing in Melbourne will be showcased to the world. It will be a great performance. As I said, harness racing turnover has increased. In the past five years the prize money has risen right across the board from $15 million to $20 million. The performance in harness racing is just to be marvelled at.

However, as I said in reference to the decision made, I agree with the honourable member for Shepparton that the board could review the decision made as there are other means to achieve the same ends. I have asked the board to review its decision and I am sure it will accede to that request.

Mrs HENDERSON (Minister for Housing) — The honourable member for Bellarine directed to the attention of the Minister for Agriculture and Resources issues raised by people in his electorate through a petition that was recently tabled in this house. He said that people are concerned about overfishing in the area and about some safety issues relating to netting and snagging of lines.

The honourable member for Bellarine is always very proactive in raising such issues on behalf of his constituents, particularly in the area of natural resources. He is seeking some guidance on how to achieve a good balance between the needs of recreational fishermen and professional fishermen. I shall certainly refer the matter to the minister. I know he will be very pleased that the honourable member has once again raised such important issues on behalf of his constituents.

The honourable member for Footscray raised for the attention of the Treasurer a report on superannuation, and I shall certainly refer the matter to the Treasurer for him to raise directly with the Minister for Finance.

The honourable member for Frankston East raised for the attention of the Minister for Roads and Ports in another place the Frankston bypass and particularly traffic congestion in the hub of Frankston and traffic issues in areas such as McMahons Road in Frankston, where the honourable member suggests some residents are having difficulty with the traffic congestion when coming to and going from their private properties. The honourable member has sought some action from the minister on bringing the project forward.

I remind him that today in the budget the government has announced an unprecedented level of $118.5 million of spending on roads — with three major projects, including the upgrading of the Geelong Road — so the government has an extraordinarily good record on dealing with some of the major road projects. I will direct the matter to the minister's attention on behalf of the honourable member.

The honourable member for Mitcham raised for the attention of the Minister for Transport the provision of transport for people from the outer east to attend the Anzac Day dawn ceremony. Once again, the budget that was presented today provides an extraordinary level of increased spending on funding for public transport. I shall certainly direct the matter to the attention of the Minister for Transport.

The honourable member for South Barwon raised for the attention of the Minister for Agriculture and Resources the Jirrahlinga Koala and Wildlife Sanctuary at Barwon Heads. He said that recently Jirrahlinga applied for a community grant to improve the awareness of the wildlife sanctuary and asked the minister to ascertain from his staff whether the sanctuary meets the criteria for a grant. I am familiar

with the facility, which has some magnificent boarding kennels at which my dog stays on a regular basis.

Apart from the kennels, where a high level of service and care is provided for the animals that board there, as the honourable member for South Barwon pointed out, it also operates a 7-days-a-week, 24-hours-a-day rescue service for injured animals. That facility has an enormous amount of respect and admiration from many people in Barwon Heads and the coastal area who are involved with the animal world. I shall certainly refer the matter to the Minister for Agriculture and Resources. I thank the honourable member for putting so well in this house the importance of facilities such as Jirrahlinga. They do a magnificent job in promoting and preserving the wildlife that we all love and respect in this state. I know the minister will give the matter his earliest attention.

The ACTING SPEAKER (Mr McArthur) — Order! The house stands adjourned until next day.

House adjourned 10.49 p.m.

Wednesday, 5 May 1999

The SPEAKER (Hon. S. J. Plowman) took the chair at 10.06 a.m. and read the prayer.

PETITION

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

Liquorland outlet, Mount Waverley

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 our objection to the establishment of a Liquorland packaged liquor outlet in Hamilton Place, Mount Waverley, and support for the retention of the two existing small businesses which provide packaged liquor needs of Mount Waverley shoppers.

Your petitioners therefore pray that the village atmosphere and shopping amenity of the Hamilton Place Shopping Centre be not further eroded by the granting of another packaged liquor licence to Liquorland Australia Pty Ltd.

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

By Mr COLEMAN (Bennettswood) (310 signatures)

Laid on table.

PAPER

Laid on table by Clerk:

Financial Management Act 1994 — Budget Paper No. 3 1999/2000 Budget Estimates

GOVERNMENT POLICIES

Mr BRUMBY (Broadmeadows) — I move:

That this house condemns the government for treating ordinary Victorians as customers rather than citizens and calls on the government to introduce more socially compassionate policies in relation to gaming, public housing, aged care, health and education.

This is a serious motion of which I gave notice a little more than a year ago because at that time there was overwhelming evidence that what was happening in Victoria then and what is happening today is the creation of a 60:40 society — 60 per cent of the population is doing well, but 40 per cent is not, including many families that are living in poverty.

The basis of my motion is threefold. A June 1997 study into poverty in Victoria by Monash University professor, Bob Gregory, found that one-third of Melbourne children lived in chronically poor families. It was reported in a story by Caroline Milburn in the *Age* of June 1997 under heading 'Suburban ghettos grow as wealth rift deepens'. It states:

> The extent to which some Melbourne suburbs have become impoverished has been revealed for the first time in a Monash University study that links social security data about family income to residential areas.
>
> It found that more than one-third of children throughout Melbourne lived in chronically poor families — those on a welfare pension or benefit or those classed as the working poor (families on wages below $25 000 per year).

The Monash study revealed that Footscray was Melbourne's worst poverty pocket, with 61 per cent of its children aged up to 15 years living in families that depended on pensions or unemployment benefits, or who were classed as the working poor.

The study also found poverty scattered throughout Melbourne. A table prepared by Professor Gregory and headed 'Rich and poor' gives the percentages of children living in families that depended on a welfare benefit or were classed as working poor for various Melbourne suburbs. The overall figure for Melbourne is 36 per cent. The figure for Broadmeadows is 54 per cent; for Dandenong, 52 per cent; for Footscray, 61 per cent; for Oakleigh, 46 per cent; and for Keilor, 36 per cent. At the other end of the extreme are Brighton, 15 per cent; Camberwell, 15 per cent; Malvern, 16 per cent; and Kew, 15 per cent.

The findings in the Gregory study were reinforced by an Australian Bureau of Statistics analysis that used the 1996 census data. An ABS report entitled *Australia in Profile: A Regional Analysis* revealed unacceptably high levels of poverty occurring throughout Victoria, particularly in country Victoria and the western suburbs of Melbourne. Worse news still on the government's performance in tackling poverty are the tables on unemployment and social disadvantage contained in the report. A table at page 46 gives details of the 20 worst regions for unemployment in Australia, 10 of which are in Victoria. With some 25 per cent of the nation's population, Victoria might be expected to have 5 of the 20 regions, yet 10 of the worst are in this state.

A table at page 55 of the report is an index of relative disadvantage. The ABS calculated the top and bottom regions in Australia, and again Victoria got a poor and disappointing report card. Seven of the 20 most disadvantaged regions in Australia are in Victoria, including the worst, Maribymong; the second worst, Brimbank; the sixth worst, Hume; followed by Darebin,

Greater Dandenong and Moreland. Close behind that bottom 20 are areas throughout country Victoria.

A further study completed by the ABS was reported in an article by Tim Colebatch in the *Age* of 20 December 1998.

The article is headed 'Goldfields centre of poverty' and is based on ABS data. Mr Colebatch writes that:

> ... according to 1996 census data, the most deprived area of country Victoria is the Bendigo suburb of Eaglehawk.

The article reports on Eaglehawk as follows:

> Its children were more likely to leave school early than any area apart from the outer western suburbs and the goldfields town of Maryborough: 33 per cent had already quit school at age 16.

The article goes on to report that Eaglehawk:

> ... had fewer tertiary graduates than any other urban area in Victoria, and fewer than all but two rural areas: just 3.7 per cent of its adults were graduates, compared with 31 per cent in Hawthorn and Fitzroy.

That report, like the first one to which I referred, reveals the extreme poverty that exists across parts of Victoria.

A third report, the one that prompted me to move this motion, is based on a 1998 study by two university lecturers, Homes and Foster. The report is referred to in a report on rural poverty by the Society of St Vincent de Paul. I attended its launch last year, and it is an excellent report that emphasises the extent of rural poverty and also puts up positive ideas about more socially compassionate programs and policies to tackle poverty in Victoria.

The report by Homes and Foster shows that 36.6 per cent of all Victorians over 15 years of age were living on $200 a week or less, and that in rural Victoria the figure was 40 per cent. In other words, although their report uses a different set of data, it again reveals the extent of income inequality in Victoria.

The final stimulus for this motion is a report by the state government entitled *Rural And Regional Strategy: Resource Kit,* prepared by the Department of Infrastructure with assistance from the departments of Premier and Cabinet, State Development, Education and others. The report, which has not been widely publicised, refers to the situation in rural and regional Victoria between 1991 and 1997. It highlights among other things the fact that rural and regional Victoria is losing its young people to Melbourne, other states or other countries. It also shows a higher unemployment rate in regional and rural Victoria than in metropolitan Melbourne, and points out that that disparity is a reversal of the trend of the 1980s, during which the unemployment rates in regional and rural Victoria were lower than for the metropolitan Melbourne area. That is information from a Kennett government report. The same report reveals widening income inequalities between Melbourne and regional Victoria and points out that the population is not only ageing but decreasing in many parts of the state.

As I said, the report was undertaken by the Department of Infrastructure. By emphasising unemployment, income inequalities and poverty it condemns the government for doing nothing for five years. Pensioners and social benefit recipients in country Victoria, for example, have increased in number by 20 per cent in the last five years.

That is the background to this motion. Today's newspaper carries a speech made yesterday at a conference dinner by former Australian Prime Minister Mr Bob Hawke to the Australia Unlimited round table. He supports the call I am expressing in this motion for more socially compassionate policies. He said in his speech yesterday that:

> Australia's capacity for compassion is not measured by the size of government.
>
> Our approach does not entail any winding back of government support for individuals and families in need ... but it does call for a broader community partnership.... The scourge of drugs and violent crime, high unemployment, pressure on families and young people, changing nature of work, the ageing population and difficulties facing rural Australia were the most serious social challenges facing the nation.

He goes on:

> Perversely, there is an attempt to portray (the less fortunate) as the scapegoats for our malaise ... Disadvantaged groups were in danger of becoming increasingly alienated and not benefiting from growing wealth if education was not provided irrespective of income.

I am pleased Bob Hawke made those comments. A comparison of the 1990s with the 1980s shows that we are presently going through a period of sustained economic growth, the longest since the Second World War. It is unparalleled and unprecedented, and the growth is occurring everywhere throughout the modern industrialised world.

A government member interjected.

Mr Batchelor — It is too technical for them!

Mr BRUMBY — I am talking about the longest period of sustained economic growth in the post-war history of Victoria, Australia, America, and England.

The task of governing a state during periods of economic growth is not difficult; it is not hard to produce budget surpluses, pay down debt or generate new jobs and opportunities. The current sustained period of economic growth is happening not because of anything the Kennett government has done but primarily because of economic policies implemented in the United States and Europe. The same applies to housing interest rates. Nothing the Kennett government has done has reduced housing interest rates — the world economic climate has provided the lowest interest rates in about 60 or 70 years.

I argue that the real challenge for good government in a period of economic growth is to look after the people — not just the 60 per cent who will do well in any case; rather, to cater for the 40 per cent who represent the growing underclass, the people in poverty and those who are not going well and who need support, assistance, education and training support from government.

In that context I was pleased to read in the Governor's speech of 17 February 1998, which he gave at the opening of the new session of Parliament, what I thought would be a new approach. In outlining the government's policies the Governor said:

> I am pleased to inform all Victorians my government will apply expanded criteria to the budget process, legislation brought before the Parliament and initiatives of the government.
>
> Each new measure and each expenditure proposal will be required to undergo the test of social advantage ...

The Governor then set out the government's priorities for the period:

> The priority is for Victoria to build a dynamic future for its coming generations with education as the basis of a vital economic and social strategy ...
>
> The second major focus was to generate new jobs ...
>
> Thirdly, the government will step up its already successful efforts to provide a safe and healthy lifestyle for Victorians ...

The Governor referred particularly to health and police.

> As a fourth major objective, the government will work with the broader Victorian community on a range of fronts to create a more confident and cohesive society ...

Finally, the Governor said there would be:

> ... a new rural policy in consultation with country communities ... to strengthen the economies and the social fabric of country communities ...

Those commitments were given by the Governor on behalf of the government at the opening of the second session of this Parliament in 1998. That new test of social advantage was supposed to underwrite and underlie every single aspect of the government's policies. The issue is social advantage. In his speech the Governor said the new approach would mean every single government initiative would be subject to the test of social advantage. He said the government would be socially compassionate and would focus on the basics to improve life opportunities for ordinary Victorians.

The key question is whether the government has delivered on its commitment to social advantage. Did yesterday's budget deliver on that commitment? The fact is the budget has failed to deliver on those new initiatives! Has the government delivered on health, education or aged care? Has the government delivered on building a more socially compassionate society? Has it delivered on providing new opportunities for regional and rural Victoria? The bottom line question is whether it has delivered on producing a fair and compassionate society by providing opportunities for all Victorians in this period of sustained economic growth, which is the longest in the modern industrialised world. The government and the budget have not delivered: the government has demonstrably failed. Yesterday's budget failed to deliver on the key areas of education and health. It was a fizzer, a comprehensive failure!

The fine print in the budget has been glossed over by the media. The so-called commitment to education does not include one new teacher for our schools. The budget does not provide for any new nurses for our hospital system, and it does not provide for new programs to tackle long-term unemployment. No changes have been made to gaming policies. Instead the budget demonstrates a continuing and growing reliance on the drip feed, on the government's addiction to gaming revenue. No social dividends will be returned to ordinary Victorians. There is no *Sunset Boulevard* for the residents of Eaglehawk, Broadmeadows or other the parts of Victoria that are slipping behind and need support, assistance, and education and training opportunities. The budget contains no big spend-ups and creates no opportunities in those areas.

The budget has failed every key test. I turn firstly to education, which is the key to Victoria's future. The government's record in education shows it has taken more than 9000 teachers out of the system. Victoria has 6000 fewer teachers than it had in 1991–92. The budget does not provide for one extra teacher, yet eight more

primary schools are to close. That will result in lower retention rates. The budget is also an admission of defeat on class sizes.

It seems the government does not believe education is the key to the future. As the shadow Minister for Education pointed out yesterday, eight more primary schools will close this year and the student-ratio in primary schools is worse than the government predicted — and it will not improve next year. Seven per cent of primary school classes will have 31 students or more this year. Those figures show a shameful neglect of the need for smaller class sizes despite overwhelming evidence that suggests that if literacy and numeracy are to improve, class sizes must be smaller. Five per cent of classes from prep to grade 2 will have 30 or more students.

This year, year 12 retention rates have been reduced to 69 per cent, with no improvement expected next year. Teacher morale in schools is getting worse, not better. The important testing of secondary schools is in chaos. Some 40 000 students were going to be tested this year, but that figure has been revised to just 2000.

The technical and further education system is in crisis. Many TAFE colleges throughout the state are technically bankrupt because of the massive reduction in funding. The government says its budget proposals will enable 50 000 new TAFE apprenticeship places to be created, but the fine print reveals that funding for tertiary education will be reduced by $4.9 million a year. On the one hand, the government says it will provide 50 000 new apprenticeship places but, on the other, it provides $1876 per place a year when the cost of training an apprentice is closer to $9000 a year. TAFE colleges will not meet the government's proposal of 50 000 new places. It is a Pinocchio commitment.

It is the same story with the health system. In today's *Age* Mr Gerald Segal, Victorian president of the Australian Medical Association, comments on yesterday's budget.

Mr Elder — On a point of order, Mr Acting Speaker, it is a long-standing tradition in this place that members should not anticipate what will be in a bill before the house. The honourable member for Broadmeadows is now referring specifically to the appropriation bill that is before the house. Mr Acting Speaker, under the rules of anticipation I ask you to direct the honourable member to return to his notice of motion.

Mr BRUMBY — The point of order raised by the honourable member for Ripon is vexatious and frivolous and I ask you, Mr Acting Speaker, to discipline him. The notice of motion calls on the government to introduce more socially compassionate policies in education and health. I am about to quote from an article in the *Age* newspaper which refers to the health budget. Surely the honourable member for Ripon is not saying that I am not allowed to refer to that article which is a commentary on the government's lack of socially compassionate policies, particularly in the health area. The point of order is nonsense because my notice of motion will be wide-ranging. I will not raise specific issues for debate, but I need to highlight the lack of socially compassionate policies that the government failed to introduce in yesterday's budget.

Mr Elder — He is talking about the budget now.

Mr BRUMBY — I am talking about my motion.

The ACTING SPEAKER (Mr Cunningham) — Order! I have heard enough on the point of order. I understand the point to which the honourable member for Ripon is alluding. The motion will cover areas of the budget, but I ask the honourable member for Broadmeadows not to specifically refer to the budget papers that were introduced yesterday.

Mr BRUMBY — As I was saying, the Victorian president of the Australian Medical Association was reported in today's *Age* as saying:

> The government has yet again failed to acknowledge the desperate situation of public hospitals. While we welcome the increases in capital works spending there is not much point building new hospitals when funding is inadequate. This is a classic *Yes, Minister* move. They are building the hospitals but they won't provide enough money to treat patients.

Over the past few years state budgets have maintained continuing shortfalls in funding for the health portfolio. Victorians saw more of that in the initiatives announced yesterday via a government press release.

Mr Finn — On the budget?

Mr BRUMBY — I am allowed to comment on government press releases.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member for Tullamarine is both out of his place and disorderly.

Mr BRUMBY — Socially compassionate policies in health have not been delivered in this budget. Last year the government promised an additional 1000 health care workers. Have those workers been

provided? No. It was thought that additional funds would be made available in yesterday's budget to assist public hospitals to employ those 1000 health care workers, but no money has been provided. The government has done nothing to fix the crisis in public hospitals, which has led to the cancellation of operations and longer time lines for surgeries.

The house has heard of many tragic cases where Victorians cannot get hospital treatment. recently the honourable member for Albert Park referred to a woman with an aneurysm who had been booked in for hospital treatment and an operation and on both occasions has had her booking cancelled. I cannot imagine what it is like to be in that lady's position. Although she has a condition which could fail at any time leading to a stroke or possible death, she is unable to have an operation because of the crisis in the public hospital system.

I was disappointed with the press coverage of yesterday's budget because it assumed there was a significant increase in spending in the public hospital system. The productivity cut in the public hospital system of 1.5 per cent will cost $28 million; the consumer price increase of 2 per cent and approved pay increases of 3 per cent will cost the government $86 million, which means nothing will be available for additional employment in the public hospital system. Fewer nurses will be employed in the health system as a result of this budget. Over the past few years no money has been allocated to the education and health budgets to produce a more socially compassionate society.

Regional Victoria has missed out for a number of years under the Kennett government. It does not matter whether one examines unemployment rates, new investment or other areas of concern, it is clear that the government is letting regional Victoria fall behind. It has higher unemployment rates than metropolitan Melbourne, and lower levels of new investment and capital works expenditure. I have many concerns about the government's approach to regional Victoria. The unemployment rate in country Victoria is the highest of any country area in mainland Australia. Youth unemployment rates exceed 50 per cent in some areas.

Across country Victoria the Kennett government has closed 12 country hospitals and 178 schools, got rid of approximately 2500 teachers, and slashed apprenticeship and traineeship numbers. In the transport sector five passenger rail services have been closed and the government has repeatedly broken its promise to spend one-third of the Better Roads levy on regional Victoria.

In education fewer than 68 per cent of rural and regional Victorian certificate of education students are expected to complete their schooling, according to the most recent statistics. Yesterday's budget downgraded that figure even further. The regional participation rates are 13 per cent lower than the metropolitan average.

If one looks at capital works and infrastructure spending one sees that also has been sacrificed in country Victoria. A recent report by Access Economics showed that only 14 per cent of manufacturing plants currently under construction in Victoria are in rural areas. In the 1996–97 budget, of $1 billion spent on capital works only $130 million was spent on country Victoria. In the 1997–98 budget, spending per head on capital works for people in Melbourne was twice the level of that in country Victoria. Anyone who doubts these figures should get onto the Internet and go to the government's Victorian Office of Major Projects web site. It shows that $2.1 billion worth of projects is being supported and facilitated by the Victorian government, and not one of those dollars is being spent outside metropolitan Melbourne.

I am glad the Deputy Premier is here today and that he has come in to listen to my contribution to the debate, because he has learnt a lot over the years from listening to my contributions. I am pleased to note that as a result of my constant urging in this place and elsewhere for a greater effort to be made in agricultural research, the government has delivered on that issue. I commend the Deputy Premier for taking up the issue and getting more support for agricultural research. However, to see the basic bricks and mortar issues that affect country Victorians, have a look at the Victorian government web site. It is an embarrassment. I know it embarrasses the Deputy Premier because $2.1 billion of new capital works are listed there, and not one dollar is being spent outside metropolitan Melbourne.

Turning to health services, I point out that 12 country hospitals have been closed, and the forward estimates show that between now and 2000 a further $7 million will be cut from community health and $15 million will be slashed from country aged care services. One would not say it is a great record in regional Victoria.

What I and other members on this side of the house have been looking for is a new deal — a fair go for regional Victoria. We were hoping to see it in initiatives announced yesterday by the Treasurer, but we did not. We hoped, after the notice of motion I put on the notice paper after the Governor's speech talking about social advantage, to see something in last year's budget or in the announcements made yesterday by the Treasurer to ease the pain in regional Victoria. We hoped there

would be something to bring down the high unemployment rates and assist new private sector investment, because Access Economics figures show that just 14 per cent of new investment is occurring in regional Victoria. However, all that has been provided is a continuation of the process where the books are cooked, the figures manipulated, and nothing is provided for regional Victoria except the crumbs.

We saw that yesterday in the budget speech, and in previous budgets there has been a systematic and deliberate underestimation of the budget surplus. If one looks at the past four budgets one sees that there has been underspending on capital works by between $1 million and $1.5 million. In the budgets produced here — and I am not talking about yesterday's budget — we have seen a systematic pattern of behaviour. The government is a recidivist government: it keeps coming in here with the same pattern of behaviour. It produces a budget that states that the surplus is, for example, $300 million, but in using the budget figures to calculate that surplus it forecasts certain levels of capital works that never eventuate and that the government has never intended will eventuate.

Mr Finn — Mr Acting Speaker, I raise a point of order following your ruling on the point of order taken earlier by the honourable member for Ripon. Clearly the honourable member for Broadmeadows is debating budgetary matters and anticipating debate on the appropriation legislation currently before the house.

The motion moved by the honourable member for Broadmeadows refers to policies. Nowhere in the motion does it refer to funding or to any budgetary aspect. It refers to policies, and obviously the honourable member for Broadmeadows has decided to take it upon himself to anticipate the budget debate that will take place in the house over the next week or two. I ask you, Mr Acting Speaker, to bring him to order.

Mr BRUMBY — It is a failing of the honourable member for Tullamarine that he does not listen. I have not mentioned yesterday's budget. I have mentioned the past four budgets in which there has been a systematic pattern of behaviour where surpluses are underestimated and consequently the government has not provided as much support as it should in areas of education and health services. I am at liberty to talk about previous budgets in order to make the link between expenditure levels and socially compassionate policies in health, education, police numbers, gaming, and so on.

The ACTING SPEAKER (Mr Cunningham) — Order! The honourable member for Tullamarine has raised a point of order. Because the appropriation bill is so wide-ranging it is difficult to differentiate between what is contained in the budget and what is referred to in the motion before the Chair. The honourable member for Broadmeadows has changed his direction somewhat in the past 10 minutes and is speaking of previous budgets. I will not uphold the point of order at this stage.

Mr BRUMBY — Thank you for your ruling, Mr Acting Speaker. I was referring to the government's pattern of behaviour, as seen in yesterday's budget, but I will not comment further on that. In all recent budgets brought down by the government there has been a massive underestimation of the surplus. Surprise, surprise: in the next budget the government figures are out by $500 million to $600 million, and as a consequence expenditure on health and education is less than it ought to be.

The government needs to show a greater commitment in the area of education. There are 6000 fewer teachers in Victorian schools today than there were six years ago. If the government honestly believes that the answer to Victoria's future, the challenge of the future in an information age, is to invest in education and training, it is necessary to put teachers into the school and TAFE system. Because of the government's failure to focus on that area the outcomes are worse — lower retention rates, higher class sizes, lower standards of literacy and numeracy, more youth unemployment and higher unemployment rates in regional Victoria. The same can be said in the area of health.

There are fewer nurses, fewer hospital beds and longer hospital waiting lists. In regional Victoria, which is of particular concern to me, the health system has been decimated. That is one reason why the population is continuing to drift out of the country and into metropolitan Melbourne. To encourage people to live in towns like Dunolly, Birchip or Nhill, governments need to provide good health services, good education and good community safety, which means local police. If those basic services are not provided there will be no new investment and no jobs and people will not want to live there.

This is an important debate. It does not require anything special during this decade to be a government that can produce a budget surplus, reduce unemployment and procure economic growth. Virtually every modern industrialised nation is doing exactly that. The United States of America is powering ahead, as are Britain, much of Europe and Australia. What is occurring in Victoria is no different from what is occurring in New South Wales, Queensland or Western Australia, where

governments of different political persuasions are achieving exactly the same outcomes that are being achieved in Victoria. It does not require any special skill or any great art.

The real challenge is how we build for the bad times and create a more cohesive and united society that provides opportunities for all Victorians. Government policies over recent years and initiatives announced yesterday fail to achieve that. As I said earlier, an examination of the indices of relative disadvantage reveals that 36 per cent of Victorian families live in poverty. After seven years of economic growth one must ask whether that is good enough. Has there been enough focus on socially compassionate policies? Has there been enough focus on helping those people climb up the ladder, fulfil their aspirations and provide opportunities for their children? I do not dispute that 60 per cent of Victorians are doing very well indeed, but for the 36 per cent of families living in poverty this government and recent budgets have not done enough to tackle the problems facing them.

Honourable members should have a good and proper debate on this motion today. I hope it will be a broad debate on all the key areas: education, health, regional Victoria, and so on. I am sure the next speaker from the government will abide by your ruling, Mr Acting Speaker, and not comment on budget matters that were raised yesterday.

Mr McNAMARA (Minister for Agriculture and Resources) — The contribution of the honourable member for Broadmeadows was light on substance and heavy on tripe. Without doubt the Kennett government's challenge over the past six and a half years has been to respond to the mess it inherited from the previous Labor administration. The 10 years under Labor, from 1982 to 1992, will go down as the worst period in Victoria this century. It is worth outlining again the legacy the government was left with a short six and a half years ago. There has been almost a miraculous recovery in Victoria's fortunes since that time.

Victoria was regarded as a financial basket case. I recall that when I was elected to Parliament in 1982 — the same year Labor came to office — Victoria's debt was minimal, at around $11 billion. A decade later it was facing debts almost triple that amount, at about $33 billion. Prior to that public sector superannuation was relatively under control, with an unfunded liability of less than $4 billion. By the end of the decade under Labor that figure had risen to $19 billion. Because all that debt had been created, when the coalition government came to office it had desperately scarce resources to deal with the issues raised in today's motion.

The honourable member for Broadmeadows referred to the need for socially compassionate policies — and I read into that 'additional resources' — in areas such as public housing, aged care, health and education. All honourable members would agree that those are areas the government should be regarding as priorities. The factor that should be recognised at the outset is that when the coalition came to office in 1992 it had very scarce resources to deal with those issues.

I well recall the first meeting of the budget and expenditure review committee of cabinet, of which I have been a member for the past six and a half years, when it examined the forward projections on the continuation of policies inherited from Labor in 1992. The state deficit, which was approaching $3 billion when Labor took office, had continued to grow throughout the 1980s and early 1990s. But rather than addressing the problem at that time the Labor government just rolled the deficit into long-term debt. The interest bills that were falling due were capitalised and added to the debt, and the public sector superannuation fund blew out to almost $15 billion over that decade. The Labor government introduced Workcare as a new initiative in the mid-1980s. Although the Workcare concept was good, in a very short period — some three or four years — it had liabilities amounting to $2.2 billion.

Mr Brumby interjected.

Mr McNAMARA — I think we have a 23 per cent Labor vote in Benalla.

Mr Brumby — I'm going there next week.

Mr McNAMARA — That might push it down even further.

If the coalition had pursued Labor's unchanged policies of the continued capitalisation of interest payments, a growing deficit and funding a budget that was out of control, the state debt would have doubled again in six years, which would have taken it to perhaps $60 billion or $70 billion. That would have meant interest payments over a longer period and, based on current budget figures, some 60 per cent of government revenue would have to be used to service those payments and meet the growing commitment for unfunded superannuation liabilities, let alone the funds required to cover the Workcare system.

The coalition government made the correct decision to get the finances into shape initially. By any measure,

that has been hugely successful. The debt has been reduced from $33 billion to $6 billion. The government could have reduced it even further but decided to pay $2.5 billion off the unfunded public sector superannuation liability. If the government had used all its available funds the debt could have been as low as $3 billion.

The interest payments of the state each year have dropped from $2200 million to about $500 million. When you discount the amount of lost revenue from dividends as a result of selling the electricity and gas utilities, you recognise that Victorians are still about $900 million better off than they were before those utilities were privatised.

The coalition has been able to create efficiencies in government and probably delivers an additional $1 billion in revenue. It can now apply more funds particularly to services such as health and education. It has also been possible for the government to grant tax remissions. Rather than have its taxes some $8 million or $9 million above those of New South Wales, Victoria's taxes are substantially lower than those in New South Wales.

The social dividends about which the honourable member for Broadmeadows is arguing are now being delivered in spades. It is encouraging to me as a member representing a rural electorate that the emphasis on the upgrading of those services is outside the metropolitan area. In fact, some 36 per cent of all new capital works expenditure in health and education — —

Mr Brumby — On a point of order, Mr Acting Speaker, I refer to your previous rulings. Not once in my contribution did I refer to specific allocations in the budget, yet two points of order were taken against me, on which you ruled. The Deputy Premier is now referring to a specific line item allocation in the budget. It is untrue, but he is nevertheless making the claim. I ask you to bring him back to the motion and to move him away from specific debate on the appropriation bills.

Mr McNAMARA — On the point of order, Mr Acting Speaker, I am responding to issues raised by the honourable member for Broadmeadows, who incorrectly said that the government continued to place an emphasis on spending less resources in non-metropolitan areas than in the metropolitan area. I am correcting the error he made in his speech.

Mr E. R. Smith — On the point of order, Mr Acting Speaker, the honourable member for Broadmeadows probably wrote the motion months ago in a different context. It is not appropriate to talk about something that happened in the 18th century, or even 10 years ago. Today we are talking about the continuity of the debate. Facts and situations that the honourable member raised three months ago have passed by. Although it is relevant to deal with and bear in mind what the honourable member for Broadmeadows has set out in his motion, he wants a continuing debate. It is impossible to restrict something to a time in the past when events have proceeded further ahead. The Deputy Premier is speaking in the context of the general debate — that is, the issue of whether citizens are being treated as, to use the words of the motion, customers rather than citizens. That is what the Deputy Premier has restricted his contribution to. The current debate should be allowed continuity.

The ACTING SPEAKER (Mr Cunningham) — Order! On the point of order, the honourable member for Broadmeadows put forward some arguments, some of which I understand the Deputy Premier is now trying to refute. However, the comments of the Deputy Premier probably impinged on the Appropriation Bill. I ask him to not mention particular line items in the budget and to debate the matter in a broad sense.

Mr McNAMARA — Thank you, Mr Acting Speaker. For a number of years now it has been fairly obvious that the government has been pouring money for many essential services into regional Victoria at a far higher rate than in the metropolitan area. Health and education are good examples of that, and I think that will continue in the years ahead. However, the following point needs to be made. The honourable member referred to the number of nurses and teachers. A critical aspect is that the government has focused on the delivery of services and has not just looked at the bottom line. It is not just a matter of throwing money at something, but of getting value for money.

It is interesting given the criticisms from the opposition about health services across the state that last year something like 950 000 patients were treated in the state's hospital services — a 40 per cent increase in the six and a half years the government has been in office. The level of patient satisfaction with the treatment received has been very positive. I congratulate the Minister for Conservation and Land Management on doing the solid groundwork in her period as Minister for Health. She had to make some tough decisions and undergo a process of restructuring and of realigning priorities.

Mr Brumby interjected.

Mr McNAMARA — The government will always be indebted to the minister for the work she did, from which Victorians are now benefiting. Labor did nothing but criticise the changes. How can anyone be critical of the service delivery in the health area when services are being delivered to 40 per cent more patients than was the case six years ago? The work the minister has done is a tribute to her.

Two departments — Human Services and Education — probably constitute more than 50 or 60 per cent of the state budget, and the government is also making huge efficiency gains in education. It has met its commitment to invest $1 billion in new schools infrastructure. That has been warmly welcomed across the state, and again there is an overrepresentation of that capital expenditure in country Victoria.

Mrs Tehan interjected.

Mr McNAMARA — All honourable members can name schools in their electorates that have had literally millions of dollars spent on them. Victoria went through a 10-year period of neglect from 1982 to 1992 and the government has had to pick up and run with the issues and address the problems.

I refer to the government's initiatives in response to the motion moved by the honourable member for Broadmeadows. He says he wants the government to do something about the social issues. He said it is short sighted of the government to not provide the basic infrastructure to schools to enable children to grow and seize opportunities. However, even he would have to acknowledge that the government has met its commitment of providing $1 billion — money that could have never been found by the former Labor government, given its disastrous financial performance.

Mr Brumby interjected.

Mr McNAMARA — You say it was your predecessors. I acknowledge that the honourable member would not want to be recognised as having been part of the former Cain-Kirner government, because it was without doubt the worst government in Australia in this century. Many people say that the current Victorian government is probably the best government in Australia in the past 40 years. I cannot go back much further than that. In recent years people have regularly made comments to me such as, 'What you have done is absolutely extraordinary', and, 'The achievements you have made at almost every level are unprecedented in Australian political history'. Perhaps the government is the best government of the past 40 years.

Mrs Tehan — Without a doubt.

Mr McNAMARA — That is for others to judge. I am proud of the government's achievements in delivering social dividends. It should be recognised that the best social dividend any government can deliver is a prosperous economy. Without looking back to the boom years of the 1960s and the level of private sector investments in Victoria at that time, the current level of confidence among people in the state has reached unprecedented levels in recent memory.

It is not all driven by public funding. It is a spontaneous investment by the community as a result of the parameters set by the government. The government's key role is to create a climate in which people feel confident about investing in Victoria. The equivalent of an elephant stamp or four or five-star stamps are appearing for performance in those areas.

Clearly, in the past six and a half years the government has in effect put a shot of avgas into the Victorian economy. The state's economy is roaring, as today's *Australian Financial Review* points out. The Victorian economy is driving the Australian economy — it is the engine room of the Australian economy. Economic benefit has spread to other states through the climate created by the Victorian government.

Queensland is suffering a lapse in tourism while tourism in Victoria has never been stronger. More Australians holiday in Victoria than in any other state, yet less than a decade ago Victoria was not considered as a tourism destination.

Mr Brumby interjected.

Mr McNAMARA — He was a good minister for tourism in the first government. The Kennett government has focused not only on sand and surf but a range of cultural attractions, natural attractions under the responsibility of the Minister for Conservation and Land Management, food and wine and major sporting events. All of them have been successful and I hope the opposition would acknowledge that, as they have in the past.

Mr Brumby interjected.

Mr McNAMARA — You should say it more often.

Mr Brumby interjected.

Mr McNAMARA — I will not talk about the budget but if you look at it you might find something.

The ACTING SPEAKER (Mr Cunningham) — Order! The Deputy Premier will address his remarks through the Chair.

Mr Brumby interjected.

Mr McNAMARA — The former Leader of the Opposition has just complimented the government on the investment in the budget of $14 million for upgrading Station Pier that cannot be talked about. The opposition should acknowledge that the government has delivered the goods. In 1992 no-one could have predicted the turnaround in the confidence of average Victorians and the state's finances, the drop in unemployment levels from a peak of some 13.5 per cent to some 7.5 per cent — that is, almost half — or the level of new investment in regional Victoria, where more than $2 billion has been invested through Business Victoria. For the first time in 40 years new job creation has accelerated at a faster rate in country Victoria than in the metropolitan area.

I reject the Leader of the Opposition's motion and urge all honourable members to also reject it. The government has done a good job over the past six and a half years and all honourable members should acknowledge that with fulsome praise.

Mr HULLS (Niddrie) — It is unfortunate that the Deputy Premier has not read the sensible motion that should be supported by all honourable members. The motion calls on the government to introduce more socially compassionate policies on gaming, public housing, aged care, health and education. Who could oppose such a motion? No-one who has the hearts and minds of ordinary Victorians to the fore could oppose a motion that calls on the government to introduce more socially compassionate policies in a range of areas.

I will deal with gaming. The government has got gaming policy wrong. It has not introduced socially compassionate policies but has done quite the opposite. It has failed to properly regulate the gaming industry. As a result the industry is out of control and it preys on the more disadvantaged members of our community.

As I have said both inside and outside this place, the government has become the chief spruiker of the gambling industry. The Premier has become the chief promoter of the industry and acts more like a de facto director of Crown Casino than a Premier who should be properly regulating the industry. In becoming the effective chief advocate of the gaming industry he has abrogated his responsibilities to the wider community. The Premier deliberately sets out to make people feel un-Victorian unless they are at the casino owned by his mates or are sitting in front of a gaming machine somewhere else.

I am not the only person saying this, in my role as shadow Minister for Gaming. The community perceives that the government has no socially responsible gaming policies. The sixth *Survey of Community Gambling Patterns and Perceptions* published last week by the Casino and Gaming Authority reports the finding that the majority of Victorians believe that gambling is too widely accessible and that Victoria should have no more casinos.

Further, the majority of Victorians perceive that welfare groups are unable to cope with the social impact of gambling and the increase in losers in Victoria's gambling explosion. Those perceptions are spot-on and mirror Victorians' perceptions in 1996. Nothing has changed. Despite the government endeavouring to promote its gambling policies as responsible, Victorians do not believe them.

In 1996 some 84 per cent of all those surveyed said that they believed that over the previous three years gambling-related problems had worsened; the figure for those under the age of 25 was 91 per cent. Some 86 per cent of those surveyed disagreed with the proposal that there were not enough hotels and clubs with poker machines. A huge majority of Victorians were saying 'Enough is enough'.

The figures are startling. Some 86 per cent agreed with the proposal that increasingly people having problems with gambling are those who are least able to spend money on gambling.

Some 70 per cent believed that additional steps were necessary to avoid the adverse consequences of gambling and 95 per cent disagreed that Victoria should have more casinos. There is a general perception in the community that the government has got it wrong when it comes to gambling policy, because the government has become a promoter of the industry and has abrogated its responsibility to the wider community.

I have already spoken about the government being a promoter of the industry and in the past I have cited specific examples of that. It is necessary only to cast one's mind back to a 1995 front page *Herald Sun* article. The Premier was calling for more tables at the casino even before Crown Casino had applied for extra tables. It is not the role of the Premier to be running around the place saying, 'As Premier I want more tables at the casino for my mates who run it'.

The *Herald Sun* article was headed 'Kennett seeks extra tables'. The Premier was not only calling for extra tables, he was undermining and pre-empting the decision of the Victorian Casino and Gaming Authority. It is all well and good for him to say on the one hand that those decisions are made by an independent authority, but on the other hand he pre-empts its decision-making process and puts pressure on the authority to make certain decisions. Victoria does not have a properly regulated gaming industry. Victoria has a Premier who not only promotes the industry but undermines the decision-making process of the Casino and Gaming Authority.

At the time in question the Premier said that if people wanted to use the facility, meaning the casino, there was not much point in their having to hang around three, four, five deep for a long period. The Premier and the cabinet then went on to approve not only an increase in the number of gaming tables at the casino, but also a forgoing of some $174 million that should have been paid to the government for those extra tables. It is not just me as shadow Minister for Gaming who is saying that. The independent Auditor-General said that the casino should have been charged an extra $174 million for the increase in the number of gaming tables. However, the government again abrogated its responsibilities to the wider community and let the casino off the hook.

Favour upon favour has been done for the casino. There have been tax concessions, handouts, reductions in high roller taxes and an abrogation of the appropriate planning procedures on the changes that have been made at the casino. As a way of showing the government's backdoor methods of promotion of the casino the Premier has continually criticised anyone who has had the audacity to speak out against the casino, whether it be a judge or representatives of church or community groups. The Premier has simply slapped them down. That is not the role of a Premier. People are entitled to express an independent view if they believe that the government is pursuing wrong policies. Government critics should not be vilified by the Premier every time they speak out. The Premier should get back to the business of regulating the industry rather than promoting it.

There are also problems with the placement of gaming machines. At the Productivity Commission inquiry that was held in Victoria some time ago, Tabcorp submitted that it placed machines in areas where people would use them and that that happened to be in the more disadvantaged areas of Victoria. It was a commercial decision based purely on the commercial return that could be achieved by whacking machines in areas in the poorer parts of Victoria knowing full well that people living in places such as Maribyrnong in the western suburbs and the Latrobe Valley look to big wins to improve their circumstances and help them get out of those areas. Tabcorp and Tattersalls deliberately make decisions to put machines in those areas.

Certain parts of Victoria are being used as dumping grounds for gaming machines, and the government has no policy to prevent it. The only policy the government has is a 27 000 cap on the total number of gaming machines. The government's policy is not good enough and more regulation is required. Recent studies revealed the ratio of gaming machines to population in various municipalities: the City of Maribyrnong, one gaming machine for every 104 people; the City of Warrnambool, one machine for every 86 people; the City of Melbourne, excluding the casino, one machine for every 29 people; and the City of Moonee Valley, where I live, one machine for every 123 people. Gaming machines in those areas have reached saturation point. However, in the Premier's electorate, the City of Boroondara has one machine for every 547 people. While the less well-off parts of Victoria are being used as dumping grounds for machines, there are few machines in the leafy suburbs such as Surrey Hills. The government's lack of a policy on the issue allows that to occur.

I have urged the Minister for Gaming and the Premier to adopt a more socially responsible gaming policy by looking at not only the overall cap in the state but also regional and municipal caps as well. When a certain area becomes saturated with gaming machines we can say, 'Enough is enough. If Tattersalls and Tabcorp want to put more machines out into the community to fit under the cap they have to look to other areas'.

If the government is still in power following the election, I have grave concerns that it will go the other way and lift the cap on gaming machine numbers. I refer to an answer which was given in the other place yesterday by the Minister for Gaming and which is reported at page 7 of *Daily Hansard*. The report states:

> I am happy to repeat the commitment I have given the house on a number of occasions that the current ceiling of 27 500 machines, excluding the casino, shall not be changed at all until such time as a far-reaching review of gaming is conducted. That is expected to be in 2000.

The commitment was given when the ceiling was introduced, and the government says it will not change. The minister is saying the current ceiling of 27 500 machines will remain until a further review takes place in 2000. However, reading between the lines the minister is saying that after the review in 2000

everything will be up for grabs, including the cap on gaming machines.

We know the Australian Hotels Association and other interested groups such as Tabcorp and Tattersalls have been lobbying hard for a raising of the cap on gaming machines or to get rid of it altogether. They say that if a pub or a club wants machines it should be able to get them. They say the market should dictate which pubs or clubs get the machines. If they want them they can have them, and if they go broke, so be it.

That is not a socially responsible policy. Gaming machines are not like milk or newspapers; they are more akin to tobacco, the availability and sale of which are strictly controlled. Gaming machines can also be addictive. A responsible government must have socially responsible policies on gaming machines. As a society we should not be proposing to allow as many gaming machines as the market will support. Such a policy would make Footscray, Moonee Ponds, the City of Moonee Valley and the Latrobe Valley dumping grounds for gaming machines, and further problems would result.

I again urge the government to adopt more socially responsible policies on gambling, including a cap on gaming machines by region and by municipality. The minister derides that proposal. He says it will not work, but his current policy is not working. The state has enormous problems with gaming. The minister can continue to bury his head in the sand or he can take the opposition's policies on board. As I have said publicly, I do not mind if the minister steals Labor's policies on gaming because they will lead to a far more socially responsible gambling industry. If he steals them he will get bipartisan support at the next election. We want him to say his gaming policy will include not just an overall cap but regional and municipal caps as well. If he does that, I guarantee him bipartisan support. He will have no blue with us. I hope he accepts that offer.

Another problem with the gaming industry concerns political affiliations. Some people in the industry are far too closely linked with the government. In some states of the United States it is illegal to be associated with a casino while being formally associated with a political party. Yet in this state the federal treasurer of the Liberal Party is also a director of Crown Casino. If the government does not understand that that is a conflict of interest, it does not understand the basic concept of conflict of interest at all — and it is obvious that the government and the Premier do not understand it. You simply cannot have the federal treasurer and the chief fundraiser — the bagman, if you like — for the Liberal Party as the head of the biggest cash cow in the state. It is not on. For one reason, among many others, it gives the impression that the government is prepared to do special favours for the casino because its re-election prospects depend on the fundraising ability of the federal treasurer for the Liberal Party.

That is why such an arrangement is banned in the United States — in certain states, at least — and that is why it should be banned here. Labor policy is that a person cannot have a close formal association with a political party and also be a director of a casino. When Labor comes to office Ronnie Walker will have to choose between remaining as federal treasurer of the Liberal Party and continuing as a director of the casino. It will not be possible for him to do both.

I am prepared to guess which one he will choose. Once we legislate to make it illegal to be both federal treasurer of a political party and a director of a casino, Mr Walker will remain as a director of the casino because it earns him huge amounts of money. He is in the big league now, so he can underwrite the debts of the federal Liberal Party. Apparently he has donated some $4.65 million to the party, and according to today's paper that is being investigated by the Australian Electoral Commission.

Mr Lean — On a point of order, Mr Acting Speaker, I believe we are talking about social policies, not taking an opportunity to castigate Mr Ron Walker.

Mr HULLS — On the point of order, Mr Acting Speaker, I do not know whether the honourable member for Carrum has read the motion, but it clearly talks about the introduction of more socially compassionate gaming policies. Therefore, it discusses current policies and the reasons why they are wrong. My point is that the government's policies are wrong for lots of reasons, including the fact that it is far too close to the people involved in the gaming industry. That is why the government's policies in this area are wrong, and that is the point that I am making.

The ACTING SPEAKER (Mr Cunningham) — Order! I do not uphold the point of order.

Mr HULLS — The government has got it totally wrong. Its association with the people in the industry is so close that the community perception is that the government's decisions on gaming are designed to appease its Liberal mates. The closeness of that relationship is revealed in Mr Walker's donation of $4.65 million to the Liberal Party.

Mr Walker has tried to hide that donation in the Greenfields Foundation. As I said, that matter is now being investigated by the Australian Electoral

Commission, and one must ask why on earth he has tried to hide it. The answer is simple. It is because of his close association with the state and federal Liberal–National Party governments. He does not want to be seen to be continually receiving favours from the state and federal governments, but he is.

The ACTING SPEAKER (Mr Cunningham) — Order! I ask the honourable member for Niddrie to return to the motion before the Chair.

Mr HULLS — The other problem is the government's continual misuse of the Community Support Fund. The fund was set up partly to assist people with gambling problems, but there are no guidelines. A document presented to the Public Accounts and Estimates Committee some time ago showed that between 1992 and 1997 $244.6 million was generated from the Community Support Fund, of which only $37 million, or 15 per cent, was allocated to alleviate problem gambling. In 1996–97 not one cent of revenue from the fund went towards grants to alleviate problem gambling. Not one cent! That shows the Community Support Fund is no more than a slush fund for the Premier. Money from a fund that was set up to assist problem gamblers has been spent on a yacht that sank to the bottom of the ocean. That is extraordinary! It would not happen anywhere else in the world except Victoria.

As honourable members know, the Labor Party has a plan to fix gambling problems and to ensure the industry is more socially responsible. Firstly, the Premier — whoever that may be from time to time, because it will not be Mr Kennett after the next election — should talk with his or her federal colleagues with the aim of reducing the state's financial dependence on gambling-related revenue. Secondly, certain political associations should be outlawed. People like Ron Walker, or Uncle Ronnie as the honourable member for Tullamarine calls him, should have to choose between the money and the box. He should either continue as a director of the casino or remain as the federal treasurer of the Liberal Party — but he should not be able to do both.

Secondly, a Labor government would strengthen the powers of the Victorian Casino and Gaming Authority, the independence of which should be respected. The Premier should not, as he has done in the past, run around undermining the authority's independence. Thirdly, there needs to be an equal distribution of gaming machines throughout Victoria, which could be achieved by enforcing regional and municipal caps. If that does not occur the electorate of Tullamarine, my electorate of Niddrie and the City of Moonee Valley will continue to be used as dumping grounds for gaming machines.

Fourthly, there needs to be truth in advertising. Advertisements suggest that blokes can pick up women and visa versa at pokie venues. They also suggest that people who play pokie machines always win. That is not the case. People who play pokie machines will in all likelihood lose, because the legislation states that the venues have to pay out only 87 per cent of turnover, not 100 per cent. Fifthly, we need an enforceable code of conduct to ensure that gaming operators install basic facilities such as appropriate lighting and clocks on walls. Gaming machines should also carry appropriate warnings.

Information on payouts should be published because people are entitled to know what amounts particular machines will pay out. That happens in Las Vegas, and it should happen in Victoria. The control of gaming machines should be more diverse. Currently only a few people such as Bruce Mathieson and a few venues such as Zagames and others control gaming machines. There are too many machines in too few hands. Local government needs to be involved in the decisions that are made about where gaming machines should be established.

Victoria also needs a new framework for research. At present, socioeconomic research is conducted after machines have been set up in certain areas instead of before they are set up. Finally, we need a more appropriate approach to Internet casinos, because currently there is no policy in place to govern those facilities.

I congratulate the honourable member for Broadmeadows on moving the motion. It should be supported by all honourable members, and I urge —

Mr Perton interjected.

Mr HULLS — The honourable member for Doncaster received a bit of publicity on the weekend. I am sure he will agree with me — —

Mr Perton interjected.

Mr HULLS — It is good to have bipartisanship on that matter. The government should take up the points I have raised. If it adopts the Labor Party policies on gaming, Victoria will have a far more responsible industry.

Mr E. R. SMITH (Glen Waverley) — No wonder the former Leader of the Opposition no longer acts in that capacity. When he moved the motion he believed

he would prompt the greatest debate of all time, but he should have a look at the muddled thinking behind it. One part of the motion refers to customers and citizens and yet another part waffles on about socially compassionate policies. He then tried to restrict the debate by claiming that honourable members should not talk about how the government had developed the most socially compassionate policies for decades.

The government must create an environment that will encourage increased employment. During the past few months government ministers have outlined policies that will encourage the engine room of growth, the private sector, to expand its employment. People gain dignity through employment.

Victorians will not ignore the recent budget initiatives, such as the reduction in payroll tax which will encourage private enterprise to increase employment. Over many years the government has introduced socially compassionate policies and there is no greater socially compassionate policy than the creation of employment opportunities for all Victorians. The greatest dignity man can have is the dignity of employment. The government's policies have reduced the rate of unemployment from about 12 per cent in 1992 to about 7 per cent now. The latest government policies will help the disadvantaged and those who are currently unemployed to gain some dignity for themselves and assist their families.

The honourable member for Broadmeadows put forward many spurious arguments in condemning the government's policies. When he was Leader of the Opposition the honourable member did nothing but condemn the government. His reputation was built on a negative approach to government policy. The community did not take him seriously as it does not take seriously any leader of a political party who is continually negative. The former Leader of the Opposition was known for his sniping, carping criticism of government policies — they were the trademark of the opposition.

Some members of the opposition, including the honourable member for Sunshine, have a positive approach. The honourable member for Sunshine is probably the only member of the opposition who has true leadership ability, but what has happened to him? His colleagues got rid of him. The honourable member proved he could do things — something no-one on the opposition side of the chamber is capable of doing. It is one of the reasons why the house is debating the motion today.

Victorians know they are living in a more compassionate society. Recent editorials in both the *Herald Sun* and the *Age* newspapers have praised recent government initiatives, and particularly the budget introduced by the Treasurer yesterday. This is the end of austerity; this is what Victorians have been waiting for. The notice of motion moved by the honourable member for Broadmeadows refers to health, education, public housing and aged care. The honourable member for Bellarine will talk about housing policies and other government members will take up issues referred to in the notice of motion. I will concentrate on education.

The opposition denigrates government education policy, yet recent editorials praised the government's foresight in education. The honourable member for Broadmeadows asks what will happen in the future. Victorians need to know that in vital areas such as health, education and aged care the government will allocate the required resources so that people can feel secure and safe. That is what has happened under the government's law and order policies. After a careful review of police numbers the government has decided to increase the number of police, which is what the community and newspapers have been asking for. After the last election the government contracted out the operation of the former D24 and introduced the BEST Intergraph system. That enabled more than 100 police officers to return to the beat. The government contracted out duties involving the manning of police cells and the custody of prisoners, freeing up 30 police officers for other duties. It has also contracted out work involving red-light cameras, allowing a further 60 police to return to the beat.

Almost 200 police officers who were previously doing desk jobs are now out on the beat. That is in addition to the 400 police officers who will be appointed during the next few years. Victorians are interested in those issues; that is what they hear and see on radio and television. They know the government is pursuing socially compassionate policies. They also recognise that no government is perfect and that we will never have the right number of police officers serving the community. It is the same in the armed services. A commander who has a certain troop allocation will still want more troops. That is human nature. The government has to work within the economic resources available to it to achieve maximum results.

Victoria has the lowest rate of reportable crime in Australia, being 20 per cent below the Australian average. After the recent government review the community will recognise that police services are being properly and adequately resourced.

The honourable member for Broadmeadows referred to a commitment to the disadvantaged in the community. He sounds like a former Prime Minister of Australia, the Honourable Bob Hawke, who promised that no child would live in poverty after 1990. How can we expect anything different from a person like the honourable member for Broadmeadows who did not have a Labor background? The former Leader of the Opposition and the Deputy Leader of the Opposition do not know what it is like to live in a working-class family, as I and many members of the government parties do. Many people have achieved their goals under Liberal governments. People who come from privileged backgrounds have no experience of those things. It must stick in the craw of Labor Party voters to know that the leaders of the parliamentary Labor Party do not have a working-class background.

The Liberal and National parties look after the whole community. Victorians can relate to the government's policies outlined during the past few weeks because they are socially compassionate policies being pursued by a government that cares. A government's responsibility is to get the economy and job market right before it gets other areas of the economy right.

The honourable member for Broadmeadows said the debate should be restricted to a narrow area. That is ridiculous. The government has allocated significant resources to health, education and aged care because it is no longer paying $2 billion a year in interest repayments or trying to reduce a state debt of $32 billion. The current state debt is $6.1 billion!

In 1982 when the Liberal government lost office the figure was $11 billion. The figure is now down to $6.1 billion, interest rates are down accordingly, and more money can be spent on giving Victorians the services they want.

The honourable member for Broadmeadows talked about a united society. No society can be united when people are unemployed to the extent that existed under Labor. I have heard nothing from Labor members today to indicate that anything would be different from last time if it were in government. It would be spend and spend, borrow and borrow — and Victoria would end up as a rust-bucket state almost in a state of bankruptcy. That situation has been turned around but the Labor Party will not take that lesson on board. Labor should be pursuing policies that matter to the little people who struggle and sometimes make it. People from privileged backgrounds cannot be expected to understand what little people in the community are really looking for. Victoria has lost its austerity; the government has lifted it from that situation.

Together with the federal government, the Victorian government has helped turn the Australian economy around. Some years ago people looked at the Asian meltdown and were worried that the same thing might happen here, but as a result of good policies and sound economic planning the situation has been turned around and Australians feel more secure. Opposition members referred to the deficit in education, yet when the Liberal government came to office there was an oversupply of teachers. How did that occur? In the past when a vacancy existed, particularly because women had taken seven years of maternity leave, a relief teacher would be taken on not as a casual or temporary but as a permanent employee. The intention was to increase the coffers of the unions.

When the Kennett government came to office Victoria had 6000 excess full-time teachers on the payroll. Teachers were needed, but not the extra 6000, who were considered to be casual or temporary teachers. That situation has changed. The government has introduced a system that emphasises the importance of areas such as literacy reading. I am familiar with it because I have a seven-year-old child. Every child in the state is targeted through the education system to ensure he or she will be literate. The government is aiming at a 100 per cent literary level. That will be achieved through dedicated and well-trained teachers who have had the benefit of professional development and have been provided with the resources to take advantage of that professional development. If children fall behind there is a reading recovery program to get those children reading. The program is probably unique.

When the Kennett government came to office former Prime Minister Paul Keating had just completed a federal survey that showed that 25 per cent of young people beginning secondary education were either illiterate or semi-illiterate — that is, they were not able to read or absorb written material and could not answer questions. The way to stop that is by following the government's example — starting from the beginning of school life. Many kids will never learn to read effectively unless they participate in a one-on-one program.

The government has ensured through an initiative introduced prior to the budget that programs with a coordinator are available to students in prep and grades 1 and 2. Every school has a coordinator for reading recovery. Parents want such measures in the education system and they want to see a professional development program for teachers so that teachers can keep up with the latest education trends. Parents want an appropriate building program to be in place so that their children

can be taught in proper accommodation. The figure for the building program is up in the budget. Approximately $5.6 million has been spent on schools in my electorate that had become run down during 10 years of Labor government. In some cases no money was spent on the schools in that period because maintenance funding was virtually zero.

The government wants to see money spent on programs that will develop children to their highest potential, unlike the program of a former Premier, the Honourable Joan Kirner, who stated on the public record that she wanted equality of outcomes. The government wants all young people to have the maximum possible opportunity; it does not want equality of outcomes.

The honourable member for Broadmeadows gave notice of his motion on 17 February 1998, immediately following the proroguing of Parliament. Since then there have been continuing policy initiatives from the government. The government did not need to be prompted by the then Leader of the Opposition about the need for socially compassionate policies. A socially compassionate approach has been the policy of the government since 1992, but there is only one way to achieve that, and it is not through empty rhetoric such as the community has heard from the honourable member for Broadmeadows and the former Prime Minister, Bob Hawke.

If socially compassionate policies are to be implemented the engine room of the economy needs to be working successfully so that jobs can be created. The government has delivered on that. It has knocked the unemployment rate from 12 per cent when it came to power to below 8 per cent. At the same time it has put in the necessary resources so that Victorians will receive the best services at world standard. The government has achieved its aims by knocking out the austerity program Victorians have had to endure for the past 16 years.

Mr THWAITES (Albert Park) — I am happy to join the debate. I support the motion of the honourable member for Broadmeadows calling on the government to start treating Victorians as citizens instead of customers by introducing socially compassionate policies. The Minister for Conservation and Land Management was laughing at the concept of socially compassionate policies. That is hardly surprising given her record in the past as health minister. Her level of compassion is delivered mainly to the Portsea set as she waves from the Roller. She is prepared to offer a little bit of compassion when one poor home owner wants a bit of the beach; the Portsea set is entitled to a bit of social compassion in those circumstances.

Victorians are sick and tired of the market-based approach to government in which citizens are treated as numbers not only on waiting lists for surgery and dental care but also in one of the propaganda leaflets handed out by the Treasurer, who has suddenly become interested in the social dividend. A community spirit is on the rise in Victoria. That community spirit is well illustrated on planning issues by community groups around the state getting together to oppose the government's planning policies.

A very good demonstration of this community spirit is the situation in Werribee, where the local community rose up successfully against the government's policy to impose a toxic dump on it.

Mr Finn — On a point of order, Mr Acting Speaker, the motion moved by the honourable member for Broadmeadows refers specifically to policies on gaming, public housing, aged care, health and education. The honourable member for Albert Park is yet to refer to any of those and has now gone right off any thrust of the motion. I therefore ask you to bring him back to the motion before the Chair.

Mr THWAITES — On the point of order, the motion is broad and calls on the government to start treating Victorians as citizens rather than as customers.

Mr Finn — In relation to gaming, public housing, aged care, health and education.

The ACTING SPEAKER (Mr Seitz) — Order! I do not uphold the point of order, but I ask the Deputy Leader of the Opposition to address the motion. I am sure he was making only a passing reference to those other issues.

Mr Brumby — On a further point of order, Mr Acting Speaker, I moved the motion and its intent was to be very broad and allow a wide-ranging discussion of government policies generally and whether people are being treated as customers or citizens. This morning, before you were in the chair, Sir, the Deputy Premier spoke exclusively about regional and rural Victoria, which is not mentioned in the motion. He was talking in the context of whether regional and rural Victorians are treated as citizens or customers and he was ruled in order. The honourable member for Glen Waverley spoke about police, who are not mentioned in the motion either. He spoke about them in the context of the customer or citizen aspect of the motion.

I put it to you, Mr Acting Speaker, that this has been a very wide-ranging debate, including the canvassing of budget and appropriation, regional and law and order issues, and that the debate should be as broad as possible.

Mr Finn — Further on the point of order, Mr Acting Speaker, the honourable member for Broadmeadows has said that the intent of the motion is to make this a wide-ranging debate about every issue of concern to man. If he wanted a debate on such a motion he should have moved that motion. However, the motion refers specifically to policies in relation to gaming, public housing, aged care, health and education — not policies on toxic dumps, planning or anything else. I therefore ask you to bring the honourable member for Albert Park back to the motion before the Chair.

Ms Kosky — On the point of order, Mr Acting Speaker, the honourable member for Tullamarine should not have decided what the motion is about without having read it. The honourable member for Broadmeadows moved:

> That this house condemns the government for treating ordinary Victorians as customers rather than citizens and calls on the government to introduce more socially compassionate policies in relation to gaming, public housing, aged care, health and education.

It allows for a debate about two issues: firstly, whether the government is treating Victorians as customers rather than citizens; and, secondly, socially compassionate policies. The honourable member for Albert Park has been speaking on those areas, as the motion allows.

The ACTING SPEAKER (Mr Seitz) — Order! I have heard sufficient on the point of order. I listened to the debate that took place earlier and the matters and points of order raised by honourable members; the points of order were not upheld. In my previous ruling I did not uphold the point of order of the honourable member for Tullamarine. I asked the Deputy Leader of the Opposition to make only a passing reference to the Niddrie quarry, the tip at Werribee and so on and to come back to the substance of the motion. The honourable member for Tullamarine will have the opportunity to refute those comments later.

Mr THWAITES — Thank you, Mr Acting Speaker. I condemn the government for treating ordinary Victorians as customers rather than citizens. The government is ignoring groups such as the people in Werribee who opposed the establishment of a toxic dump in their area. It was only after they fought continually over a long time that the government and the company involved — CSR — backed down. The same thing is happening in Niddrie, where local groups are fighting the establishment of a toxic dump in their area. As well as that, they are fighting the Minister for Planning and Local Government, who is proposing to steal the community's local park.

There has been an outbreak of similar community groups across Victoria. For example, community groups at Carrum are very concerned about bayside development and overdevelopment. Such groups do not want the spread of ugly, inappropriate, multi-unit developments throughout the suburbs and around the bay. Victorians want to live as a community. They want to live together in the suburbs that have made Melbourne the world's most livable city. They do not want the planning policies of the minister to destroy the character and heritage of their areas. Such policies are contributing to making Melbourne not a livable city but just a place where developers can make money and residents are second best.

Recently I attended a meeting in Northcote about the former Preston and Northcote Community Hospital (PANCH), which was a great hospital that for many years provided services to people in the northern suburbs. When the hospital was closed the government promised to put public health facilities on the site. However, far from providing those public health facilities, the government simply treated the community as customers and flogged off the hospital site. It sold it to a man that even Ron Walker does not trust — that is the same Ron Walker the honourable member for Niddrie was talking about in such glowing terms earlier in his contribution to the debate! Even Ron Walker does not trust the new owner of the former PANCH site. I attended the meeting of more than 400 people from the northern suburbs of Melbourne who want to be treated as citizens. They want to be listened to for a change. They want to have what was promised — that is, public health facilities in their area.

It seems that while the government is prepared to ignore the community, the only group that is listening is the opposition. So anyone who wants to get anything in health care in this state comes to the opposition. That is exactly what Mrs Baiocchi of Epping had to do last week. She had been waiting for an urgent operation at the Royal Melbourne Hospital for an aneurysm on the brain — a very serious operation. On two occasions the Royal Melbourne Hospital was forced to cancel her operation because there were not enough beds available. On the first occasion she was booked for surgery on 12 April but shortly before the operation Mrs Baiocchi was told it had to be cancelled because another patient needed the bed. The operation was

rescheduled for 21 April, but that also had to be cancelled.

It was only when Mrs Baiocchi came to the opposition that her luck changed. Indeed, she saw me at an appropriate event arranged at her house. We had a cup of coffee and some members of the press also turned up. Honourable members may be surprised to hear that that afternoon the Royal Melbourne Hospital and the government announced that Mrs Baiocchi was to have her operation yesterday.

Mr Hulls — Well done!

Mr THWAITES — It seems that the only way that people in this state can get any decent health care is by approaching the shadow Minister for Health. It is also the only way they get any support on planning issues. Last week I was very pleased to visit the park in Niddrie that the planning minister is proposing to steal from the local community.

I visited the Spring Gully reserve with the honourable member for Niddrie. He is working hard, as did the honourable member for Werribee, to ensure that the community is not destroyed by a toxic dump.

It is interesting that the only new hospital the government has managed to put together in some six years is in the electorate of the honourable member for Broadmeadows, the mover of the motion. The only new police station the government has put in place is in Sunshine. The government did, however, complete the Labor Party's project at Epping, in which the honourable member for Yan Yean was involved as a member of the committee that set it up initially. The rights of Victorian citizens are being ignored. It seems that we no longer have a government, just a purchaser of services.

Mr Brumby — A purchaser–provider.

Mr THWAITES — A purchaser–provider.

An Honourable Member — Rowing, not steering.

Mr THWAITES — The approach is an outdated approach of the 1980s that ignores people's needs and at the end of the day is dominated by the bureaucracy. The government is getting rid of the rowers but is ending up with more steerers. It has steerers all over the place, as can be seen with the health system. The health networks have $18 million of bureaucracy but do not treat a single patient, which is completely wasteful. Some of the bureaucrats in the system are not being treated as customers; they are being treated very nicely indeed. They are paid more than $300 000 a year to steer the ship of state. The problem is that it is steering all over the place, which is why Mrs Baiocchi could not get the operation she needed and had it cancelled.

A Labor government will abolish the health networks and save $18 million. It will put the money where it is needed — into having more infection control nurses and more cleaners, and into reducing the time people have to wait on trolleys in emergency departments. Labor has a practical solution. It is not about spreading money around on wasteful bureaucrats or network bureaucracies as the government has done; it is about putting the money where it is needed most — that is, with patients and the community.

I emphasise that if people are treated as citizens the whole community gets a better outcome. The government gets a better deal, the community gets a better deal, and we are all better off for it.

Mr FINN (Tullamarine) — At the outset of my contribution to the debate on the motion moved by the honourable member for Broadmeadows I congratulate the Premier and the Treasurer on what is a modern miracle in Victoria. What has occurred during the past six and a half years can only be described as the greatest turnaround in the history of this state or, for that matter, of any other state in the commonwealth. No government has managed to resurrect an economy in the way the Victorian government has done since 3 October 1992.

From listening to members opposite it is not hard to understand how during the decade of darkness — Labor's 10 dark years in power — Victoria got into such a dreadful mess. One can only offer sympathy to the honourable member for Broadmeadows, because it is obvious to all in this chamber that he is a sad and tired individual. Having been put through what he has been put through over the past number of years it is not surprising — —

Ms Kosky — On a point of order, Mr Acting Speaker, I draw your attention to the contribution to date of the honourable member for Tullamarine. It has not related one little bit to the motion before the house. I ask you to bring him back to speaking on the motion.

Mr FINN — On the point of order, Mr Acting Speaker, even opposition members, who are a bit slow in these matters, would understand that it is common practice for members to refer to comments made by previous speakers in a debate. I had been going for approximately 60 seconds, in the last 15 to 20 of which I had started to refer to some of the comments made by the honourable member for Broadmeadows. For the

honourable member for Altona to raise such a point of order at this point is showing the pettiness for which she is renowned. I ask you to overrule the point of order.

The ACTING SPEAKER (Mr Seitz) — Order! I have heard sufficient on the point of order from the honourable member for Tullamarine. There is no point of order. The honourable member for Altona will have the right when I give her the call to refute the issues raised by the honourable member for Tullamarine. However, I ask him to come to the substantial issues of the motion.

Mr FINN — Mr Acting Speaker, we on this side of the house just cannot wait to hear the contribution of the honourable member for Altona, which will be an absolute ripsnorter.

Having listened to his comments, I suggest that the honourable member for Broadmeadows visit his electorate from time to time. If he did he would see in Johnstone Street, just across from the Vicroads building and down the street from the town hall and the leisure centre, a large building with a flag on top. That is the Broadmeadows hospital. The hospital, which the Deputy Leader of the Opposition referred to during his contribution, is the same hospital that had been promised to the people of Broadmeadows for generations — successive governments had led the people of Broadmeadows by the nose.

Mr Brumby interjected.

Mr FINN — They are still being led by the nose, if you look at the honourable member opposite.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Tullamarine should speak through the Chair.

Mr FINN — I will put the history on this straight. Prior to the 1992 election I promised that if I was elected as the honourable member for Tullamarine I would ensure that the Broadmeadows hospital was built.

Mr Brumby — On a point of order, Mr Acting Speaker, I am deeply gratified and touched that the honourable member for Tullamarine would want to pay me such credit and praise for my work in getting the hospital built in Broadmeadows. However, it is fair to refer to the hospital committee, which has existed for decades and has worked tirelessly. While I played a role in supporting the project, the real credit should go to the local community and the local committee, the members of which worked tirelessly for years to get the hospital. On the point of order, I appreciate the commendation of the honourable member for Tullamarine, for which I thank him. However, his contribution to the debate is not within the terms of reference of the motion and I ask you to draw him back to the motion.

Mr FINN — On the point of order, Mr Acting Speaker, that is not a point of order but a further contribution by the honourable member for Broadmeadows to the debate. If he would allow me to continue my contribution he would hear some points that he would have wished he had made in his earlier contribution.

The ACTING SPEAKER (Mr Seitz) — Order! I have heard sufficient on the point of order. I rule there is no point of order.

Mr FINN — In his brief supplementary contribution the honourable member for Broadmeadows referred to a concerted campaign over many years by the people of Broadmeadows to have a health facility built. It should be remembered that it was the Kennett Liberal–National Party government that gave Broadmeadows its hospital. For 10 long years the Labor Party gave nothing to Broadmeadows. I am sure the people of Broadmeadows will always remember that.

Mr Brumby interjected.

Mr FINN — The honourable member for Broadmeadows can carry on. When he won preselection for the by-election for the seat of Broadmeadows he promised with his hand on his heart that he would move into the electorate. Some five years later he has not gone beyond the mansions of Strathmore! Any which way you look at it a big difference exists between Strathmore and Broadmeadows. The honourable member for Broadmeadows should remember that.

The honourable member for Broadmeadows is a sad, tired figure to be pitied. When I hear the current Leader of the Opposition — the man who did over the honourable member for Broadmeadows — I hear John Cain's voice, but I realise it is the honourable member for Broadmeadows reincarnated. The same negativity, whingeing, carping and knocking still exists. He does not make a solid contribution. There is not one ounce of positivity from the Leader of the Opposition.

If the honourable member for Broadmeadows wishes to know about compassion and caring I suggest he not look at his colleagues and the activities of the Labor Party in the north-west of Melbourne over many years.

For decades the Labor Party has used and abused the people of the north-west for its own petty purposes. Honourable members have seen the branch-stacking and the funny little games; they have seen it from Dr Andrew Theophanous, who will surely get his one day — and from many quarters!

Jack Culpin was the last truly honourable, decent, caring and compassionate member for Broadmeadows. Even though he is no longer in Parliament he works hard and achieves results for the community that far outweigh those of honourable members on the other side who represent those areas.

Going further afield, the people of Northcote have had Dame Mary, the duchess of Mount Macedon, dumped on them. I do not think she ever visited Northcote before that. The heavyweights, the leaders of the right wing of the Labor Party, said, 'The Duchess of Mount Macedon should go to Northcote. We don't care what the people think'. That is a long-held attitude of people in the Labor Party towards people in the northern and western suburbs of Melbourne. It is disgusting.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Tullamarine has been speaking for 10 minutes and has made remarks about individuals. I ask him to return to the motion and refute the issues raised by earlier speakers.

Mr FINN — As I have said before, the honourable member for Niddrie appears to have a psychological problem with gambling. He seems to believe every Victorian is caught up in a gambling mentality. Even if that were so, they would never take the biggest gamble of all and re-elect the Labor Party. People know they would be sure losers — down the drain.

The honourable member for Niddrie spoke about making certain political associations in Victoria illegal. I have never heard anything so appalling. Stalin would be proud of him. I thought the honourable member for Niddrie belonged to another faction in the Labor Party. Obviously he is closer to the Socialist Left than I thought.

The honourable member for Albert Park has again displayed for all to see why he will not achieve the prize he seeks. Like his former leader, the honourable member for Broadmeadows, he whinges and carps and has delusionary visions of problems, many of which do not exist. However, he has no positive answers to the problems he puts forward. Even his colleagues do not take him seriously. If members of his own party do not take him seriously how can he expect Victorians to do so?

The ACTING SPEAKER (Mr Seitz) — Order! Again I invite the honourable member for Tullamarine to refute the statements that previous speakers have made without labouring the point on their attitudes.

Mr FINN — Or their particular problems, Sir. The honourable member for Broadmeadows has called on the government to take a more compassionate attitude on education policies. One of the first things I did following my election in 1992 as a representative of the good people of Tullamarine was to visit every school in my electorate. What I saw shocked me. It appalled and sickened me because there were many schools in my electorate that were barely fit for human habitation. How anyone was expected to learn, let alone teach, in such an environment was beyond me. I spoke to a number of the principals, teachers, school council presidents and other individuals who had laboured under that burden for many years. They said the reason their schools were in such a mess was that they had not had a cent spent on them in more than a decade. Many of the schools were falling to pieces. I could put my foot through the floorboards or my hand through the walls. That was immediately after the decade of darkness to which I referred earlier.

I went to the Honourable Don Hayward, the then education minister, and explained the situation at Gladstone Park Secondary College, which I judged to be in a particularly shabby state. I explained that that school had an excellent curriculum and a reputation for producing students who progressed to bigger and better things. I told him that the physical environment that teachers were forced to work in and students were forced to learn in was an absolute disgrace to Victoria. The minister approved a grant of $650 000. It was something of a bandaid solution because although the $650 000 fixed some of the holes and the pressing problems that the people faced in that college on a daily basis it could not provide long-term solutions. Last year it pleased me to be able to return to the school and tell the principal, Ken Thompson, and others who had worked very hard for the college that the government had allocated a further $3.5 million to bring the college into the 21st century.

When honourable members opposite talk about how dreadful the government is and what terrible things it is doing to education, it is important to remember what the Labor Party did when it was in government. Labor allowed schools to fall to pieces, in contrast to what the Kennett government has done in putting so much money and effort into restoring schools to what can be described as a reasonable and comfortable state.

Mr McArthur interjected.

Mr FINN — I could refer to an event that took place in this chamber yesterday, but I believe the rule of anticipation may be held against me, and certainly I would not venture down there. Prior to that event yesterday, some years ago not only was Gladstone Park Secondary College receiving grants to bring it up to scratch, funds were also allocated to Gladstone Park Primary School, Gladstone Views Primary School and Tullamarine Primary School. Those schools are in what Labor likes to call its own territory. They are in the areas that the Labor Party has for decades taken for granted. It is only when those areas have a Liberal local member that resources are made available for the people who have been overlooked for so long. None of the schools I have referred to had seen a cent for decades. Under the Kennett government they have been allocated funds and have benefited from it.

The honourable member for Broadmeadows and his comrades in the Labor Party like to talk about caring and compassion at great length. Unfortunately the word 'bankruptcy' seems to be bracketed with 'caring and compassion' because that was what the Labor Party has brought on every Victorian with its so-called compassionate and caring polices. Victorians were brought close to bankruptcy. If Victoria had been a private company in 1992 the liquidators would have closed the state down and locked up the directors. Some would suggest that is what should have happened.

How can anyone possibly expect to be compassionate and caring if there is not sufficient money to pay the teachers, the nurses, the firefighters or the police? If the government does not have the money to keep those vital day-to-day services alive and thriving, how can that possibly be regarded as compassionate? Yet that is what members of the Labor Party would have us believe.

What is compassionate about not having the money to open hospitals such as the long-awaited and long-overdue day hospital in Broadmeadows or the hospital at Epping, which was referred to earlier? The Epping hospital is now serving the needs of the northern suburbs. What is compassionate about not being able to afford such services?

Where, I ask members of the opposition, is the compassion in not having the money to pour into schools and not being able to provide an appropriate physical environment for teachers and students? Under the Labor Party's discredited and appalling economic policies the Sunbury and Macedon Ranges Specialist School could not have been relocated to Jackson's Hill and given new facilities. Sunbury Primary School could also not have been relocated to Jackson's Hill, as is currently happening. Such schools would have been left to drown in their own squalor. The teachers and students in those schools would have been left watching the buildings fall down around them. What is compassionate about that?

Is it compassionate to bring bankruptcy on the state and impose an enormous debt on every Victorian? Is it compassionate to tell Victorians that, when it is all over, government members will walk away with their superannuation and the people will be left with the debt? When members of the Labor Party talk about compassion or about caring I know they are talking about sending us broke again. There can be no doubt in anyone's mind that if — God help us! — they are given the opportunity to govern the state, they will repeat the crimes of the past for which they are renowned. We will be even further in the red than ever, and next time there will be no recovery.

Victoria cannot afford the risk. The economic incompetence that we experienced between 1982 and 1992 cannot and must not ever be repeated in this state or anywhere else. Economic incompetence at that level is not compassionate or caring and it does not put people first. Rather, it is disastrous. Disaster goes hand in hand with the Victorian Labor Party. Let us all pray that they will never get the opportunity to cause it again.

Ms KOSKY (Altona) — It is interesting to hear the honourable member for Tullamarine speaking of compassion. It is in the same league as putting Dracula in charge of the blood bank. The honourable member finds it difficult to talk about compassion with sincerity rather than merely mouthing the words. Compassion is an attitude, not just a calculation of how much money is spent — although money is important, too. Compassion is also about how services are delivered.

I refer the house to comments made by the honourable member for Mordialloc. On public housing he said:

> The most fundamental change with the housing ministry, particularly in my electorate, is that it now treats people as clients.

He went on to say:

> People are treated like clients of a bank or similar organisation. Although problems still arise, in general the attitude of the public servants who deal with those problems is markedly different from the attitude adopted under the Labor government.

I concur with the honourable member for Mordialloc. There is a marked difference in attitude between Labor governments and coalition governments. They are also

different in the way they treat the people of Victoria. As the honourable member stated, the Kennett government treats the people it deals with as clients, as banks might treat people — and we know how banks treat their clients, don't we? I am concerned that the government seems to have adopted that approach.

I refer to the way the government has treated public housing tenants since 1996. They have been treated as clients rather than as people, and as short-term tenants rather than as householders looking after their homes. Accommodation has been provided on the basis that it is a roof over their heads, not homes in which the tenants will spend important parts of their lives.

The litany of changes in public housing since 1996 has been very damaging to tenants. In 1996 public tenancy workers were required by the government to collect the names and addresses of the people who sought advice, the nature of their complaints and the time taken on each case. That information was passed on to a private research company, which in turn contacted the tenants to substantiate the nature of the services they had been given. What a complete waste of money. And worse, what a complete disregard for the privacy of the tenants! Take the effect of such a procedure on, for example, a woman who is fleeing domestic violence. She would be required to give private details that could be used by the private market research company or even made available to other organisations.

The emergency housing program was restructured. That meant wiping out small providers in favour of big regional providers, which resulted in a loss of community focus and tenants losing all control over the provision of services. Management committees were disbanded and tenants were no longer allowed the opportunity to have any say over the running of the emergency housing program.

That was all done in the name of economy with very little regard for those communities. The Auditor-General found that waiting times had increased: half of all applicants had to wait for more than four years for public housing. In many metropolitan areas there was an indefinite wait for public housing. Thirty-eight per cent of priority applicants, those in urgent need of housing, had to wait for more than six months. The accumulated backlog of maintenance works totalled $148 million, and between 1992 and 1996 there was a 14 per cent drop in funding for housing. Those statistics do not demonstrate compassion. Instead they show that the government believes public housing tenants are unimportant.

If public housing residents were sponsored migrants with an assurance of support, the department imputed the income they were otherwise entitled to receive. In other words, the government charged rent on the income they would have received from the commonwealth Department of Social Security despite the fact that they were not receiving the money. That meant that a person who was sponsoring a migrant who lived in public housing had to pay double rent. That provided no incentive to future migrants. At the same time as waiting lists were blowing out there was a sell-off of $43 million worth of public housing stock — that is, 1000 properties — between January 1995 and October 1996.

The government reduced the stock of public housing and it treated tenants badly. It forced names off waiting lists by reducing the number of offers for public housing from three to two, yet incredibly it expanded the geographic area in which people were compelled to accept housing offers. That meant many people were denied the opportunity to gain access to public housing.

In 1997 the reduction in public housing continued and people were pushed back into the private rental market. Changes to the rent arrears policy meant the imposition of strict guidelines, which reduced the flexibility of local housing officers in negotiating repayment schemes. The government restructured tenant support services by cutting funding for tenant groups and setting up broad regional organisations, which resulted in a reduction in the number of tenant groups from 55 to 9. The Office of Housing lost community focus and tenant control and became just another bureaucratic structure.

The public housing sell-off continued, with another 80 properties being sold. At the same time inner-urban properties were sold on the basis that they were under-utilised, and the treatment of the tenants who were forced to move out was appalling. The tenants received a letter suggesting they should move out of their homes, and the pressure to do so was continued through regular visits from Office of Housing representatives. Those people had been living in the units for 40, 50 or 60 years. The government's approach was appalling. Fortunately, as a result of pressure from the opposition the government changed its approach and many people are still living in public housing in and around Port Melbourne.

The government also cut public housing construction. Only 256 new units were built in 1996–97, compared with the 508 new units built in 1994–95. When the new rental housing support program was introduced public tenants were locked out of community facilities that

were frequently used for social and recreational activities. They were suddenly locked out of facilities they had used and looked after for a long time.

At the same time the government introduced the Residential Tenancies Bill, which limited the rights of private tenants by providing for unlimited rent increases and reducing the notice period for evictions. Those measures worked against people in the private rental market at the same time as the reduction in the public housing stock pushed more and more people into that market.

Three and five-year leases were also introduced at that time. Security of tenure for public housing tenants disappeared, despite the fact that that principle had underpinned public housing policy in the past. The government also increased rents from 23 per cent to 25 per cent of family income.

In 1998 the Kensington high-rise tower was demolished and the tenants were forced to relocate. Despite the fact that tenants were happy with their accommodation as the building was in good condition and that the departmental advice was that the walk-ups in the area required redevelopment, the government demolished the high-rise tower because it believes such towers are a blight on the landscape. The tenants were told by letter about the government's decision an hour before the announcement was made public. Although many of the tenants could not read English, the letter they received was in English. The many queries and concerns of tenants were answered only after the tenants association organised a public meeting that included departmental representatives. Tenants would have remained unsure about their future. They would not have been able to share their concerns with other tenants had the tenants association not intervened.

During the same period the government failed to meet 19 of the 25 housing targets it set itself. There was a shortfall of 450 households receiving crisis-supported housing; almost 600 fewer public houses were allocated; public housing stock was reduced by 250; there was a 460 shortfall in supported housing assistance; and 1200 fewer bond loans. That does not indicate a compassionate government. The introduction of segmented waiting lists demonstrates the government's approach to public housing tenants. People waiting for public housing are now categorised according to a simplistic view of their needs. Women who are waiting for priority housing so they can leave potentially violent domestic situations are ranked as third priority — not the highest priority. In effect, it means that those women will be waiting for about six months before getting priority public housing. They are being forced to remain in potentially violent situations. Does that demonstrate a compassionate response to the needs of those women and other people who are on a priority public housing waiting list?

Successive housing budgets have been reduced. The 1997–98 housing budget was cut by $9 million; the 1998–99 housing budget was cut by $24.5 million; and this housing budget has been cut by $3.6 million — a total reduction over the past three years of $37 million. During the same period the government introduced reforms that have forced many people on waiting lists for public housing onto the private rental market. Victorians are being forced to pay incredibly high rents which they cannot afford. Public housing tenants and those on the waiting list are being treated like customers or clients rather than as citizens of the state who have the same rights as other Victorians. They should have the same rights as honourable members, but they are being treated as poor tenants who can be moved on or off the government's housing waiting list.

Private rental market rents are growing faster than the income of low-income people. Affordability in the private rental market is a major issue for low-income people. Although the vacancy rates in the private rental market have improved, demand is still higher than supply. Average single parents with one child or single elderly pensioners pay 40 per cent of their income in rent. That may not represent a significant amount for honourable members, but it is impossible for low-income earners to pay that amount on rent and still survive. It is impossible for those people to buy food and pay other bills while paying 40 per cent of their income on rent. Public housing is meant to look after those people who cannot afford to enter the private rental market. The Kennett government's approach is to look after only those people who would otherwise have to sleep on the streets. It should have a public housing system that can compete with the private rental market so that there is some choice rather than having only one option other than sleeping on the streets.

The government has not shown a compassionate attitude in its public housing policies. It has not delivered services to people in need in a compassionate way. It has treated public housing tenants and those waiting for public housing as clients or customers. The honourable member for Mordialloc said that all people should be treated as citizens with the same rights as members of this house enjoy. Housing is one of the fundamentals of life. People need housing to live. If they do not have adequate shelter they cannot obtain education, hold down a job or earn an income. Shelter is extremely important to their wellbeing. The government's approach is to reduce the importance of

the necessity of adequate shelter. Some people who are being pushed out to fend for themselves will be forced to pay up to 40 per cent of their income in rent.

Mrs Henderson interjected.

Ms KOSKY — If the Minister for Housing had listened to my earlier comments she would realise it is about policy. It is not just about budget allocations; it is about how services are provided to people in need.

I have outlined a litany of concerns about the way the government provides public and emergency housing to people in need. It treats them with disdain. The government should not be proud of its policy and record in public housing. When the Labor Party is returned to the Treasury benches it will introduce immediate reforms in housing.

Mr LEAN (Carrum) — I welcome the opportunity to speak on this notice of motion. Compassion is looking after people who have difficulty in looking after themselves. Compassion is about looking after people who have not had the same opportunities as have members of this chamber. Compassion is about providing job opportunities and reducing unemployment, which is what the government is about. The rate of unemployment in Victoria is the lowest this state has ever experienced because the Kennett government has created an environment that enables more people to gain work.

Victoria now has well-maintained schools and better public housing. In 1997–98 the government had allocated 138 per cent more funds to improve public housing than was allocated in 1992–93, the last year of the former Labor government. That equates to $428 million for additional and improved public housing. When the Kennett government came to office public housing stock was in a disgraceful condition. Approximately $1.7 billion has been spent to upgrade public housing so that public housing tenants can feel that they are part of the community.

There has been a concerted effort to move people out of the ghetto-type arrangements of high-rise accommodation into a mix of public and private housing such as garden estates or any areas where they can feel part of a community.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.01 p.m. until 2.05 p.m.

QUESTIONS WITHOUT NOTICE

Payroll tax

Mr BRACKS (Leader of the Opposition) — I refer the Treasurer to his claim that changes to payroll tax will save businesses $97 million, and to the fact that his own budget papers clearly show that payroll tax revenues will increase by $39 million next year — —

Government Members — More jobs!

The SPEAKER — Order! The question is addressed to the Treasurer, not to the backbench of the government party in total.

Mr BRACKS — Revenues will increase by $39 million next year and by a massive $454 million over the next four years. Will the Treasurer now admit that his latest claims of business tax relief are nothing more than a con job on businesses which, despite the Treasurer's rhetoric, will pay more tax in the future?

Mr STOCKDALE (Treasurer) — I know interjections are disorderly and that the government does not have any lowly backbenchers. However, if it did have a lowly backbencher, even that backbencher would be able to answer this question. The tragedy for Victoria is that this man has been shadow Treasurer for two years, I think — it is a revolving door policy and I cannot keep track of them all! He is now Leader of the Opposition and he still does not understand not only the basic structure of the Victorian budget, but what happens out there in the real world.

The industry will save $300 million as a result of the reduction in payroll tax delivered in each of the past three budgets. In order to calculate the yield from payroll tax it is necessary to identify across the businesses that pay payroll tax what their total wage rolll is. It is axiomatic that if one applies to that wage roll 5.75 per cent rather than 7 per cent the businesses will pay less than they would have paid if the government had not delivered the reduction.

The Leader of the Opposition has established that Victoria can expect that wage roll to increase over the next four years. Why? You tell me why — come on!

Honourable members interjecting.

Mr STOCKDALE — He has put his foot right in iit. You know that, Mr Speaker! Mr Speaker is smiling because he knows that — it is the biggest smile! The Leader of the Opposition knows that the wage roll willl go up because salary increases occur and more people will be in jobs. This question is an example of the

Leader of the Opposition saying to the people of Victoria, 'We, the Labor Party, agree that the government will deliver more jobs in the next four years'. Hear, hear!

Mr Perton interjected.

The SPEAKER — Order! If the honourable member for Doncaster wants to incite a riot he can get out on the front steps and do so, but he cannot do it in here.

Investing in Innovation

Mr LEAN (Carrum) — Will the Premier inform the house of progress that has been made in implementing the government's science, engineering and technology initiative, Investing in Innovation?

Mr KENNETT (Premier) — The question accurately reflects the ability of the community through the government to take on board a program that has been in place since 1996 to concentrate the government's commitment to maintaining and enhancing Victoria's competitive strengths in science, engineering and technology. After the government was returned to office in 1996 I established a science, technology and engineering task force which was jointly chaired by me and Lieutenant-Governor Professor Adrienne Clarke. The aim of the task force was to try to identify, firstly, how scientific and research funds were being spent in the state and, secondly, how the government can play an effective role in increasing research and development in this important area.

As a result of the budget presented yesterday, the government has committed the community to expenditure of $310 million over the next five years: $35 million will be spent in the first year, $50 million the next year, and $75 million a year after that. I am delighted that as part of that process we will put in place a standing committee of science, engineering and technology that will formulate evaluation criteria, review proposals for funding and advise the government on the allocation of Investing in Innovation funds.

Honourable members interjecting.

Mr KENNETT — I can well understand that the opposition has no interest in science, technology and engineering. Not only does it have no interest in it at all, but it has no vision whatsoever for Victoria.

Professor Adrienne Clarke has again agreed to chair the standing committee to do evaluation work; Sir Gus Nossal will join her, together with Dr Jack Wynhoven, a prominent engineer. In addition, the government will appoint a person with strong skills in advanced manufacturing, and an economist.

As we enter the new millennium, one of the issues that will distinguish Victoria and Australia from other parts of the world is an increasing commitment to the area of science, engineering and technology. Unless we can deliver goods and services that are in demand by other countries, as Australia contributes only about 1.5 per cent of the world's gross domestic product, we will find ourselves in a very difficult situation.

I thank those who have agreed to be members of the standing committee. I thank the task force for the work it has done. The money will be spent in a wide range of areas, from agriculture to multimedia, and also medical research. I just hope at some stage the opposition may see fit to recognise the importance of this investment, which will not deliver returns today or tomorrow but will 5, 10 and 15 years out. It is another clear example of the way the government is prepared to think medium and long term in creating future jobs for Victorians of all ages in what is clearly the fastest area of economic growth anywhere in the world.

Schools: class sizes

Ms DELAHUNTY (Northcote) — I refer the Minister for Education to his boast after last year's budget that the government has given parents a commitment that, where possible, class sizes in years prep to 2 will be capped at 28 students and to yesterday's pitiful budget admission that 7 per cent of all primary school classes this year will have 31 children or more. Why has the minister surrendered on class sizes and literacy, and isn't the answer Labor's policy to bring down early — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Ripon.

Ms DELAHUNTY — Why has the minister surrendered on class sizes and literacy, and isn't the answer Labor's policy to bring down early class sizes — —

Honourable members interjecting.

The SPEAKER — Order! I have warned the honourable member for Doncaster twice during question time. I will not warn him again. If he interjects I will name him forthwith.

Ms DELAHUNTY — Isn't the answer Labor's policy to bring down early class sizes to 21 or fewer?

Mr GUDE (Minister for Education) — I do not know who did the research for the honourable member for Northcote but let us start at the beginning of the question, where she said I made a boast about class sizes and the reference to capping at 28 as a consequence of last year's budget. I recall when I made the reference to 28.

Honourable members interjecting.

Mr GUDE — Your research is wrong because, in fact, I made that comment at a ministerial conference in Hobart and it had nothing at all to do with the budget. It was totally unrelated. It was a clear indication about school education in this state that the government expected class sizes in prep to 2 would be capped at 28 as the worst-case scenario. The fact is that the average class size in that area is currently running at about 23.4, not more than 30, so the honourable member's numbers are wrong for a start.

Honourable members interjecting.

The SPEAKER — Order! I have also asked the Deputy Leader of the Opposition a number of times to cease interjecting.

Mr GUDE — If you take last year's class size average, which was 25.9, you see how off the mark the opposition is, as is its normal wont — there is nothing new or unusual about that. I am also conscious of the fact that when the Labor Party introduced its so-called education policy the former Leader of the Opposition said Labor would go back to what occurred in 1992 when it was in office. In 1992 when Labor was in office, whenever a teacher went on sick leave, annual leave or long service leave — —

Honourable members interjecting.

The SPEAKER — Order! I will not warn the Deputy Leader of the Opposition again. If he continues to interject I will name him, too.

Mr GUDE — When teachers went on sick leave, annual leave, long service leave, maternity leave or leave without pay, the then government employed other full-time people in their place. As the house knows, and as most members of the public know, the situation was reached where Victoria was broke as a consequence of the bankrupt policies of the Labor Party in office. That is what the opposition wants to return to.

The government has indicated clearly to schools that it expects them to contain class sizes within the upper limit of 28; and where they go beyond that for a particular reason — they may well have a good reason — they should clear that with the region. As honourable members are aware — that is, those of us who visit schools, talk to principals and go into classrooms — invariably in those places team teaching occurs so you may have two or three teachers teaching in the large classes.

The honourable member might also be interested to recall — she omitted to do so in her question — that in its last budget the government made a very clear commitment to the literacy area: it is allocating $102 million of recurrent expenditure and in fact has employed an additional 1000 equivalent full-time teachers during this year in primary school settings to deal with the specific problem the honourable member for Northcote has identified.

I suggest the honourable member should be patient for just a little longer, and when the class sizes for this year are calculated and pulled together I am sure she will find it is a much better picture than the one she is trying to misrepresent in the house today.

Government expenditure

Mrs McGILL (Oakleigh) — Will the Treasurer advise the house of whether government spending levels in the priority service areas are keeping up with inflation?

Mr STOCKDALE (Treasurer) — I thank the honourable member for Oakleigh for her question, not least of all because it gives me the opportunity to say again how good this budget is. The honourable member has a diverse electorate, with many residents who depend on the rest of the community for support and who are very much reliant on the quality and quantity of the service the government delivers. She has been a great champion for government services, particularly in health and education.

There is no doubt, and the budget documents show it, that in the early years of the government's term of office it simply had to confront the mess the Labor Party left behind. The government has never shirked the issue, which involved tightening its belt across the board, except in the case of the police force. The plan mapped out to the people of Victoria at the time was that that would get this government off the debt treadmill, put state finances back on a secure footing and give it the capacity to expand service delivery rather than contract it, which would have happened had

it made the forlorn attempt to continue the policies it inherited from Labor.

Yesterday's budget confirms that the strategy has worked exactly as the government said it would in 1992. This government now has the capacity to increase the funding available for key services. I will compare the three key areas of service delivery with the situation in 1991–92, the last year of the Labor government. In every case the government has entirely covered the costs brought about by inflation. In education 12 per cent more is being spent in real terms — that is, on top of the cost of inflation — than in 1991–92. In the police budget the government now spends a massive 21 per cent more, and there has not been any year in which the police force has been subjected to budget cuts. That puts lie to the claims of the Police Association and the opposition that the government has imposed funding cuts to the police.

Last year the Labor Party identified health and community services as a key priority area. The government has funded the growth in demand, funded increases in costs under the CPI, and added 24 per cent per annum to the amount of funding provided to that area. That is the direct result of getting rid of Labor's debt. The debt the Labor Party built up between 1982 and 1992 has been entirely repaid. The state took nearly 150 years to accumulate $11 billion of debt, yet in just 10 years that incompetent Labor mob increased that three times — to $33 billion! As a result the Labor government was not only diverting funds from services to pay the interest bill but was borrowing to pay the interest bill.

The SPEAKER — Order! The Treasurer is now debating the question. The question was whether payments in priority areas were keeping pace with inflation. It did not relate to previous activities of the Labor Party.

Mr STOCKDALE — I am making a comparison with 1991–92 and explaining why in 1991–92 the level of funding for key services was lower than it is today. It was because funds were having to be diverted to pay interest. Not only is the government providing more resources, it is using them more effectively. The state has been through an era of unprecedented improvement in public sector productivity. Right across the board nurses, doctors and other staff in hospitals, teachers in schools, public servants and the members of the police force are delivering more value and more output to the community from the same level of funding.

The number of patients treated has increased 40 per cent over the 1991–92 level. This year nearly a million patients will be treated in public hospitals and 97 per cent of patients report in surveys that they are satisfied with the level of services they get in hospitals. Total patrol hours for the police force will increase from 1.7 million in the last budget to 2.5 million in 1999–2000. Victoria has the lowest crime rate in Australia and the safest society. Computer ratios are one to six. It is a great credit to the minister — —

The SPEAKER — Order! The Treasurer has now been speaking for in excess of 4½ minutes. It is becoming something like a budget speech. I ask him to complete his answer.

Mr STOCKDALE — Thank you, Mr Speaker. I am rounding up to say that none of this is an accident. It is the direct result of the plan the government put into action six and a half years ago. Reports in today's *Herald Sun*, *Age* and *Australian* newspapers recognise that this is a good budget — that it is good for its intrinsic merit. Opposition members have made claims about pork-barrelling, which incidentally conflict with their constant harping criticism that the government does not spend enough. How they can reconcile those two claims is beyond anyone else in the chamber. Here we have the — —

The SPEAKER — Order! I call for the next question. I call the honourable member for Niddrie.

Premier: defamation action

Mr HULLS (Niddrie) — Will the Premier advise the house whether Nationwide News Pty Ltd, publisher of the *Australian* newspaper, has agreed to forgo hundreds of thousands of dollars in legal costs, which the Supreme Court ordered the Premier pay for his failed defamation action against the *Australian*? If so, will the Premier ensure that the huge gift is declared in the members' register of interests, as is required by law?

Mr KENNETT (Premier) — I thank the honourable member for his question. It proves two points. Firstly, the opposition has now accepted the intrinsic value of this very good budget and has given up any pursuit of areas about which it might have doubts. Secondly, it reinforces the high moral ground taken by the Leader of the Opposition, who said that at no stage would the opposition use this house for matters of a personal nature. I know that is not the style of the honourable member for Niddrie. There are women all around this state who will attest to his wonderful relationship with even-handedness! I will just say that I have not received any notification to that effect from the *Australian* newspaper.

Youth: training initiatives

Mr JASPER (Murray Valley) — Will the Minister for Tertiary Education and Training advise the house what steps the government has taken to enhance training opportunities for young people, particularly those directed at providing entry into employment?

Mr HONEYWOOD (Minister for Tertiary Education and Training) — I thank the honourable member for Murray Valley for his question. Not only is he committed to many issues in the local community that he serves, he also has a genuine interest in youth employment initiatives. According to the Australian National Training Authority Victoria has not only the highest participation rate for young people in post-secondary education training but also the highest employer satisfaction rate. The government has not increased student fees in over five years. For the past five years any individual wanting to enrol in a TAFE program, whether a school leaver or a mature-aged student coming back for a second, third or fourth diploma, has been able to do so at the cost of $1 per student contact hour for first-class vocational training.

Furthermore the government has decided to invest an additional $100 million in tertiary education training initiatives. The initiatives fall under three primary categories. The first is the Premier's successful youth employment initiative. The government is committing another $2.4 million to give 1100 16-to-20-year olds a genuine kick-start to their first career positions. The 1100 young people will be funded to enrol in pre-employment programs through group training companies. Over a full year they will be put into genuine training positions in workplace situations and released back to TAFE or other training providers so they receive proper training for their first jobs. Already 90 per cent of the 1000 young people who have been through the youth employment initiative have got full-time jobs.

The second program to which part of the $100 million additional training funding will go is the youth development program, which will receive an additional $5 million. The program, which is auspiced by my colleague and friend the honourable member for Ripon, has allowed all government secondary school students to gain training in self-confidence building, leadership skills and teamwork. Already 3200 young Victorian secondary students are enrolled in the youth development program.

The additional $5 million will allow all young people in government secondary schools to be part of the program. The wonderful commitment of $93.8 million will provide some 50 000 new TAFE places for apprentices across the state's regional and metropolitan areas. Victoria has the highest growth rate of any state in apprenticeship places for young people gaining their kick-start into a first job.

The $93.8 million will ensure that not only TAFE but also private providers of training will help that demand to grow. Importantly, the 26 not-for-profit group training companies that are the largest employers of apprentices will gain because they will have more employers on their books. Rather than one builder or other tradesperson employing one apprentice, an apprentice can be shared between two or three tradespersons in the same industry thus eliminating the risk element of the decision to employ a young person. All the red-tape issues will be handled by the group training company.

Yesterday I met with members of the group training companies. They were delighted with the doubling of their funding. Fifty thousand additional apprenticeships means 50 000 more young people will have work, giving Victoria the lowest unemployment rate in Australia at the end of this initiative.

Intergraph: ambulance contract

Mr THWAITES (Albert Park) — I refer the Premier to the ambulance scandal for which he has been forced to apologise and the fact that the government has taken no action against the former administrator, Mr John Perrins, then of Price Waterhouse, despite the finding of the Gaudion report that he was negligent, breached his duties, mismanaged the Intergraph contract and was liable for millions of dollars in damages. Is the reason no action has been taken against John Perrins because the Minister for Conservation and Land Management agreed to release and indemnify him from any claims?

Mr KENNETT (Premier) — The honourable member for Albert Park's question is further confirmation that 24 hours after the budget the opposition has laid down and accepted it. Once again I congratulate the Treasurer and the honourable member for Box Hill for their work in delivering a universally accepted wonderful budget.

Mr Hulls interjected.

Mr KENNETT — Do not worry about the honourable member for Niddrie, Mr Speaker; his time is coming. The government is in no hurry. The honourable member for Niddrie will feature tremendously in the forthcoming election campaign. I look forward to what will be his infamous involvement

in the campaign that will serve this side of Parliament well.

The SPEAKER — Order! The Premier will speak to the question.

Mr KENNETT — Considerable work has been done on the Intergraph issue. The minister responsible has taken advice on the potential to pursue and recover the funds. The advice received is that it is not worth spending public money in an attempt to recover funds from people involved as there is insufficient evidence to lodge a successful claim. With his legal training the honourable member for Albert Park should be aware of those ramifications. As it does in most cases, the government can only take heed of the advice it receives.

Child protection services: initiatives

Mr ROWE (Cranbourne) — Will the Minister for Youth and Community Services inform the house of any government initiatives to assist vulnerable children, adolescents and their families?

Dr NAPTHINE (Minister for Youth and Community Services) — I thank the honourable member for Cranbourne for his question and his obvious interest in families and children. He represents one of the fastest-growing areas of Victoria where there are many young families.

The Victorian government is committed to providing a wide range of services to assist families to provide a caring and nurturing environment in which children can grow and develop with confidence and fulfil their opportunities in education and future life goals.

The assistance provided is varied and includes the maternal and child health program, the government initiative of a Parentline program, regional parenting services and a range of targeted programs through child protection services such as the high-risk infant program, the high-risk adolescent program and the strengthening families program. Through those programs additional assistance is provided for families at risk who may otherwise come to the attention of child protection services. If early intervention and professional assistance and advice is provided to parents it is more probable that a safe and secure environment can be provided for children in their natural families.

I am pleased to announce as a result of yesterday's budget the introduction of a new program that is based once again on the concept of early intervention. If families or adolescents at risk can be identified and services provided to assist them in a timely and appropriate manner, preferably in their own homes and communities, a more positive environment will be created.

The government is targeting younger parents with children, parents with a disability that may affect their parenting capacity, parents without family networks in the local environment and parents assessed as needing additional assistance to improve their parenting skills who are referred through maternal and child health programs. Increased surveillance of the health and welfare of the children will be provided. The program's adolescent component will assist the health and developmental needs of abused or neglected adolescents, those with complex needs and those who are homeless or at risk of homelessness. The program will be funded by $1.4 million in 1999–2000, building up to a comprehensive $9 million. The funds to be used for the program will come from the government's continuing process of reviewing priorities in its departments and service systems.

Through improved efficiency in administration, the use of information technology and other modern management techniques the Department of Human Services has recognised an ability to generate savings of $18 million per year through restructuring and the redefining of administrative and corporate services. All of the $18 million per year — 100 per cent — that will be saved at the end of the third year of implementation of the restructure will be devoted to improved services, of which $9 million will go to this program and $9 million will go to specific programs, including mental health programs administered by my colleague the Minister for Health in another place.

It is a positive initiative for Victorian families and children that comes from the ongoing good management of the government and of the Department of Human Services in better utilising its resources to target programs that can assist families so that children can grow and develop in a society that is very positive and gives them every opportunity to lead good-quality lives.

RAIL CORPORATIONS AND TRANSPORT ACTS (AMENDMENT) BILL

Introduction and first reading

Mr COOPER (Minister for Transport) introduced a bill to amend the Rail Corporations Act 1996, the Transport Act 1983, the Public Transport Competition Act 1995 and certain other acts and for other purposes.

Read first time.

AUSTRALIA ACTS (REQUEST) BILL

Introduction and first reading

Mr KENNETT (Premier) introduced a bill to request the amendment of the Australia Acts 1986 in connection with proposed constitutional arrangements to establish the commonwealth of Australia as a republic.

Read first time.

FOOD (AMENDMENT) BILL

Introduction and first reading

Mr McNAMARA (Minister for Agriculture and Resources) introduced a bill to amend the Food Act 1984 and for other purposes.

Read first time.

COMMONWEALTH PLACES (MIRROR TAXES ADMINISTRATION) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill to provide for the administration and operation of state taxing laws that are applied as commonwealth laws in relation to commonwealth places, to make consequential amendments to state taxing laws and for other purposes.

Read first time.

STATE TAXATION ACTS (AMENDMENT) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill to amend the Debits Tax Act 1990, the Financial Institutions Duty Act 1982, the Gaming Machine Control Act 1991, the Pay-roll Tax Act 1971, the Stamps Act 1958, the Tattersall Consultations Act 1958, the Taxation Administration Act 1997 and the Taxation (Interest on Overpayments) Act 1986 and for other purposes.

Read first time.

ELECTRICITY INDUSTRY ACTS (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill to amend the Electricity Industry Act 1993 and the Electricity Safety Act 1998 and for other purposes.

Read first time.

GAS INDUSTRY ACTS (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) — I move:

That I have leave to bring in a bill to make further amendments to the Gas Industry Act 1994, the Gas Pipelines Access (Victoria) Act 1998, the Gas Safety Act 1997 and certain other acts and for other purposes.

Mr LONEY (Geelong North) — I ask the Treasurer to explain the purpose of the bill.

Mr STOCKDALE (Treasurer) (*By leave*) — Since this legislation was originally enacted the government has reactivated its reform agenda for the gas industry and the bill makes a number of amendments to the regulatory regime as we develop a competitive market for gas in Victoria.

Motion agreed to.

Read first time.

INTERACTIVE GAMING (PLAYER PROTECTION) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill relating to interactive gaming, to make certain consequential amendments and for other purposes.

Read first time.

PROSTITUTION CONTROL (AMENDMENT) BILL

Introduction and first reading

Mrs WADE (Attorney-General) — I move:

That I have leave to bring in a bill to amend the Prostitution Control Act 1994, the Summary Offences Act 1966 and the Confiscation Act 1997 and for other purposes.

Mr HULLS (Niddrie) — I understand a briefing was given to the party room caucus this morning and I would be keen to receive the same briefing.

The SPEAKER — Order! I think the honourable member for Niddrie is seeking a brief explanation.

Mrs WADE (Attorney-General) (*By leave*) — Sir, I was expecting a request to outline the provisions of the

bill, but I would be much happier to grant the honourable member for Niddrie a briefing.

Mr Hulls — I ask the Attorney-General for a brief explanation of the bill.

Mrs WADE — I will be brief. The bill contains a number of miscellaneous amendments to the Prostitution Control Act as well as the Summary Offences Act and the Confiscation Act. It relates to such matters as prosecutions for running illegal brothels, inspectors' powers, the definition of sexual services for the purposes of the Prostitution Control Act and some regulation-making powers relating to advertising live and sexually explicit entertainment. I look forward to the debate on the bill.

Motion agreed to.

Read first time.

CRIMES (CRIMINAL TRIALS) BILL

Introduction and first reading

Mrs WADE (Attorney-General) introduced a bill to improve the efficiency of criminal trials, to amend the Crimes Act 1958, the Evidence Act 1958, the Magistrates' Court Act 1989 and the Sentencing Act 1991, to repeal the Crimes (Criminal Trials) Act 1993 and for other purposes.

Read first time.

ESTATE AGENTS (AMENDMENT) BILL

Introduction and first reading

Mrs WADE (Minister for Fair Trading) introduced a bill to amend the Estate Agents Act 1980 and the Fundraising Appeals Act 1998 and for other purposes.

Read first time.

FREEDOM OF INFORMATION (AMENDMENT) BILL

Introduction and first reading

Mrs WADE (Attorney-General) — I move:

That I have leave to bring in a bill to amend the Freedom of Information Act 1982 with respect to the disclosure of documents affecting personal privacy, to make a consequential amendment to the Victorian Civil and Administrative Tribunal Act 1998 and for other purposes.

Mr HULLS (Niddrie) — I request an explanation in relation to this legislation.

Mrs WADE (Attorney-General) (*By leave*) — I would have thought it was self-explanatory. It is a bill to protect personal privacy in circumstances where that is appropriate in relation to freedom of information applications.

Motion agreed to.

Read first time.

AMBULANCE SERVICES (FURTHER AMENDMENT) BILL

Second reading

Dr NAPTHINE (Minister for Youth and Community Services) — I move:

That this bill be now read a second time.

This bill amends the Ambulance Services Act 1986 to ensure that bequests and trusts made in favour of ambulance services in particular areas are not affected by the abolition of the original ambulance service, or the creation of a new ambulance service to provide ambulance services in that area.

Historically ambulance services in Victoria were locally based. In 1987 the Metropolitan Ambulance Service was created to deliver ambulance services in the metropolitan area and Mornington peninsula. In accordance with the act the pre-existing ambulance services delivering ambulance services in local areas within the area to be served by the Metropolitan Ambulance Service were abolished by order of the Governor in Council.

At the same time five regional rural ambulance services were created to deliver ambulance services in place of pre-existing smaller rural ambulance services, with the exception of the Alexandra and District Ambulance Service.

The five major rural ambulance services have now been amalgamated to form one integrated service, Rural Ambulance Victoria, which came into being on 1 March 1999. In accordance with the Ambulance Services Act, the now existing Metropolitan Ambulance Service and Rural Ambulance Victoria have taken over the assets and liabilities of the pre-existing ambulance services in their respective areas of service.

However, concern has been raised about the capacity of the Metropolitan Ambulance Service and the newly formed Rural Ambulance Victoria to benefit from bequests and trusts made in favour of the local and regional ambulance services which previously provided ambulance services in the areas now served by the existing services.

Bequests and trusts, particularly charitable trusts, may be a source of revenue for ambulance services. Where a trust in favour of an abolished amalgamated ambulance service conferred an absolute entitlement to property held on trust for that ambulance service, then the property should pass to the new ambulance service by virtue of orders in council transferring the assets and liabilities of the abolished ambulance service to the new ambulance service.

However, a trust does not always confer property upon a beneficiary. In the case of a discretionary trust, the trustee has a discretion as to whether to distribute any benefit under a trust in favour of the beneficiaries who are eligible under the trust. A similar concern, raised in relation to amalgamated health services, was addressed by provisions of the Health Services (Further Amendment) Act 1998.

The current wording of the Ambulance Services Act does not operate certainly so as to transfer eligibility to receive a distribution under such a trust to an ambulance service created to replace a previously abolished ambulance service.

It has also become evident that the act does not permit with certainty the application of a benefit under a discretionary trust to successor ambulance services created by order of the Governor in Council, as such a trust does not create a right to property which can pass to the successor. The particular wording of some trust instruments may also prevent distributions to a successor ambulance service.

The Ambulance Services (Further Amendment) Bill makes provision for bequests and trusts in favour of an abolished ambulance service to be preserved for the benefit of a newly created ambulance service fulfilling the purposes of the abolished ambulance service.

The bill provides for newly created ambulance services, to be known as successor ambulance services, to be taken to be the same body as an abolished ambulance service for the purpose of any trust in favour of the abolished ambulance service.

The amendments are intended to apply to all categories of trust, including discretionary trusts, and regardless of the wording of the particular instrument creating the trust. They are also intended to apply equally to charitable and non-charitable trusts.

For the purposes of the bill, a trust is defined broadly to include gifts and dispositions made by deed or will in favour of, or for the purposes of, an abolished ambulance service. The effect of the provisions are to ensure that any gift or bequest intended to benefit ambulance services in a particular area will continue to benefit an ambulance service delivering ambulance services in that area.

It is recognised that in the ensuing years since local ambulance services were abolished trustees of trusts in favour of those ambulance services may have dealt with the trusts on the basis of the then existing situation. The bill preserves the validity of such acts, and provides protection for the trustees against any action for breach of trust which might appear to have occurred by virtue of the provisions of this bill which deem successor ambulance services to be the same body as an abolished ambulance service.

The bill amends the relevant provisions by providing that where a former ambulance service is eligible or entitled to a benefit under a trust, this eligibility or entitlement is conferred upon its successor ambulance service.

The bill provides that a trust will be construed as referring to the new successor ambulance service rather than to the original ambulance service. Where a trust was created in relation to an ambulance service which was abolished some time ago, and there has been a sequence of subsequent abolitions and creations involving the various successors of that ambulance service, the ultimate current successor is to be able to benefit under that trust. This is appropriate as over the years some ambulance services have had their status transformed more than once.

Additionally, the bill deems the new successor ambulance service to be the same body as the ambulance service it replaces for the purposes of any trust. It is therefore entitled to receive any benefit that any of its predecessor ambulance services were eligible to receive, including predecessors which were subsumed into ambulance services which have been subsumed into more extensive ambulance services.

However, to respect the wishes of the person who has created the trust, the bill also makes it clear that if he or she has specified the particular purposes of the ambulance service for which the trust is created, then the trust may only be applied to the successor

ambulance service for a similar or corresponding purpose.

Constitution Act section 85 statement.

Clause 8 of the bill proposes to insert a new section 39A in the Ambulance Services Act 1986 stating that it is the intention of section 42B of the act to alter or vary section 85 of the Constitution Act 1975. Section 42B is proposed to be inserted in the act by clause 9 of the bill.

I make the following statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying section 85 of the Constitution Act 1975 by proposed new section 42B of the Ambulance Services Act 1986. New section 42B contains two savings provisions relating to the acts or omissions of trustees.

Clause 5 inserts a new section 3A in the act relating to the interpretation of trust instruments, and clause 6 inserts a new section 23A which applies to trusts in relation to abolished ambulance services.

The act, as amended by this bill, has effect with respect to orders under section 23 and with respect to trust instruments in relation to predecessor ambulance services of a successor ambulance service created by the order, as if all of these amendments were in force when the order was made.

They apply retrospectively to confer an entitlement or eligibility under a trust which applied in relation to each former ambulance service upon each new successor ambulance service from the date that the relevant order creating the successor ambulance service took effect.

This is to validate any distributions that have already been made under a trust on the mistaken basis that a successor was eligible or entitled, as a result of the creation of the succeeding ambulance service, to benefit from a trust because the predecessor ambulance service was so eligible or entitled.

New section 42B(1) provides that anything done or omitted to be done before the commencement date of the bill by a trustee that would not have been a breach of trust if this bill was enacted at the time of the act or omission is not to be regarded as constituting a breach of trust and the trustee is not liable for breach of trust.

The reason for this limitation of the jurisdiction of the Supreme Court is that it is appropriate to protect trustees and those who have benefited from trusts, where the trustee has distributed a benefit on the mistaken basis that a successor ambulance service was eligible or entitled to benefit under a trust that applied in relation to one of its predecessor ambulance services. This protection accords with the intention of the bill to validate such distributions.

New subsection 42B(2) provides that nothing effected by this bill is to be regarded as making a trustee liable for a breach of trust on account of anything done or omitted to be done before the commencement date of the bill, that would not have constituted a breach of trust had this bill never been enacted.

The reason for this limitation of the jurisdiction of the Supreme Court is that it is appropriate to protect a trustee, and those who have benefited from trusts administered by the trustee, where the trustee has acted lawfully in the past.

There is to be no liability in relation to any act or omission where liability might otherwise now arise solely as a result of the retrospective application of the changes to the law contained in this bill. For example, if a trustee had correctly considered that the eligibility of a former ambulance service to benefit under a particular trust was not conferred upon its successor ambulance service by the act as it was then in force, no-one should be able to challenge that decision as a result of the effects of this bill.

This bill addresses a technical problem that has arisen in relation to bequests and trusts in respect of ambulance services. The resolution of difficulties relating to trusts will enable bequests and donations to ambulance services to be used in the provision of ambulance services in the area formerly served by smaller ambulance services which have been abolished or which will be abolished in the future.

The bill will also ensure that there is no need for a trustee to engage in expensive legal proceedings to determine how the trust may be distributed in those circumstances where the abolition of a predecessor ambulance service and the creation of a new ambulance service would have otherwise created doubt as to the appropriate course of action.

I commend the bill to the house.

Debate adjourned on motion of Mr THWAITES (Albert Park).

Debate adjourned until Wednesday, 19 May.

THE CONSTITUTION ACT AMENDMENT (AMENDMENT) BILL

Second reading

Debate resumed from 4 May ; motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

Mr HULLS (Niddrie) — Yesterday when I commenced my contribution I gave a brief explanation as to why The Constitution Act Amendment (Amendment) Bill was being introduced. I made it clear that Victoria's electoral system has come a long way since people were first eligible to vote. I referred to the fact that many changes had occurred since 1856 and that the number of people on the electoral roll had increased significantly from the 56 000 Victorians who were then on the roll. Since people have been eligible to vote there have been 43 Premiers, some of whom have been good, some bad and some absolute shockers. I also recall saying yesterday that the current Premier fits the last category.

I also said yesterday that the 44th Premier will no doubt be the honourable member for Williamstown — and I advise Victorians now, so they will know they heard it first from the opposition, that the date of the next election is 19 June. On that date, or soon after, the Attorney-General will be simply Jan Wade, citizen and former member of Parliament. The Attorney-General may still retain the title of 'Honourable', but the Acting Speaker may be in a better position to advise me on that.

The ACTING SPEAKER (Mr Richardson) — Order! I am proposing to provide some advice. I know preambles are fashionable and I presume the remarks being made by the honourable member for Niddrie are a preamble to his remarks that he will soon make about the bill, which deals with the technicalities of running an election and have nothing to do with the honourable member being able to reflect on the Attorney-General or the Premier.

Mr HULLS — I believe I also said yesterday that the bill does not contain an appropriate amendment that would allow proportional representation in the upper house. I know all members on this side of the chamber and I hope some members on the government side agree that the only way Victoria will have a true, democratically elected chamber in the upper house is to introduce proportional representation. The system of voting for that chamber should be no different from the system of voting for the Australian Senate.

Mr E. R. Smith interjected.

Mr HULLS — I am pleased the honourable member for Glen Waverley supports that proposal. I am sure he will have the opportunity to speak on the legislation and I hope he issues a press release in his electorate affirming that he supports Labor Party policy for proportional representation in the Legislative Council.

At the last state election 2 822 467 people of a total enrolment of 3 000 076 voted. The Legislative Assembly has 88 members, and at that election the Labor Party recorded a massive swing of 2.9 per cent. I achieved a small swing in the Legislative Assembly seat of Niddrie, but there was a substantial swing in the Legislative Assembly seat of Ivanhoe. I expect the swing to the Labor Party at the next election will far outweigh the swing that occurred at the last election.

The last legislative change to Victoria's electoral system was in 1995 when Parliament enacted legislation to amend the minimum number of days from 55 to 33 before the calling of an election and the date on which the election is held. That legislative change will enable the Premier to call an early election while giving notice of only four weeks. Many Victorians will think that is an appropriate amendment because by the time voting day comes around most electors are sick and tired of the nonsense, rubbish, lies and propaganda that is stuffed in their letterboxes by the government.

The Victorian Electoral Commission was given authority to produce its own electoral roll so that it did not have to rely any longer on the Australian Electoral Commission's roll. The major legislative change introduced at that time and the one that has the most implications for this bill, and the reason why the bill is being introduced, is that electoral rolls are now computerised — and the legislation deals with matters concerning the keeping of electoral rolls. The operation of the Electoral Commissioner and the validity of votes that do not distribute preferences is in accordance with current legislative practice.

I will attempt to give a precise reason for one of the changes in the legislation concerning the abolition of subdivisions. I thank the Attorney-General for allowing the opposition to have a briefing on this bill, because it was enlightening for those attending, particularly the explanation for the abolition of subdivisions. However, I am not sure that many of us were much the wiser regarding the system of subdivisions, how they were maintained, and the reason for them.

The current electoral roll system operates through the maintenance of a roll based on what are called electoral

subdivisions formed from divisions that exist within the state and the commonwealth electoral boundaries.

The relevant subdivisions of the electoral rolls are combined to develop the final state electoral rolls. The provisions are no longer required because advanced computer technology is able to keep electoral rolls without the need to retain subdivisions. The bill amends parts 3 and 4 of the act to provide for the abolition of subdivisions and makes other consequential amendments.

The bill provides for an Electoral Commissioner and a number of electoral registrars who have the responsibility of maintaining electoral rolls in certain areas. Using updated technology the Electoral Commissioner will undertake the functions of the electoral registrar. The bill recognises the change by making the Electoral Commissioner the electoral registrar for Victoria with the power to delegate the functions of that position.

A further major change is the repeal of provisions of the principal act that in the past have allowed to be saved what would otherwise have been informal votes. For example, a person may be distracted and instead of numbering the ballot paper from 1 to 8 simply write 1, 2, 3, 4, 4, 5, 6 and 7. Although that would normally be an informal vote, in the past the Electoral Commissioner has been able to save the vote down to the third choice, so the vote would be formal to 3 and all choices after that would be cast aside. It was an informal vote that was saved.

Unfortunately over a period certain persons have used the provision not to save otherwise informal votes because a mistake has been made but to achieve a political end. One of the chief advocates of abusing or misusing the system was Mr Albert Langer. Mr Langer is an interesting character who at either the last federal election or the one before that advocated that people not vote in accordance with the spirit of the federal legislation. He advocated that people place a 1 on the ballot paper and then 2, 2, 2, 2 as an example of how to avoid their lawful duty to vote.

Mr Langer's history is interesting and this bill and federal legislation has been specifically introduced to counteract some of his antics. He has been described by many people in many different ways. I have never met Mr Langer but from my research on him I believe he is the sort of person who firmly believes in his views — whether they be right or wrong he is obviously passionate about them.

An article headed 'Jury finds Langer guilty' appeared in the *Australian* of 1 October 1971. It states:

> A Melbourne trainee teacher, Albert Langer, of Windsor Avenue, Mount Waverley, was yesterday found guilty by a Melbourne County Court jury of attempting to incite a crowd to assault a policeman.

The article goes on to say that Mr Langer defended himself and makes a number of observations about him. After he was found guilty and the jury had been dismissed Mr Langer was brought back into court to make his plea before sentencing. I am sure the Parliamentary Secretary, Justice and the honourable member for Doncaster have come across similar clients in the past. When asked to make a plea on his behalf Mr Langer began outlining the political history of May Day. After about 20 minutes Judge Gray refused to hear him further and remanded him until the following Monday for sentencing. He later appealed. He again represented himself, was successful and had his conviction quashed.

To illustrate the consistency and persistence of Albert Langer I will quote from an article headed 'Langer fights electoral "bullies"' that appeared in the *Age* of 3 February 1996. It gives some background on why the bill has been introduced and why federal legislation was introduced. The article states:

> The Victorian political activist —

as he was then known —

> Mr Albert Langer last night accused the Australian Electoral Commission of 'bullying' tactics after it began legal action in the Supreme Court to stop him from distributing his election material.
>
> The move was prompted by Mr Langer's placement of a newspaper advertisement this week urging people to vote in a way that did not give preferences to either party in the House of Representatives.

The article further states:

> In his advertisement, Mr Langer, who is a long-time opponent of compulsory voting, urged voters not to give either party an absolute majority. He called Mr Keating 'Tweedledee' and Mr Howard 'Tweedledum'.

The article goes on to describe the material Mr Langer was publishing, and further states:

> But, in a brief statement last night, the commission said it was seeking an injunction against Mr Langer 'from printing, publishing or distributing any material' with the intention of encouraging voters to fill in their ballot papers other than by:
>
> Writing number '1' by the name of the candidate who will get the first preference.

> Writing consecutive numbers, without repeating them, by the names of all remaining candidates.

The article further states:

> Mr Jo Toscano, a spokesman for the Anarchists Media Institute —

I do not think the honourable member for Doncaster is a member of that institute although I have not checked the members' register of interests lately; last time I checked he was not a member of that institute —

> which plans to run a campaign to vote informal at the election, last night condemned the electoral commission action. He said the group would proceed with its campaign.

As a result of that Mr Langer was convicted of breaching the injunction granted against him as a result of the application by the Australian Electoral Commission and was sentenced to 10 weeks imprisonment. On one view it was a fairly minor offence involving a person exercising a democratic right at election time to advise people how to vote. The High Court nonetheless made some interesting statements about Mr Langer, and I will deal with those shortly.

An article by Paddy McGuinness headed 'Australia's prisoner of conscience' appeared in the *Age* of 17 February 1996. In the article Mr McGuinness provides an analysis of what Albert Langer had done and whether or not he had been treated inappropriately. The article states:

> Albert Langer, a genuine political eccentric, has been sentenced to 10 weeks gaol for refusing to shut up about his political beliefs and the deficiencies of the electoral system as he sees them. This is a disgraceful stain on our democracy, all the more so since it takes place in the middle of a hard-fought election campaign. Langer's fate will tend to support his view of the major parties as merely Tweedledum and Tweedledee.

The article further states:

> He has been sent to gaol for contempt of court, for refusing to obey an order by a judge of the Victorian Supreme Court that he should shut up about his belief that it is legal and formal to vote other than according to section 240 of the Commonwealth Electoral Act; he is not allowed to tell other people how to do so.

Mr McGuinness says it is true that Mr Langer was in contempt of court. He then goes on to talk about the High Court judgment:

> Given that judgment, however, the law undoubtedly is that it is illegal to advocate an informal vote, or a formal vote that numbers the names on the House of Representatives ballot paper say 1, 2, 3, 3, 3 ... which would have the effect of avoiding giving preference to other than the first two names, and which might deprive the winning candidate in an election of an absolute majority. In such a case a supplementary election could be required.
>
> So, in granting the ... injunction telling Langer to be quiet, Justice Barry Beach was strictly within the law.

In a nutshell, the point McGuinness makes is that under the saving provisions of the federal legislation a vote that previously would have been informal — that is, where a person voted, say, 1, 2, 3, 4, 4, 4 — would be saved up to the vote to number 3 and the rest would be cast aside. To that extent it would be a formal, and therefore a legal, vote.

Albert Langer was encouraging people to vote that way. One view is that he was encouraging people to vote legally because, as I said, it is a legal vote. However, the court found that by encouraging people to vote that way he was encouraging them to vote in a way that breaches the spirit of the preferential voting legislation and therefore he was stopped from doing so. It was a very interesting decision. On the one hand Langer said he was doing nothing more than advertising to people a way of voting that was legal under the legislation; on the other hand, the court said that although it may be technically legal under the act, encouraging people to vote in such a way was a breach of the spirit of the legislation. One can see both sides of the argument.

To his credit in some eyes, Langer decided he would pursue the matter. It was perhaps a fairly harsh penalty that he be jailed for 10 weeks for his beliefs, but his actions have spurred both the commonwealth and state governments — certainly the Victorian government — to acknowledge that what he was saying was right. His use of the saving provision was legal. However, it was in breach of the spirit of the legislation. As a result the federal and Victorian governments have decided to change the legislation altogether, so now a vote of, say, 1, 2, 3, 4, 4, 4, 4 will no longer be a saved vote but an invalid vote.

Nonetheless, one wonders if Langer could have made his point better. He was trying to tell people not to give their preferences to the major parties. I disagree with him. I believe the Labor Party is the appropriate alternative government at both federal and state levels. Although some honourable members on the government side may disagree with that, I know that some do not disagree. However, I am not prepared to name them at this stage because the leaks would stop. I believe major parties are the way to go, but Langer does not. He believes the major parties should not be given preferences. One would have thought there would have been an easier way for him to simply advertise the fact.

People say we have compulsory voting in Victoria. That is not quite true: we have a compulsion on election day to get our names marked off the roll. People can go to the polling place, have their names marked off the electoral roll and then write all sorts of things on ballot papers — and they do. No-one follows them into the polling booth. Those of us who have scrutineered at an election count know that all sorts of things are written on ballot papers. I would not have wanted to scrutineer in an election in Kew because I am quite sure that over the years some of the things people have written on ballot papers in Kew have been absolutely obscene and defamatory. I am sure that happens not only in Kew but also in Burwood. I do not think it would happen in Doncaster.

Mr E. R. Smith — And Niddrie.

Mr HULLS — I was not able to scrutineer in Niddrie at the last state election because I was a candidate, but I have done so before during a federal election, and the honourable member for Glen Waverley is dead right — some of the things that are written about the conservative candidates out that way are just extraordinary. I suppose we should thank God that we have truth as a defence in this state! People are having their names marked off the electoral roll and they are voting validly and legally but they are not distributing their preferences.

If Langer had gone down that path perhaps he would not have spent 10 weeks in gaol, but then he may not have been considered to be a martyr, as he is by some. In that sense I suppose he achieved his aims. I simply indicate to Albert Langer that although I do not agree with his views about major political parties, I admire the fact that he is so passionate about his own views and I certainly respect his right to hold them.

As I said, through what might be termed the Langer amendment the bill repeals certain provisions so that a vote where a number is repeated on a ballot paper will be informal. I notice that the Scrutiny of Acts and Regulations Committee raised a slight concern about the proposed amendment and commented that it needs to be monitored to discover whether there is an increase in informal votes as a result of the abolition of the saving provision. Some people have, for one reason or another — perhaps they have been distracted at the time of voting — accidentally mucked up the ballot paper and put in what they considered to be an informal vote that has been saved; now such a vote will be an informal vote.

The last thing opposition members want the amendment to result in is a huge increase in the number of informal votes. We would not want frail aged people, people from non-English-speaking backgrounds, or anyone, for that matter, to be denied a formal vote simply through an inadvertent error. The legislation will make some votes informal. At the next state and federal elections voting will have to be monitored closely to discover what impact the federal and state legislation has on the votes I have described. The last thing the opposition wants to do in this instance is disenfranchise people from socially disadvantaged backgrounds.

The bill also brings state legislation into line with the federal legislation by increasing the amount of deposit that candidates in an election have to put forward. Currently the deposit for a candidate for election to the lower house is $250. I think it has to be paid in cash or perhaps by bank cheque. In any event, that deposit is increased to $350. The deposit for candidates for election to the upper house is increased from $250 to $700. It goes without saying, and I am sure that all members of this place would agree, that the amount of the increase is not directly proportionate to the ability of the candidates to pay the increased fee. In any event, the amounts are brought into line with the federal legislation.

I understand that the act requires members seeking re-election to pay a deposit. The purpose of that requirement is to discourage frivolous nominations and to raise funds for the Electoral Commission. The deposit is refunded if a certain quota of the votes is achieved.

Of the 310 candidates for lower house seats in the last state election, 99 obtained less than 4 per cent of the first preference votes and therefore forfeited their $250 nomination fee. Of the candidates who forfeited their deposits, 72 were from the Natural Law Party — which I think is the party one of the Grollo brothers, Bruno or Reno, supports.

Mr Langdon interjected.

Mr HULLS — The honourable member for Ivanhoe interjects that it is a strong force. I think members of that party believe they can fly without a plane, or something. In any event, of the candidates who did not get 4 per cent of the vote and had to forfeit their deposits, 72 were from the Natural Law Party; 7 were from the Call to Australia Party — I do not know whether that is the Reverend Fred Nile's party; 1 was from the Shooters Party; and 19 were Independents. The bill increases the deposits to $350 for candidates for the lower house and $700 for candidates for the upper house.

I am sure furious debate has taken place in the government caucus room about this aspect of the legislation, because I expect many members on that side — I do not expect the parliamentary secretary to be one, but he may go close; and the honourable member for Glen Waverley may go close — are gravely concerned about not getting their deposits back at the next election. I could name some of them. Figures I have compiled suggest that at the next election eight of them will get less than 4 per cent of the vote and will not get their deposits back. That is not a bad thing. I think the Victorian Electoral Commission will be pleased that after the next election the Electoral Commissioner will receive large sums of money from conservative party candidates who have forfeited their deposits.

I often refer to this matter when the Parliamentary Secretary, Justice, who is the honourable member for Berwick, is in the chamber. There has been a change in demographics in the seat of Berwick. It may well be that the parliamentary secretary will not be with us after the next election and that Mr Phil Reed will take over. He will make an excellent local member.

The principal act will be amended to outlaw the publication of exit polls before an election result is known. Exit polls are a modern development in elections. They are taken to provide guidance on how voting trends are going while voting is under way. One of the primary difficulties with exit polls is that they can influence people going to the ballot box if the results are published prior to the close of voting.

In 1990, when I was a candidate for the federal seat of Kennedy in North Queensland, I was party to an accurate exit poll. It was an unusual election. The conservatives had been in the seat for 25 years. In fact, old Bob Katter had held for a quarter of a century the seat his nutter son now holds. I will take to my grave the absolute insult of having been beaten by Bob Katter, Jr. Unfortunately old Bob passed away sometime in 1989. At that stage the National Party preselected not Bob Katter, Jr, but someone else from the bottom part of the electorate. The Labor Party preselected me. I needed a swing of 3 per cent. The Labor Party realised that it had to pick up seats in Queensland or it would lose at the federal level so it decided to put some resources into the seat of Kennedy for the first time. Riding on the back of the Fitzgerald corruption inquiry, I was fortunate enough to be in the right place at the right time and received a swing of 4.5 per cent.

Mrs Wade interjected.

Mr HULLS — I will take up the interjection of the Attorney-General shortly, which will be one of her last. In any event, I won the seat with a 4.5 per cent swing. The Attorney-General interjected, 'Well you lost the seat the next time'. That is right. I did lose the seat, but I lost it on the back of the preferences of a party called the Confederate Action Party, which was the start of One Nation. At that time, in 1993, the Confederate Action Party had written policies on compulsorily arming all Australians. The policy provided it would be illegal to walk down the street without a six-shooter on each hip. That party also had policies not of not providing land rights for Aboriginals but of providing no rights for Aboriginals, and other crazy, right-wing nutter policies.

In any event, in 1993 in Kennedy the Confederate Action Party got more votes than the Greens and the Democrats combined. Its preferences went to the National Party and Bob Katter got over the line only on those preferences. If it had been based on a first-past-the-post system I would still be up there. However, I am glad I am down here annoying the hell out of the Attorney-General.

At the time of the 1990 election there were huge floods in parts of my old electorate, which took in 45 per cent of Queensland. On election day a number of voting booths had to be closed because people could not get to them. As a result, people had to vote on the following Monday and Tuesday. I was on tenterhooks for the whole period. Because people knew before they voted that Labor had been returned and that Bob Hawke had been returned as Prime Minister when they voted for me on the Monday or the Tuesday they had a choice of voting for somebody in government for the first time in a long time or voting for a non-entity National Party person. I was fortunate enough to get over the line. Some might say it was because of my ability, because I was a great candidate; others might say it was on the back of the Fitzgerald corruption stuff; and still others might say it was because of the exit poll by which people knew the result before they voted. It might have been a combination of all three factors. However, the opposition wants people voting at elections to not be influenced by exit polls and therefore welcomes this aspect of the legislation.

The bill also provides for Victorian Electoral Commission officials to assist people with a disability outside booths as well as inside. Many honourable members will have been at polling booths to which people have been driven who find it hard to get out of cars because they can barely walk. Polling officials will now be able to assist those people to vote without them having to get out of their cars. The opposition believes

it is an appropriate amendment and expects it to be used appropriately. No doubt its operation will be monitored by both the government and the opposition.

The bill also reduces the time for acceptance of legal postal votes from 13 days to 9 days. Postal votes are a critical part of modern elections and polling, and all major political parties know the importance of distributing postal vote applications as early as possible. I am sure the Acting Speaker has his applications ready to go as soon as the election is called, probably next week or the week after.

Mr Langdon interjected.

Mr HULLS — That is an interesting point. The honourable member for Ivanhoe said by interjection that preselections have not taken place. The opposition can assure the Acting Speaker that he has its full support and is our candidate for preselection in his seat.

The ACTING SPEAKER (Mr Perton) — Order! I point out to the honourable member for Niddrie that the tradition is that the Chair is not drawn into the debate. While I appreciate his good wishes, they are not appropriate.

Mr HULLS — I take the point, Mr Acting Speaker. The Victorian Electoral Commission has attempted to make postal voting widely accessible. Before the last state election, postal vote applications could be obtained from a range of places, including 7-Eleven stores, which is appropriate. The bill reduces from 13 to 9 the number of days in which a postal vote is valid. In the past the number of postal votes that arrived after the current 13-day period was minimal, as were votes that arrived after a 9-day period. Overseas postal voting centres are available at various places such as Malta, New Delhi, Vienna, Washington, Tel-Aviv and Port Moresby. The bill extends a person's eligibility for a postal vote to include carers, silent voters and persons whose religion impacts upon their ability to vote on election day.

The Scrutiny of Acts and Regulations Committee raised concerns about the new time frame for postal votes. I do not have the document in front of me but I recall that the committee was keen to ensure that socially disadvantaged people in particular were not disadvantaged. Undoubtedly the Attorney-General will monitor the legislation, as will the opposition, to ensure that those people are not disenfranchised. It will be interesting to compare the number of postal votes that will no longer be valid because they arrived after the 9-day period compared to the number that arrived after the 13-day period.

Finally, the provision that allows a person to nominate for more than one seat is abolished. The opposition supports that provision. It will cause concern to some honourable members on the other side, but when the swing is on the swing is on. Many honourable members try to jump from one seat to another and nominate for several seats. In the past members in the upper house have endeavoured to obtain seats in the lower house. Certain people who currently have seats are lining up to take over the seat of the Attorney-General in Kew.

The bill ensures that people must choose the single seat for which they wish to nominate. In earlier times elections did not take place on one day. For example a person could nominate for the seat of Berwick, although it did not exist at that time. If the election were held on a Saturday and the person got done they could then put their name down for the seat of Kew the next week. If they got done in Kew the following week they could nominate for another seat. Now, when the parliamentary secretary whacks his name down for the seat of Berwick it is his last lifeline. He has no other choice; he must stay there and take his chances. If he is knocked off, as the opposition expects he will be, that will be the end. That also applies to the honourable member for Glen Waverley. He must put his name down for Glen Waverley and when he gets knocked off those are the breaks; he is consigned to the dustbin of history.

The opposition does not oppose the bill. It believes it is appropriate and brings voting into the 21st century. Undoubtedly it will adversely impact on some government members but them's the breaks!

Mr E. R. SMITH (Glen Waverley) — Honourable members have again been the audience for much rhetoric that will receive no publicity. Day after day the honourable member for Niddrie throws abuse at the Attorney-General and carries on with all his usual bully-boy tactics. However, no-one ever reports him. It is a shame because hidden away among his speeches that go on and on he has a few good ideas.

This sensible bill was initially introduced by the federal government. Victoria and the other states are now endeavouring to bring their legislation into line. The honourable member for Niddrie spoke about people who have absolutely no hope of winning seats coming out of the woodwork and making nuisances of themselves. Their policies are spurious and their outlines utterly ridiculous. Disincentives must be put in place to stop those activities. The commonwealth legislation, which Victoria is emulating, does that.

A full table was required to handle all the candidates on the upper house ballot paper in the recent New South Wales elections. As the honourable member for Niddrie outlined through his research many people would have lost their deposits. People with sensible policies and backed by community groups have every right to become candidates, but in a system such as that used in the recent New South Wales election, voters lose interest. In many cases their votes are invalid because of the associated complications with the ballot papers. There were 250 to 350 candidates for the New South Wales Legislative Assembly and 250 to 700 candidates for the Legislative Council. Each was required to gain 4 per cent of the vote. That very sensible provision is the product of an inquiry into the electoral system and is as even-handed as can be hoped for.

In the past when there were subdivisions in electorates and people could vote only in that subdivision, which normally meant voting at a local school, many of the regrettable practices of which all honourable members have heard examples were prevented. In my electorate there were 13 subdivisions and voting would have taken place at 13 schools. No-one has ever been able to put a finger on it and prove it, but when people can vote in any of 13 subdivisions the old Labor Party adage 'vote early, vote often' can apply.

The bill probably could be enhanced if there were a return to the system whereby people were permitted to vote only within their subdivision or as absentees, in which case people's own subdivisions counted their votes. The Attorney-General should examine that aspect of the system because it is open to abuse. Dishonest people who were aware that because someone had died recently that person's name would not have been taken off the electoral roll could cast a second vote using that person's name. Such dishonesty has to be dealt with and the area should be examined carefully. It has been looked at by the Victorian Electoral Commission but no action was taken. It should be considered when future amendments are proposed because the system should be as clean as possible.

The honourable member for Niddrie mentioned proportional representation. One only has to look at the mess that New South Wales is in with proportional representation and the instability of countries such as Italy and France to realise that would be a mistake. Italy has had an election almost every year since the Second World War and India is experiencing similar problems. As former Prime Minister Paul Keating said, a government should have the right to support in the upper house, as well as in the lower house where governments are formed. No state in the world that has proportional representation has the stability we have in Victoria.

Proportional representation in an upper house means that governments with good majorities in the lower house — as John Howard has in Canberra and as many governments in other countries where the Westminster system is in place have — lack the ability to get their legislation passed. The Australian government is in that position at the moment and has to make incredible concessions to Independents. As Paul Keating said, it does not make for good government to have to continually make concessions to minor political parties or to Independents who hold the balance of power and are able to dictate terms that are not within the ambit of the government's mandate.

The issue of proportional representation should be examined. My party has examined it and considers the current system in the Legislative Council to be the best system for Victoria. It has always been the cry of Labor members when they cannot get control of the upper house that proportional representation should be introduced. Government members are used to hearing it, but Labor only proposes it because it knows it cannot get control of the upper house.

Under a preferential voting system, which was used to elect the Senate prior to the introduction of proportional representation, a general swing can give a government power in both the upper and lower houses. Any person who has been around politics for a long time would acknowledge that fact. Government members realise the reason the honourable member for Niddrie wants to argue this point is that 34 of the 44 upper house seats are held by the coalition and only 10 are held by the Labor Party. Of course Labor would want any change that would give it a fair go at getting over to the other side.

The former Cain government introduced the current system of electorates following its election in 1982. The Labor Party has only itself to blame. There are no whinges from the other side because opposition members are well aware of who brought in the system.

Exit polling exists in various parts of the world. In countries as geographically large as Australia and the United States exit polling does not make for good government. Time zone differences of 2 or 3 hours mean that people in different parts of the country know what has happened in other parts of the country and their votes can be influenced unfairly. I am pleased that exit polling will no longer occur in Victoria.

The notion of people under our current system being able to stand for two or three seats at once is nonsense. I believe the penalties are adequate to stop inappropriate practices such as nonsense parties who cannot raise more than 1 or 2 per cent of the vote or Independents who cannot raise even that level of support.

Permitting assistance outside polling places for blind and disabled voters is a sensible measure and is long overdue. For anyone who has been involved with elections and has in the past wanted to help such people but has been unable to, the change will make that possible, and will particularly enable carers to assist those they care for.

The bill is fair. A lot of work has been done by the federal commission and Victoria is the fortunate beneficiary of its research. I ask the Attorney-General to take on board for the future my comments about subdivisions, because changes along the lines I suggested would cut out the anomalies that are occurring under the current system.

Mr LANGDON (Ivanhoe) — It was not my intention to speak on the bill, but having heard the contributions of the honourable members for Niddrie and Glen Waverley there are certain aspects I wish to address.

The honourable member for Niddrie eloquently explained the various aspects of the bill that are supported by the opposition. I also learned from his speech that the arch right wing in Kennedy in Queensland has a lot to answer for in giving up the honourable member for Niddrie. There are elements of that tale that all honourable members should take heed of.

Mr Perton — If only they had known what they were doing.

Mr LANGDON — Indeed. I take exception to what the honourable member for Glen Waverley said on subdivisions. I remember standing outside a polling booth in Macleod in the electorate of Bundoora when that seat was being contested by former Premier John Cain, Jr. At that stage the subdivisions in Macleod were divided by the railway line. One side was in one subdivision and the other side was in the subdivision in which the Macleod High School was located. A number of people who walked into that polling booth were in the wrong subdivision and had to go to a different school to cast their votes. It highlighted the problem with subdivisions.

I understand the point the honourable member for Glen Waverley was making, but going back to a system of subdivisions would cause far more hassles than it would solve. No-one wants to inconvenience voters who may mistakenly attend the incorrect polling booth for their subdivision.

I refer to the Albert Langer situation that was explained in great depth by the honourable member for Niddrie. Although I believe what Langer did was unfortunate because it was clearly an attempt to avoid allocating preferences to the main political parties, the change contains some element of throwing out the baby with the bath water because people can make genuine mistakes. That can happen particularly with the elderly, the frail and people from non-English-speaking backgrounds, or even when a person is distracted by a young child pulling on his or her clothing. It is a pity that that small number of votes will be lost. The honourable member for Niddrie said that the Scrutiny of Acts and Regulations Committee has asked for the issue to be monitored, and I support that.

The government, and any future government, needs to monitor that. People who are genuinely trying to vote should not be prevented from doing so because they make an honest mistake. Nobody wants that to happen; nor does anyone want the system to be exploited.

The honourable member for Glen Waverley has highlighted the effects of exit polling, using Western Australia as an example. As he said, Western Australian voters often feel left out because, by the time the polls close in the west, the result of a federal election is already known. The current federal opposition leader has also mentioned the problem. Western Australians probably feel as though they are not part of the big picture. We certainly do not want that impression to continue. We will never overcome many of the problems caused by having different time zones, but the problems caused by exit polling can be overcome. The idea has great merit. Assisting the blind and elderly to get to polling booths is a commendable idea, too. Both sides of the house will support that.

Reducing the period within which postal votes may be accepted in the count of votes from 13 days to 9 will not affect many people and may assist members of Parliament. A former member for Ivanhoe, the Honourable Bruce Skeggs, explained to me that he and the honourable member for Forest Hill had a very awkward time in 1982 because they had to wait for days before they knew the election result. One of them unfortunately lost and the other won. If the result had been the other way around I might never have met the honourable member for Forest Hill — and I am pleased to have met him. Nevertheless, in 1982 he had to wait 13 days for the result. No member of this house would

wish such a long, anxious wait on anyone. I would rather lose by a couple of thousand votes than by 10. At least that way you would know you had not doorknocked one street too few!

The opposition agrees that, as the honourable member for Glen Waverley suggested, the government should monitor the abolishing of subdivisions, being wary of falling into the trap of making it more difficult for people to vote. Mistakes with how-to-vote cards should certainly be monitored, but no-one in a democracy wants to restrain people from voting when it is their intention to do so.

The honourable member for Glen Waverley also mentioned proportional representation for the upper house. As a member of the Road Safety Committee I visited Tasmania, where I met a number of its upper house representatives, including a former member of the Liberal Party who had become an Independent. He explained to me and to the other members of the committee that the Hare-Clark system of proportional representation produced a parliamentary process that worked well — even though some might say it did not provide good government when compared with Victoria!

The question of whether good government can be maintained when the governing parties have huge majorities in both houses will always be difficult to resolve — especially the question of how the parliamentary process is affected by a one-sided Parliament. Many members of Parliament from both sides of politics believe the parliamentary process should work better than it does. Governments with large majorities should work on that question, whatever their political persuasions.

The Victorian government is the only government in Australia with a majority in both houses. Queensland is the exception because it has only one house. A clear majority can make for smooth government, but I am not at all sure it enhances the parliamentary process. I would like the government to look again at proportional representation. I understand the concerns people have about it, but I believe there are groups in the community that have no chance of being elected because of the way the upper house seats are structured.

I take exception to the reference to the upper house made by the honourable member for Glen Waverley. In the entire history of Victoria, the Labor Party has had a majority in the upper house for only one month. On more than one occasion, however, it has had a large majority in the lower house and gained a large number of votes in upper house seats. Any system that does not give the party that gets the majority of votes in the upper house a fair chance of getting the majority of seats in that house needs to examined very closely.

I commend the bill to the house because it has a great deal of merit. However, I ask the government to be mindful of those aspects which, if not open to abuse, can penalise the innocent.

Mr PERTON (Doncaster) — Last night I attended a meeting convened by the Law Institute of Victoria for the Victorian chapter of the Constitutional Centenary Foundation, which considered the Victorian Constitution. The meeting, which was attended by a number of good people, discussed the implications for the state of the passing of the republican referendum.

The bill is supported by both sides of the house. The Independent members have not spoken on the bill, so I assume their acquiescence. It is difficult to achieve a balance between a person's right to stand for election and the problems voters face in deciding between a large number of candidates who in many cases may not have the resources to get their message across. The recent New South Wales election was a terrible sham. Anyone who voted for upper house members — and I notice the honourable member for Footscray has stretched his arms as wide as he can — —

Mr Mildenhall interjected.

Mr PERTON — I take up the interjection: the ballot paper was that big! It resulted in a high number of informal votes, and some people abused the process by nominating front candidates just so they could pass on preferences. New South Wales must be a terrible place to hold office, as either a Liberal or a Labor Party member.

An honourable member interjected.

Mr PERTON — As the honourable member said, it is a terrible place, full stop! Last night all honourable members attended a cocktail party for the 51st anniversary of the establishment of the state of Israel. Both the Premier and the Leader of the Opposition spoke about the need to obtain clear election results so elected governments have the power to implement their mandates.

The bill removes some of the anomalies in the electoral process, including, as the honourable member for Niddrie said, the archaic notion that people should be entitled to run for several seats, because unnecessary by-elections often result when they withdraw from one seat in favour of another. Victorian voters should not have to endure such a system in the late 1990s. The

honourable members for Niddrie and Glen Waverley referred to the Indian electoral system, whereby people often nominate for several seats, particularly party leaders who cause by-elections at taxpayers' expense and to voters great inconvenience by taking up only one of the seats to which they have been elected.

The bill meets the requests made by the Victorian Electoral Commissioner, whom I recently met to discuss his plans for electronic voting. The government's Victoria 21 policy provides for the online electronic delivery of all government services 24 hours a day, 7 days a week. It is a good policy because it does not assume that everyone has computer skills or access to the Internet. That policy combines with others to ensure that people have telephone access to government services and one-stop shops. Those policies should apply to the voting system as well.

The advances made in other areas of society should be reflected in our voting system. If Victoria is to move forward in electronic commerce, including the identification of people who take part in commercial transactions, our electoral system should keep pace. The budget provides generous funds to establish electronic commerce systems for the identification of citizens and to secure online commercial transactions. The legislative document system now provides for the application of electronic signatures to regulations, and documents with electronic signatures are now transmitted to the Governor for his signature. It is only a short step to the time when Victorians will be able to cast postal votes via the Internet. That will be a good thing because people will be able to use a system of hyperlinks to read policy statements or examine documents that have been provided online by candidates. That will enable them to make more informed decisions at their leisure and in the privacy of their own homes or offices.

The introduction of electronic voting may mean that the nine-day limit on the counting of postal votes will no longer be needed. Everyone will be able to vote on or before election day, and by 2 or 3 minutes after the closing of the polls at 6.00 p.m., the result of the election will be known without the need for a recount. That will benefit the community.

Mr Baker interjected.

Mr PERTON — The honourable member for Sunshine refers to a work of fiction involving continual electronic voting — the notion of direct democracy. Although I am uncertain of the benefits of direct democracy, I know the work was not just a work of fiction.

Mr Baker interjected.

The ACTING SPEAKER (Mr Perrin) — Order! The interjections of the honourable member for Sunshine are disorderly and he is leading the honourable member for Doncaster astray.

Mr PERTON — Mr Acting Speaker, there is a tradition in this place that a good interjection deserves a reply. In fact, I was heading down that path because we all know that during the last presidential election in the United States Ross Perot, a candidate for the presidency, advocated the type of direct voting that was set out in the work of fiction referred to by the honourable member for Sunshine. Mr Perot invoked the notion that after the American people watched the 6 o'clock news citizens could vote yes or no to a proposition put by the President, in this case of Ross Perot, or, in the case of a Californian proposal, the Governor of California.

Mr Baker — Or Governor Kennett!

Mr PERTON — Yes, it could be Governor Kennett if we have a republican constitution for the state. The use of electronic service delivery and the citizen's channel have a lot to commend them because they could create greater public participation in the policy process.

I recall that when the honourable member for Sunshine was a minister in the last government he tried to get his department to engage in greater consultation with the stakeholders in that industry. That has occurred recently at the federal–state level when the Minister for Conservation and Land Management, working with the federal minister, placed all the submissions and the documentation relating to the regional forest agreement online and received some 40 000 submissions. Submissions from many citizens, including constituents of the honourable member for Gippsland East, timber interests and those of the green persuasion were put online. I understand the quality of presentations has improved the draft regional forest agreement, so it is a process that works.

In law and policy-making at the state and federal level, the more we can move online, the more we can make documentation available to citizens and persuade them to respond, the better off we will be. It may not be the simple Ross Perot question of, 'Do you believe in capital punishment?', but more complicated questions.

Mr Acting Speaker, you and I represent constituencies served by the Eastern Freeway. Complex questions have arisen about how to relieve the congestion at the western end of that freeway. It is possible, using current

technologies and with the appropriate verification of identity perhaps through the Electoral Commission, that you, I and the honourable member for Sunshine can increasingly involve citizens in debates of this kind between elections. That would be a good move.

I encourage the Victorian Electoral Commissioner to move down that path. Although the legislation does not reflect that thinking, I note in the budget that an additional $13 million has been made available for online electronic services. I know that officers working for Multimedia Victoria, including Randall Straw, are already working on electronic democracy projects. Recently I was interviewed by the *Australian* newspaper about the New South Wales state election and I made the comment that if things were to improve they were most likely to improve in Victoria first.

The honourable member for Ivanhoe referred to the problems of local government voting and the need to have people acting as scrutineers. My local council uses postal voting. If there is no problem with identification, either by using one's signature or some other documentation provided by the voter, I see no reason why we cannot move to electronic voting in local government elections.

In conclusion, it is clear from the contributions of the honourable members for Niddrie, Glen Waverley and Ivanhoe, and from the good-humoured interjections from the honourable member for Sunshine and the Minister for Sport, that we can move forward. Although one would want to make it as easy as possible for people to run for election, we know, particularly after observing what happened in the recent New South Wales election, that some people are taking the opportunity to confuse voters. The proposed legislation clarifies a number of issues and ensures that elections conducted in Victoria are run as easily as is humanly possible.

I commend the Victorian Electoral Commissioner for these proposals. I note that more information will flow to members of Parliament so that they can service their community better, but I urge the Electoral Commissioner and the responsible minister to examine and adopt the principle of electronic service delivery so that the next bill introduced in this chamber relating to amendments to the electoral system will contain amendments for electronic voting.

Mr REYNOLDS (Minister for Sport) — On behalf of the Attorney-General, I congratulate the honourable members for Niddrie, Glen Waverley, Ivanhoe and Doncaster for their in-depth and well-researched contributions which will make interesting reading in *Hansard*. I am sure the points raised by honourable members will be taken into consideration by the Attorney-General in her further deliberations of this issue.

Motion agreed to.

Read second time.

Committed

Committee

Clauses 1 to 31 agreed to.

Clause 32

Mr REYNOLDS (Minister for Sport) — I move:

1. Clause 32, after line 21 insert —

'(2C) A written application and declaration by a person that he or she is an elector who is entitled to apply for a declaration and postal ballot-paper may be sent through the post or transmitted by facsimile machine.

(2D) If a person transmits by facsimile machine a written application and declaration under this section, the signature of the person on the written application and declaration so transmitted is deemed to be the personal signature of the person.".'.

Amendment agreed to; amended clause agreed to.

Clause 33

Mr REYNOLDS (Minister for Sport) — I move:

2. Clause 33, page 46, after line 16 insert —

'( ) After section 221(5) of the Principal Act **insert** —

"(5A) An application under sub-section (2) may be sent through the post or transmitted by facsimile machine.

(5B) If a person transmits by facsimile machine an application under sub-section (2), the signature of the person on the application so transmitted is deemed to be the personal signature of that person.".'.

Amendment agreed to; amended clause agreed to; clauses 34 to 50 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

LOCAL GOVERNMENT (MELBOURNE CITY COUNCIL RATES) BILL

Second reading

Debate resumed from 22 April; motion of Mr MACLELLAN (Minister for Planning and Local Government).

Mr THWAITES (Albert Park) — The opposition supports the bill. Currently the Melbourne City Council collects its general rate revenue through a differential rate system of net annual value as a means of valuing land. The act allows differential rates only if the system is based on a capital improved value as a means of valuing land. For the past three years the Melbourne City Council has been granted an order in council exemption from this requirement. Recently the Melbourne City Council realised the exemption is due to expire, and the repeal of a section of the City of Melbourne Act prevents a further order in council extending the exemption period. The bill will allow the Melbourne City Council to raise general rate revenue by application of a differential rate to a system of net annual value or capital improved value as the means of valuing land.

Melbourne City Council has approximately 20 000 resident ratepayers and approximately 10 000 non-residential properties. In 1996 the council adopted a rates strategy the main thrust of which was to continue the net annual valuation basis of rating. The council also adopted a differential rating based upon the net annual value and benchmarked its rates against local, national and international competitors. The strategy has been to move towards one rate in the dollar based on net annual value.

The residential rate in the dollar was set by benchmarking against a number of councils, including Port Phillip, which has traditionally had a low rating base; Stonnington, of which the current honourable member for Prahran was formerly a distinguished mayor, and I am sure the council was efficient; and Yarra, Moreland, Moonee Valley, Hobsons Bay and Maribyrnong. That resulted in a rate of 7.7 cents in the dollar being set. The commercial rate was struck at a level that produced the required rate revenue set by the budget but was also benchmarked against those of national and international capital cities. The initial rate was set at 10.4 cents in the dollar with a commitment to reduce the commercial rate towards the residential rate.

The legislation limits the option of differential rates to a capital improved value rate base, but a 1996 order in council allowed for the application to a net annual value rate base as a transitional arrangement arising from municipal restructure. The order in council allowing the application of differential rates to a net annual value rate base will expire on 30 June this year.

Differential rating applied to a net annual value rate base was necessary because 1993 boundary restructuring amalgamated parts of the City of South Melbourne, which had fairly low rates of 4 cents in the dollar, into the City of Melbourne, which had higher rates of 6.875 cents in the dollar. It came at a time of significant decline in commercial and industrial property values, which meant a major shift in the rate burden towards residential ratepayers.

Commercial property values suffered a major decline from 1990 to 1994 and although there has been some recovery in those values it has only been a partial recovery. Residential property values remain relatively constant, although there have been significant increases in the past two years. Industrial property values have grown quite steadily while retail property values fell between 1990 and 1994. There has been some minor growth since that time.

Mr Maclellan interjected.

Mr THWAITES — The minister takes credit for property values. I hope he is here to take credit when they fall, as they inevitably do in the cycle of property values. All I can say is that it must be a reflection on my role as the local member for Albert Park that property values have increased far more than they have in the electorate of the honourable member for Doncaster! Port Melbourne has probably had the highest rate of property value growth in Melbourne. Unlike the Minister for Planning and Local Government I do not take personal credit for that.

Mr Perton interjected.

The ACTING SPEAKER (Mr Perrin) — Order! The honourable member for Doncaster was helped before and now he wants to help the Deputy Leader of the Opposition. I do not think it will assist debate on the bill.

Mr THWAITES — The honourable member for Doncaster is showing a particular interest in the bill, which concerns properties in the City of Melbourne, and I can only say from recent reports in the newspaper that he has been spending a fair amount of time in the City of Melbourne. Perhaps he has been doing his best to increase property values, taking specific instructions from the Premier based on the policies the Premier has called for in recent times.

Residential rates in Melbourne have become comparatively high compared to those of surrounding municipalities. Non-residential rates are competitive for major office buildings compared with others nationally and internationally. Differential rates provide the city with the flexibility that is required for a capital city council. Capital improved value as a rate base is less stable, equitable and transparent, whereas the net annual value rate base is established and tested and is the preferred rating base.

Reverting to a single uniform rate on net annual value rate base will cause some negative impacts on residential ratepayers. That matter should be of concern to the council. I hope the differential rate will continue to protect residential ratepayers.

Changing to multiple differential rates on a capital improved value rate base may not be in the best long-term interests of the council. The immediate solution proposed is an extension of the current arrangement. That will allow differential rates on a net annual value rate base for one year to allow the council time to assess and analyse available rating options. The opposition certainly supports that.

I said earlier that one reason for this legislation is the amalgamation of part of the City of Melbourne with part of the former City of South Melbourne, particularly Southbank. As a former councillor and mayor of South Melbourne, I can say only that that decision was a great disappointment. The former City of South Melbourne spent a great deal of time and effort over many years nurturing and developing Southbank in consultation with the then Labor government. The consultation that occurred between the former government and the South Melbourne council was in stark contrast to the lack of consultation that the current Minister for Planning and Local Government generally has with local government. The result of the good consultation that the former Labor government had with the former City of South Melbourne is what we see today: a magnificent Southbank area of which we can all be very proud. People from all over Melbourne enjoy visiting Southbank, shopping there, promenading or just sitting in the sun. I take some interest in that area, having been involved in a peripheral way in its design and planning.

Those of us on the then South Melbourne City Council were keen to ensure the area retained a certain amount of trees and grass when there was a push at the time for a very urban environment with a lot of concrete. Southbank now has a nice balance: people can sit down and look at trees and a few birds. People like that environment. It is very important that Southbank along the river is on a human scale. Although it has some tall buildings, they are set back far enough so that they do not overshadow the river area. The project is fortunate to be on the south side of the river, where the sun is not blocked out by many city buildings.

It is important when buildings and areas are designed not to allow overshadowing such as, I am afraid, will exist because of the current minister's obsession for high-rise developments along the foreshore. I am afraid that in Port Melbourne, St Kilda and, no doubt, future developments in Brighton, Sandringham and elsewhere, Surfers Paradise-type skyscrapers will overshadow the foreshore. That will spoil it for people who go to the beach or those who ride their bikes along the foreshore paths. One cannot enjoy the beach environment if it is overshadowed and overlooked by huge towers that the minister is so keen on.

Opposition members support the bill, which has been prepared in consultation with the City of Melbourne. The opposition looks forward to a time when a state government works in consultation with local government rather than in conflict, which has characterised the relationship between local government and the minister for the past 3, 4 or 5 years. I hope the bill will herald a new dawn in that relationship. Unfortunately, it may be a false dawn and a false hope. The message the opposition is receiving from municipal councils across Victoria is that they are sick and tired of being treated as second-class citizens. The opposition supports the bill.

Ms BURKE (Prahran) — Although it is small, the Local Government (Melbourne City Council Rates) Bill will ensure the Melbourne City Council continues to adopt its current rating system, which allows equity and consistency in the distribution of the rate burden across the community. As the honourable member for Albert Park has said, amalgamation has certainly had an effect on the rating systems across Victoria because there is much more consistency in the systems used.

The amalgamation in the Southbank area — which I agree with the shadow minister for planning is a place of which we can all be proud, particularly of its human scale, greenery and aspect — occurred prior to the establishment of the Local Government Board. But it is also important to regard the City of Melbourne as having the Yarra River as its centre rather than its boundary. It makes for a much better city and it is a good outcome to combine the arts centre, parks and other facilities in that area.

The Melbourne City Council is the only municipality that has its own act. Although that legislation is small, part of it was repealed in 1994. Section 21 of the act,

which provided the council with the power to use the Governor in Council process for issues such as rate matters, was repealed. That is why the house is re-addressing the issue now.

It is also important to understand the rating systems that are in use. We have the net annual value (NAV), the site value and the capital improved value (CIV). Communities throughout Victoria are all basically on CIV, leaving about eight or nine on NAV. The Melbourne City Council has always been on NAV. The problem is that the council cannot use differential rates as it could under CIV. Consequently, the bill will give the council the opportunity to use NAV with a differential rate. A differential rate is exactly that — a difference. It allows, because of the difference of the residential properties, the rate in the dollar to be used differently from the rates on industrial properties, office buildings and so on.

The capital improved value system is unusual. As honourable members will be aware, the postcode 3000, which was used under the council's policy — a particularly good one, I think — to bring residents back into the city, has obviously presented a problem to the council in providing a fairer rating system for residences. The issue of someone living in a small apartment being rated under a system similar to that applying to someone living in a high-rise building obviously needs to be recognised and addressed.

The industrial value of properties in the City of Melbourne tends to stay fairly steady. The residential rate is fairly consistent as well. As we know, the commercial rate has a habit of moving up and down, and the retail area is a bit more consistent. The Melbourne City Council has obviously recognised the need to have different ratings from those in other municipalities. It is interesting to see the valuations surrounding the area, which is the benchmark the council has used to value residential properties in Melbourne under the new system. If one uses the valuations from 1994, which most councils have been using for the rating year 1998–99, the rates payable on a $200 000 property are: in Stonnington, $534.04; in Port Phillip, $683; and in Moonee Valley, $791.54. Other figures are $813.40 in Hobsons Bay, $814.12 in the City of Yarra, and $918.90 in the City of Moreland, but $1093.52 in the City of Maribyrnong.

Mr Perton — Tell us about Manningham.

Ms BURKE — I am sorry, I do not have the figure for Manningham with me.

Mr Thwaites — What about Stonnington?

Ms BURKE — Stonnington is $535.04. That is an incredible variation for properties with the same valuation.

An honourable member interjected.

Ms BURKE — It is a worry.

An honourable member interjected.

Ms BURKE — It means they are spending a lot of money. I would like to know what they are spending it on.

Mrs Maddigan interjected.

Ms BURKE — I would like to know, because the services are no different and the dearer councils all get much larger local government grants. On a broader theme, assessing the fairness of residential rates by comparing similar residential municipalities is a pretty good way for ratepayers to determine whether they are getting value for money.

Office space charges in the City of Melbourne compare favourably with those in other cities. Melbourne has the lowest office space charges in Australia and is fourth-lowest internationally. Melbourne City Council is doing particularly well in those areas.

The bill will allow the Melbourne City Council to use net annual value with differential rates for different properties, which will allow it greater flexibility. In addition to ensuring a fairer system it will also encourage people to move into the city. Melbourne has been good at understanding that a capital city must have people living in it as well as people working in it. Big cities all over the world that have large residential populations have more appropriate working and living environments than those that do not. Residential activity keeps a city flourishing and prevents the development of the empty and disappointing environment that existed in Melbourne in the past, particularly in the mid-1980s, when it was in a bad way.

The second part of the bill simply amends a technical mistake by substituting references to the Department of Infrastructure for references to the Department of Natural Resources and Environment in the Environment Effects Act. The bill is small but extremely important to Melbourne ratepayers. I look forward to it having a speedy passage and thank opposition members for their kind words about it.

Mrs MADDIGAN (Essendon) — I wish to make a few comments on the Local Government (Melbourne

City Council Rates) Bill. There is nothing like a discussion about rates to provide a great deal of interest from all people concerned, residents and councillors alike.

The honourable member for Prahran pointed out that the bill has been introduced to allow differential rates to continue in the City of Melbourne. It is needed as a result of previous local government legislation passed by the government. I would not have thought it was a great surprise to the government — perhaps it had forgotten about it at the time.

Quoting rates for similar properties within various municipalities does not prove anything, apart from what the rates are for those particular properties. It says nothing about the efficiency of the governments or of the services. I am not sure of the point the honourable member for Prahran was trying to make. If she was suggesting that residential rates in some councils are higher than in others, that is right. It has always been that way, and there are a number of reasons for that.

Mr Mildenhall interjected.

Mrs MADDIGAN — As the honourable member for Footscray points out, it may be related to the range of services that the councils provide. It is perhaps not surprising that some of the councils with higher rates are the same councils that are the most socially and economically disadvantaged and whose residents rely more strongly on council services than residents of some other areas that are financially better off.

The City of Maribyrnong is an excellent example of that. I congratulate the Maribyrnong councillors on ensuring that the city is collecting sufficient rate revenue to provide the services its residents need. That the honourable member for Prahran castigated the City of Maribyrnong for attempting to provide services in an area with one of the highest unemployment rates in Melbourne is a great shame. Perhaps she might like to visit Maribyrnong. I am sure the councillors there would be only too pleased to show her the excellent services provided by the council for the residents.

The ACTING SPEAKER (Mr Perrin) — Order! I am finding it hard to hear the honourable member for Essendon. Will honourable members who are having conversations in the chamber please leave and will those interjecting please desist.

Mrs MADDIGAN — I was inviting the honourable member for Prahran to inspect the excellent services provided by the City of Maribyrnong on behalf of its residents who need extra services. I am sure the honourable member for Footscray would be more than happy to assist her to get there on any occasion she might like to visit.

The other point I make is that cities such as the City of Moonee Valley in my electorate have problems because they are almost entirely residential and have little commercial and virtually no industrial development. They rely entirely on residential rates to provide services for their residents, many of whom have great needs. All those factors should be taken into account. Essendon and Moonee Valley, like a number of the western suburbs, have aging populations. As the baby boomers get older the demands on the councils will increase dramatically. Unless the government puts more reasonable funding into community services for the aged population, council rates can be expected to rise again to meet those demands.

Mr Baker interjected.

Mrs MADDIGAN — The honourable member for Sunshine interrupts because he is getting close to retirement age and the provision of services is of great personal interest to him. I understand he has a deep interest in the subject and in what sorts of services he will get for his rates.

The honourable member for Prahran referred to the problems that occurred with differential rates as a result of the amalgamation process. In that regard a problem has occurred with the boundary between the cities of Melbourne and Moonee Valley. The boundary is Macaulay Road. I am not quite sure why the Local Government Board chose to make Macaulay Road the boundary between Moonee Valley and Melbourne — several people have suggested that it was to keep the showgrounds in the City of Melbourne — but it has caused immense problems for the community.

The Kensington community is close knit and Macaulay Road is really the centre of its little network. The issue of the border between the two councils has caused considerable problems and councillors from both the City of Melbourne and the City of Moonee Valley have asked time and again for it to be re-examined. People living on one side of the road are subject to a totally different rate structure from people living on the other side, and that leads to a considerable amount of ill will. Normally residential rates in the City of Melbourne are lower than in the City of Moonee Valley because the City of Melbourne has extra financial backup from the industrial and commercial rates it collects. The levels of service are also quite different. That anomaly should be addressed by the government. I hope it will take on board and look at the boundary issue so that the

Kensington community can be united through the equity with which all its residents are treated.

The honourable member for Albert Park covered extensively the situation affecting South Melbourne. It was pleasing to hear that many people think that Southbank is a really great idea. However, the provision of differential rates in the City of Melbourne is essential, because the city has been broadened to such an extent that it encompasses a wide range of populations. It has a wide range of not only commercial and industrial areas but also residential areas and properties. By way of example I point to some of the areas in Flemington as compared to the more exclusive high-rise apartments currently being built in Melbourne. Obviously the whole area needs to be considered when rate levels are being determined. Although both are residential areas and therefore attract the same level of rates, there is considerable concern about the rate burden that is imposed on some particularly poor areas of Melbourne. It would be a great shame if increased residential property values were reflected in substantially increased rates for residential areas that are socially and economically deprived.

The City of Melbourne is not impressed with what the government has done about rates and I assume the bill is its reward for having said so. Based on legislation passed last year and the government's projections, the City of Melbourne will miss out on rates revenue from substantial developments in both commercial and residential areas in the new Docklands development.

Strong pressure was applied to retain the Docklands development as part of the City of Melbourne. The only reason given by the government for not doing so was that the City of Melbourne might have difficulty collecting the rubbish there, as apparently occurred in similar circumstances in some overseas city. The City of Melbourne was surprised to learn that the government did not consider it had the capacity to collect rubbish from a development where no-one lives and the population projections range over 15 years. One would be aghast if the City of Melbourne were so inefficient that its budget could not meet such requirements.

Docklands would be welcome as part of the City of Melbourne. The city has a strange look about it, with its border running along Macaulay Road and past the showgrounds but excluding the Docklands precinct. The government has said that in time Docklands may become part of the City of Melbourne; but as I said, no real reason has been given for it being separated from the city.

The opposition supports the bill although it has concerns that ratepayers in residential areas of Melbourne will find that their rates are disproportionate to the value of their houses and that residential areas of poverty will still not be provided with the high level of services required.

Mr FINN (Tullamarine) — I support the bill introduced by the Minister for Planning and Local Government and congratulate the honourable member for Albert Park on his first contribution on local government matters. Listening to his alleged contribution you would not know that he has a background in local government. The only thing he conclusively told honourable members today was that he knows nothing about it. One hopes that he will learn in time.

As a humanitarian and someone who cares about his future in this place, may I suggest to him that he seek out the honourable member for Richmond, who really knows his onions when it comes to local government. During his time as the opposition spokesperson on local government matters he has delighted and enthralled all honourable members. I miss him and trust that one day we will be reunited in our discussions on the importance of local government in the City of Melbourne and beyond.

I congratulate Cr Peter Costigan who is the new Lord Mayor of the City of Melbourne. I respected his predecessor Ivan Deveson, who is an affable chap, and thought he did a good job as Lord Mayor. I trust that Cr Costigan will also go down that path.

The City of Melbourne is a focal point for Victoria. That in no way disparages any other part of Victoria. One must pay attention to any capital city in any state of Australia or in any state or country in the world to ensure that everything is kept just right. Melbourne is the unofficial capital of Australia and certainly the most magnificent city in at least the southern hemisphere and it deserves the attention that the government has deemed necessary.

When considering the bill it must be recognised that the council of the City of Melbourne asked for the proposed changes. I am pleased that honourable members opposite have decided that they will not be their usual petty obstructionist selves but will support the legislation.

The Minister for Planning and Local Government, in his normal manner, has gone out of his way to be cooperative and helpful in the process. Two words spring to mind at the mention of the minister's name in

relation to local government in Victoria: helpful and cooperative. The minister treats local government bodies warmly and as though they were members of his own family. He is always there to help them in times of crisis or when they are facing difficulties, such as those that occurred in Darebin and Nillumbik in recent times.

The bill recognises the changing face of Melbourne. Not long ago when one came into the city, particularly on weekends, one found it was pretty much a ghost town. As a person who frequents the Melbourne Cricket Ground during the winter months — although for how much longer at the current rate I am not sure — I have noticed enormous changes during the last six years. Melbourne has become a thriving hub of activity, 7 days a week and in many cases 24 hours a day. It has come about through changes by the government and in the activities of the council.

For a long period many have been critical of the Melbourne City Council, but unless it makes a complete botch up it should be given half a chance. One such test will be its handling of the Swanston Street Walk issue. I look upon it with some suspicion — that is, as to exactly what will happen down there — because nobody seems to know what is going on. However, I trust that the new Lord Mayor and his council members, even the one who has found herself in a bit of strife at the moment, will be able to bring the matter to a proper resolution for the benefit of all Melburnians.

In recent years there has been a rehabitation of Melbourne. Many thousands of people have decided to live in the heart of the city, and that is a good thing. Any thriving metropolis anywhere around the world has a strong residential base. Melbourne has caught on to that trend. That is another reason for the bill to be passed without delay. Whether one travels through Melbourne during the week or weekends the city is seen once again to be alive, thriving and a place of which we can all be proud.

I must comment on the appalling attitude of the honourable member for Essendon towards her colleague the honourable member for Sunshine. She seemed to think that he was getting a bit long in the tooth, perhaps past his use-by date. That is an appalling thing to say about the honourable member for Sunshine.

Mrs Maddigan — On a point of order, Mr Acting Speaker, I am being severely misrepresented. I would never suggest that the honourable member for Sunshine was past his use-by date.

The ACTING SPEAKER (Mr Maughan) — Order! As the honourable member for Essendon is well aware that is not a matter to be raised as a point of order. The forms of the house allow the member to seek redress if she claims to have been misrepresented.

Mr FINN — I did not intend to misrepresent the honourable member for Essendon at all. As I recall, her exact words were that the honourable member for Sunshine was close to retirement age and as such was not to be listened to. It is appalling to say that about anybody, but particularly somebody with the integrity and the intellectual calibre of the honourable member for Sunshine. If honourable members opposite have not got the basic intelligence to accept that they made a dreadful mistake in passing up the chance of electing the honourable member for Sunshine as their leader, that is their problem. They should not go around disparaging an individual who has made such an outstanding contribution to Victoria and society generally over such a long period of time.

The ACTING SPEAKER (Mr Maughan) — Order! I hate to interrupt the honourable member for Tullamarine, but I ask him to show how his remarks relate to the bill.

Mr FINN — I was referring to the comments made by the honourable member for Essendon. I have now finished.

Mr Baker interjected.

Mr FINN — He is devastated by your comments and cannot cope any longer! As members opposite have said, the opposition will not oppose the bill. I doubt that opposition members have it in them to support something, but at least we can be grateful that they are not opposing the changes. The bill is not controversial and should not be regarded as such.

The Victorian Local Governance Association (VLGA), under the leadership of Mike Hill and his waifs from the commune, has decided to weigh in with its ongoing campaign of misrepresentation and outright lies about the government's actions relating to local government rates. I will quote from a press release that I am happy to table. Sadly, it is not dated: one can only assume that Mike Hill does not know what day it is. The press release, which is headed 'Come clean on rate cap minister urged', states:

> The state government was kidding the community by announcing that it had abolished rate capping the VLGA (Victorian Local Governance Association) claimed today.
>
> The VLGA believes that the current situation in which councils are being told to seek the approval of the minister

> before lifting rates is highly dangerous and open to ministerial abuse.

That is the most ridiculous thing I have heard in a long time. No-one could suggest the Minister for Planning and Local Government is even slightly open to a claim of ministerial abuse. The allegation is appalling and totally over the fence, and Cr Hill should apologise for making it. The press release goes on:

> According to VLGA secretary, Mike Hill —

no reference to the waifs at this stage —

> this is further improper intervention on the part of the state government in the affairs of local governments. He said: 'The VLGA has consistently argued that the setting of the level of rates is properly a matter between each local government and its community'.

We all know how discussions between local councils and their communities used to go. A council would say, 'This is what you are paying', and the community would say, 'Where do we send the cheque?'. The press release continues:

> The VLGA has no objection to the state government seeking to provide advice on this matter to assist councils in their determinations.

That is a contradiction in itself. The press release finishes with these words:

> 'Time and again this minister has shown a propensity to treat local governments differently according to his own predilections. It is clear that some councils face victimisation under a system where rate increases can only be implemented with ministerial approval', said Hill.

What paranoia! What ratbaggery! Coming from Mike Hill, those remarks are absolutely astounding. Both he and his waifs at the VLGA should give due credit to the government and the minister for the magnificent work they have done in local government over recent years. It is worth remembering that the same Mike Hill was one of the loudest of those who opposed the huge rate cuts and attendant savings to ratepayers a few years ago. He is now continuing his campaign of half-truths and outright lies against the government. He should get his act together. He should be of concern to any right-thinking Victorian.

To put the record straight, Mr Acting Speaker, I will read to the house a letter sent to all mayors by the Minister for Planning and Local Government. It is not long, and my reading it will give members the opportunity to have the facts laid before them:

> I am writing to seek your council's assistance in establishing arrangements for the setting of rates and charges for the 1999–2000 financial year.
>
> You will recall that the state government suspended rate capping from 1998–99 and that its preferred position is that it should not be reintroduced. You will also recall that the suspension of rate capping was subject to conditions related to councils' commitments to the key performance indicators program and to the publication of segmented financial reports for individual business units.
>
> I am very pleased with the very positive reaction and commitment from all councils towards both the key performance indicators program and the publication of segmented financial reports for business units. As a result of the positive cooperation of all councils across Victoria on these matters, I am pleased to announce that the suspension of rate capping will continue in 1999–2000.
>
> However, the state government remains keen to understand how each council is approaching the setting of its rates and charges each year.

And rightly so. The letter goes on:

> As a guide to assist councils with this process, the government has decided on the following policy framework in relation to increases in rates and charges for 1999–2000.
>
> > of up to 3 per cent to fund capital works, councils will only be required to advise of the magnitude of the increase;
> >
> > between 3 per cent and 7 per cent, a business case consistent with the corporate and five-year financial plans in support of the increase must be provided; and
> >
> > in excess of 7 per cent, in addition to the provision of a business case consistent with the corporate and five-year financial plans in support of the increase, an inspector of municipal administration may be appointed to assist in a general review of the council's operations.
>
> The local government branch of the Department of Infrastructure will be writing to the chief executive officer of your council outlining the proposed arrangements in this regard. The information that councils will provide as part of these arrangements will enable the statewide impact of proposed increases in rates and charges to be analysed with a particular focus on the prospective impact on Victoria's consumer price index.
>
> Yours sincerely,
>
> Robert Maclellan, Minister for Planning and Local Government.

That action by the minister amounts to his merely carrying out his legislative responsibility to ensure that local government is doing the right thing.

It may be a surprise to members opposite to know that some years ago, perhaps about 1977, a referendum question was put to the people of Australia asking them whether they wanted local government recognised in the constitution.

Mr Robinson — It was 1988.

Mr FINN — It was 1988, was it? In the general scheme of things being 11 years out is not too bad at all! The honourable member for Mitcham may well be right, but I will check the facts later, just in case. At that referendum, the people of Australia overwhelmingly rejected the proposal that the constitution recognise local government. What they were saying by voting as they did was that they were happy to have state governments continue to oversee local government. It is important that everyone involved in local government, not just members opposite, realises that it is an arm of state government. Local government does not exist in its own right. It is an arm of state government. That means the government has a responsibility to ensure that ratepayers throughout Victoria get a fair deal from their councils.

Local government reform has been by any standards an overwhelming success story, although there have been some hiccups from time to time. For instance, as a resident of Sunbury I would be pleased to see the township excised from the City of Hume and put in the Shire of Macedon Ranges. I have no doubt that that will occur because geographically, culturally and by any other criterion the township of Sunbury lies within the Macedon Ranges. However, its municipal boundary just happens to place it in the City of Hume. When opposition members were in government during the decade of darkness they tried to introduce local government reform but failed dismally, as they do with just about everything they take on. It was up to the Kennett government to bring in the reforms, including the amalgamation of councils, which led to far greater economies of scale and a better deal for every ratepayer.

I am particularly proud of those reforms, and every government member should receive a pat on the back. The former Minister for Local Government, Mr Hallam, who started the reform process, and the current Minister for Planning and Local Government, Mr Maclellan, deserve to be congratulated on the work they have done to give ratepayers in municipalities throughout Victoria a better deal.

The bill gives the Melbourne City Council the room to move that it requested. It is a continuation of the wonderful victories the government has achieved for local government. I wish the bill a speedy passage, and I look forward to working with all local councils, including the MCC.

Mr CARLI (Coburg) — The honourable member for Tullamarine would have us believe that councillors throughout Victoria have said and continue to say that the Minister for Planning and Local Government is helpful and cooperative — but that is wrong. I do not know whom he has spoken to, but I have heard many people in local government talk about the minister, and I would not repeat their comments in the house. Certainly people in local government do not often use the terms 'helpful' and 'cooperative' when talking about the minister.

As the honourable member for Tullamarine said, local government is treated as an arm of state government, which explains the extraordinary level of intervention. Cooperation with local councils is not an approach favoured by the government or the minister. However, the opposition supports the bill because, as an exception to its intrusive and heavy-handed approach to local government, the government has this time consulted with the Melbourne City Council.

The Melbourne City Council needs the flexibility a differential rating system provides given the municipality's set up, which includes a central business district, industrial areas and residential areas, as well as the new emerging urban areas, which will increase the residential population. A constructive relationship between the state government and local government would ensure that councils are given the flexibility they require. Local councils should be able impose differential rates based not only on the services they provide but on community need.

The honourable member for Prahran tried to attack those councils that provide a wider and perhaps better range of services simply because the rates they collect per property were different from the rest. She did not take into consideration the fact that different municipalities have different property values. Her attack was characteristic of a member of a government that often cuts local community services, particularly in struggling communities such as mine in the City of Moreland. The make-up of the City of Moreland is such that the council has to provide a wide range of services. It is no surprise that Moreland residents favour Labor Party candidates. At the last municipal election, Labor Party candidates were elected in the eight wards in which they stood. Clearly Labor is doing something right.

The opposition calls on the government to recognise the autonomy and decision-making abilities of local government. Elected local councillors have a mandate to make certain decisions. The opposition believes in the need to consult and cooperate with local councils. That is what the minister needs to do, instead of being heavy-handed and flexing his muscles.

The amalgamation of councils had a significant effect on rates throughout the City of Melbourne, and the development of Southbank has brought about the need to change the rate structure. The Melbourne City Council is the only council in Victoria that has its own act of Parliament, and the bill will allow the council to continue to use a differential rate system. Southbank has been a success story. The former Labor government saw the need to reclaim the Yarra River. It began the process of reorientating the city around the Yarra River so that it was a part of the life of the city. Southbank is based on a people's perspective. It has a mixture of greenery and concrete. It has good urban design and is a good use of the river.

The desire to reorientate the city has necessitated changes in the structure of the City of Melbourne, particularly its rating system. One of the peculiarities of the City of Melbourne is that it is one of the few municipalities that uses a net annual value system. Most municipalities use a capital improved value system, while some use a site value system. The use of the net annual value system allows the City of Melbourne to use a differential rate structure. The city still uses that rating system because of the fluctuation in the value of industrial, office and domestic buildings according to the economic cycle. That has forced the council to be flexible in its rating structure.

I return to my initial point and the reason the opposition supports the bill. We must recognise the importance of flexibility and a constructive relationship with the government in the operation of the City of Melbourne. One hopes a constructive relationship can emerge between municipalities and the government, and that this measure is the beginning of a new dawn.

The honourable member for Tullamarine suggests that local government should be treated as part of the family. If that is the case we should bring in some social workers because there are problems within the family. Some form of reconciliation or mediation is required so that a more constructive relationship is established and a better approach is adopted when consultation occurs between local and state governments.

On other occasions I have referred to the role of the Minister for Planning and Local Government, and particularly his intrusive attitude to local government. It is a shame that Australians did not vote for the recognition of local government in the 1988 referendum. The three tiers of government should be recognised because each is important. It is not right, as the honourable member for Tullamarine suggests, that we should treat local government as an arm of the state government. That is a wrong attitude, and it has brought about the difficulties we have in this state between local and state governments.

The opposition supports the need for the City of Melbourne to have flexibility, to be consulted and to work with the state government. It hopes the government's relationships with local government will improve. Perhaps future councillors will say that future ministers for planning and local government have been helpful and cooperative. That is what we should aim for, but that is not the case in Victoria today. The opposition recognises the importance of both the bill and the City of Melbourne. I wish the bill a speedy passage.

Mr MACLELLAN (Minister for Planning and Local Government) — I thank honourable members for their support of this measure. I understand that the opposition supports the bill, despite the concluding remarks of the honourable member for Coburg, who finds it difficult to make a speech in support of a local government measure. The amendments in the bill reflect the City of Melbourne's various levels of rating for commercial and office buildings and residential properties under the net annual value system.

Honourable members have been correct in saying that there has been consultation. I received a fairly peremptory request from the Melbourne City Council that if it could not get Parliament to approve the proposal it would issue rate notices on a different basis. The council has been more relaxed since the bill was introduced in this place and has probably prepared its rate notices in anticipation of the house's support of the measure. I welcome the fact that the bill has bipartisan support.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

MENTAL HEALTH (AMENDMENT) BILL

Second reading

Debate resumed from 22 April; motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

Mr THWAITES (Albert Park) — The opposition does not oppose the Mental Health (Amendment) Bill which amends the Mental Health Act in a number of

ways. Firstly, it provides a wider power for the Chief Psychiatrist regarding quality assurance functions to oversee the delivery of psychiatric services; secondly, it clarifies the functions and powers of the Mental Health Review Board concerning people subject to community treatment orders and restricted community treatment orders; thirdly, it makes some changes in the funding mechanism of community support services that relate to the competition policy review; and finally, it makes housekeeping amendments as a result of typographical and other errors.

The main changes in the bill relate to quality assurance. Currently the Chief Psychiatrist has a role in assuring quality assurance in psychiatric services. That allows the Chief Psychiatrist, or authorised officers appointed by him, in certain circumstances to examine the treatment and care of people who are mentally ill. Currently under section 106 of the act the power of the Chief Psychiatrist is limited to dealing with specific investigations on specific incidents. It does not contain explicit provisions concerning routine quality assurance activities that are undertaken to monitor standards across the whole system.

The bill establishes a quality assurance committee under proposed section 106AC, which is inserted by clause 10. The committee will consist of the Chief Psychiatrist and authorised officers appointed under section 106. The committee will oversee and monitor standards across mental health services. When the Chief Psychiatrist considers it necessary to do so he may visit a psychiatric service and inspect certain records.

The powers are broader to enable more quality assurance than currently exists. The key provision that extends the powers states that the Chief Psychiatrist will be able to carry out these inspections and investigations if he:

> ... considers it necessary to do so in the course of the duty of chief psychiatrist or authorised officer as a member of the quality assurance committee.

The range of inspections has been broadened.

The bill implements changes that came out of a national competition policy review that was undertaken in 1998. The review panel recommended that community support registration requirements in division 3 of part 6 of the principal act are unnecessarily restrictive in their current form and not necessary to achieve the objectives of the legislation. The panel recommended that such services no longer be registered or funded under the act. The bill implements those recommendations.

The bill clarifies the functions and powers of the Mental Health Review Board. The function of that important board is to oversee appeals from involuntary patients who are subject to various treatment orders and to review all involuntary and security patients within eight weeks of admission to ensure their continuing treatment is appropriate and to decide whether they should be detained. The board has requested clarification concerning the exercise of its functions and powers as they relate to persons who are subject to community treatment orders and restricted community treatment orders.

Clause 4 of the bill clarifies and consolidates the criteria the board must take into account when conducting an appeal or review. It consolidates the board's powers on appeal or review of involuntary patients into one section. The bill makes some minor amendments in relation to ambiguities and typographical errors.

The key provision in the bill relates to quality assurance. The second-reading speech states:

> Victoria has a number of strategies in place to monitor the effectiveness of mental health services. These include quality assurance activities undertaken by the Chief Psychiatrist, purchasing standards, key performance indicators and an increasing emphasis on outcome measurement across the service system.

The opposition supports those quality assurance measures and activities. However, the effectiveness of quality assurance is undermined if the measures are not transparent and consistent. I have a great deal of concern about the way in which the quality assurance measures and performance indicators keep changing. The most effective way for the public to have confidence in the mental health system is for performance measures to be consistent, to be reported publicly and to be made available to members of the general public, particularly families, carers and consumers. Unfortunately that is not occurring under the present government.

An increasing number of services have been contracted out. The measuring of the performance of those services is now subject to contracts, but the public is not entitled to see what the performance measures are because most of those contracts are kept confidential. If anyone wants to see them no doubt he or she will be told that the provisions are commercial in confidence.

Beyond that the government has purported to put some performance indicators in the budget papers. The opposition applauds that, except for the fact that those performance indicators seem to change radically every year. Perhaps if the Parliamentary Secretary to the Minister for Health and Aged Care or the honourable

member for Warrnambool speak on the bill they might explain why it is that every year in the budget papers the performance indicators in relation to mental health differ so radically. Although the budget papers are supposed to provide the indicators, it is impossible for anyone to have a realistic understanding of how well the system is performing from a reading of them.

Mr J. F. McGrath interjected.

Mr THWAITES — The honourable member for Warrnambool says, 'Go and have a look'. I do that, and I am happy to do so, but I do not pretend that a visit provides the same level of monitoring of quality as performance indicators. A visit shows what is happening at only one particular place, and no doubt one gets a view that is skewed by the experiences or biases of that place. I would have thought the honourable member for Warrnambool, as someone who is concerned about mental health, would be concerned about this issue.

The performance indicators that are reported are inconsistent year after year. In the budget brought down yesterday, for example, under the acute mental health services area the acute inpatient treatment capacity is given as 927 beds. That is the target for the number of beds available for the year 1999–2000. The number of beds for the year 1998–99 was the same — 927. Last year's budget papers state the number of beds as 1030 — 100 extra beds for 1998–99. One hundred beds have disappeared out of the system into a black hole.

I am not sure whether the discrepancy occurs because the number of beds has been reduced by 100 or because the measure has changed. It is difficult for anyone assessing the mental health system to determine the outcomes when the performance measures change so much from year to year. Similarly, the number of registered clients is a key performance indicator. The targeted number of registered clients in last year's budget for 1998–99 was 31 520. This year's budget papers state that the number of clients for 1998–99 is 46 240. Somehow Victoria has gained another 15 000 clients but lost 100 beds. Either people are spending a lot less time in the facilities or, as I suspect, the measures have changed without any proper explanation.

Similarly, in the area of mental health of the aged, this year's budget provides for 557 psychogeriatric supported residential care beds; in last year's budget the aged persons mental health services had 820 beds. Apparently almost 300 beds for the aged have been lost in the past year, or, as I suspect, the measures have completely changed so that it is impossible to make any assessment about quality assurance or performance indicators, which is what the bill is all about.

Every year for the past five years the budget performance measures on mental health have changed radically. The honourable member for Warrnambool says that I should visit the facilities. I do, and I am happy to do that. He might also say that I should talk to the people involved in the system. I do that, too, whether they be doctors or carers. Many of them tell me that it is very hard to get a bed for a patient in acute need; there are not enough beds because of the massive cuts under this government.

Whenever I raise the concerns of families and others about the difficulty of finding beds the government's response is that it is just an isolated case or that I have heard of only one instance. My response is to suggest that the overall system and the total number of beds should be considered, but it is impossible to do so from any government information. For some three or four years I tried to get those sorts of figures from the government through freedom of information applications. They were almost impossible to get, and at every step I faced obstacles.

Anyone who goes to the budget papers to try to find out what is happening in the mental health system and what are the outcomes is defeated because the outcome measures in the budget papers change year by year. Some years ago there was no listing of the number of beds but there was a listing of inpatient-occupied bed days — that is, the numbers of days that beds in mental health services were occupied. Early on there was quite a large fall in that number and then that performance measure was dropped.

Similarly, performance measures in geriatric psychiatry are changed year after year. In 1995–96 the performance measures of inpatient discharges, inpatient-occupied bed days and registered clients were used. A few years later they were changed to entirely different measures: Linkages program clients, home-based hours of care, sub-acute care separations, and number of aged care assessments. This year's budget papers contain very few outcome measures for aged care mental health. There appears to be only one outcome — that is, the number of supported beds. The other outcome measures used in earlier budgets, including the Linkages program, seem to have dropped out of the budget papers altogether.

It might seem that this is a minor quibble, but I am just talking about what is in the budget papers. It is not a minor point because the government reports very sparingly on what is happening in the mental health

system. It does not give clear indications, year by year, on which one can judge whether it is achieving the outcomes it set itself at the beginning of the year. It seems the government is more interested in changing the outcome measures so that its performance can never be judged.

Mr Honeywood — You were masters at it — you changed from year to year.

Mr THWAITES — Members opposite criticise the former government but the people in the mental health system deserve better than the political point scoring the minister is attempting. They deserve a system that is clear.

The problem with changing the outcome measures year by year is that no-one can ever tell whether the services are being provided properly or even in accordance with the objective the government set. Therefore, although the opposition is quite happy to support the bill, which refers to improving quality assurance, it points out that there is not much point in improving quality assurance if the key performance indicators are not improved and reported on accurately and fairly.

Mr J. F. McGRATH (Warrnambool) — I welcome the opportunity to speak on the Mental Health (Amendment) Bill. The bill's purpose spells out very clearly that it is endeavouring to amend the Mental Health Act in respect of community support services; to establish a quality assurance committee; and generally to improve the operation of the act — and of course, through that, to improve mental health services in Victoria.

I have always held the view that if there is one issue that should be above party politics it is mental health. I would like to think there is a degree of goodwill on both sides of the chamber on the outcomes, which are very much driven and managed by quality assurance in progressing mental health.

As honourable members think about the direction we are heading in today with the changes that the Deputy Leader of the Opposition described as reasonably minor but important, we need to consider them in the context of mental health and its history, particularly mental health services. I am sure the honourable member for Preston, who will follow me in this debate, could speak in detail about some of the practices of the past before we embarked on the very bold move to community-based services.

I have a strong personal interest in mental health, but prior to my personal interest being inspired, if you like, I had the opportunity of working voluntarily on a needs basis in the local psychiatric hospital at Warrnambool. Through that experience I found some of the practices in delivering mental health services were certainly outdated and even archaic and contrary to any ongoing development towards an improved lifestyle for those who suffered a mental illness.

The former government went down the path of what was then called deinstitutionalisation and today is called community-based services. At that time I applauded the move because I believed it was the way forward. There was certainly a need to move away from providing services in large institutions where often people were heavily medicated. They were not provided with sufficient rehabilitation opportunities but lived out their days, week in and week out, year in and year out, heavily medicated and just eating their meals and at prescribed times going to bed in locked wards. It is certainly not the sort of lifestyle that anyone would enforce on a section of our community if we were really living in an age when human rights were treated seriously. However, as I said, fortunately the Minister for Health in the previous government, the Honourable Maureen Lyster, bit the bullet on the issue.

My understanding is that it was a fairly difficult issue for Minister Lyster because the union at the time had grave concerns about where the initiative was likely to go. I see the honourable member for Preston has a bit of a smile on his face. At that time it was an extremely controversial and sensitive issue. Nevertheless, that was the path taken. It was a great step for mankind, for human rights, and for members of that section of the community who had been banished to brick buildings on the hill in towns all over the state and nation for far too long.

Mr Leighton — At the top of the hill.

Mr J. F. McGRATH — Normally at the top of the hill, not at the bottom of the hill, and certainly out of town away from the community and the centre of town. I do not know because I was not around when the buildings were built, but perhaps that was so they could be kept out of sight of people. Since then some progress has been made, but there is still a long way to go. I am the first to acknowledge that. What happened in those days was dreadful, but people lived with it and grew up with it because it was part of how the services were delivered.

It is important to look at that background to see how far society has come in the delivery of mental health services. People needing services started to transfer out into the community. A change of culture was needed with that, because having services delivered in the

community is different from having services delivered in an institution. The professionals who worked in the field at the time had an ingrained way of functioning. That was understandable because it had been that way for years and years. All of a sudden much of what formed part of their security and determined how they operated was stripped away and they were asked to go into the community to operate with the same client base but in a different environment.

The move into the community created great problems for many professionals working in the field. Many psychiatric nurses I know had great difficulty adjusting to that, and some made the ultimate decision to leave the system because they could not make the adjustment. It was too difficult, the change was too much, and they felt it was not in their best interests. A whole range of things went on. The move into the community has been a difficult and painful move for a whole range of people, particularly for the professionals who work in the field.

The move has also been difficult for those people who need and use the services, whom we sometimes refer to as consumers. Some felt very comfortable in their environment, but they were all of a sudden asked to go out into various settings in the community. They too lost their security blanket and started to feel vulnerable; and it increased their sensitivities and the pressures on them. Consequently for a while a dangerous mix of such people were in the community without the necessary support resources. They were battling with and trying to manage their illnesses in a community that, by and large, did not understand and was unsympathetic, and they were doing it without the resources they had previously experienced in the institutions that had become havens for them. It was a difficult period.

In 1993 the then Minister for Health, the Honourable Marie Tehan, picked up the ball and ran with it in the form of the framework document that outlined the principles for mental health services in Victoria. I have enormous respect for Minister Tehan because of the way she picked up the issue and ran with it. It was a difficult issue at a difficult time and a lot of concerns were expressed by people on both sides of the political fence about where matters were going. At the time I was personally involved in the mental health area. One might say I had a deep vested interest, with two boys who were using the mental health service.

Minister Tehan applied herself to the principles and put enormous effort into trying to understand mental illness, how everything interacted, and what impact it had on the professional community, the consumers and, to my great pleasure, on the carers. I will talk a little more about that in a few minutes. I was pleased with the way Minister Tehan picked that up. Someone with determination and a commitment to make it work was needed. The shift from institution-based services to community-based services was enormous and if the government had had no framework in place to guide the implementation of that shift it would have been setting itself up for a crisis to occur.

Victoria has not experienced a crisis. The state has had difficulties, and is still having difficulties today. To his great credit the current Minister for Health agrees that a large percentage of the mentally ill community are still not getting the services they should. That fact is acknowledged by governments around Australia. The community has already come a long way, but there is a long way to go.

The best testimony for the framework document is that there has not been a crisis in the past 10 years, and particularly the past 6 years. The document has been the guiding light for the delivery of mental health services. There has been a real change to how the services are provided. Structures have been put in place to ensure that services are delivered in the community at the appropriate time and in the appropriate manner — that is, with all the sensitivities that are required to encourage consumers and ensure they get the services they need, whether they live with families, on their own, or in supported accommodation, and to help with their transition. I cannot find a better word than 'consumers'. It does not seem the right word to me and seems insensitive in some way, but a better word has not been found, even after working with consumers.

The honourable member for Preston would have a far more practical understanding of the services than do I because of his experience as a professional working in the area. However, as a father I consider there has been a great progression. Mentally ill people are being brought out into the community and treated as part of the community. They are no longer being put out of sight and out of mind into red brick buildings on hills by people who say, 'We don't want to know about you; we will just give you plenty of medication and keep you quiet'. In the past the opportunity for mentally ill people to grow to their full potential was limited.

The potential of those people varies depending on the intensity of their illness, their surroundings and a range of other factors. Community-based services are exciting because people are given an opportunity of returning to their communities. God knows, we have much to do to educate the community. The media should ensure that tragedies such as the Port Arthur shootings are reported

factually with a degree of balance and not given sensational headlines that create havoc in the lives of victims and their families. The reporting of the Port Arthur incident was appalling. In my view the media has much to answer for.

The community needs to understand that mental illness is treatable. The Mental Health (Amendment) Bill is part of the framework for ensuring that mental illnesses are treated appropriately across the spectrum. As we move towards adopting community-based services we must look at the importance of providing resources for crisis assessment and treatment teams and for support teams to provide ongoing support to ensure that people do not need to return to acute residential services. The case manager is an integral part of that ongoing support.

For my surviving son that is the answer. The fewer acute admissions he has, the better his chance of an improved lifestyle and the better his chance of recovery. The more relapses he has the less his chance of recovery. The professionals working in the community have now adjusted to community life. Some have gone. Although I can understand their moving on, it is sad that people who have made enormous contributions have been lost. However, a collective team, including management and the case workers, now works together well to provide the acute support services required.

I have had the privilege of sitting around a family table with a case worker who worked with the consumer as the central person — not the father, mother, sister or brother but with the consumer — deciding what was the best way to put a plan in place. How would it work for the consumer? What did the consumer want? Victoria has come a long way when a case worker goes to the person receiving the service and asks in what context it should be delivered. What does the consumer need? How can it be delivered?

At times one is frustrated and thinks that little progress has been made. However, over the past six or seven years the involvement of consumers and carers in the development of policy and progress in mental health has taken a great step forward. It is important to talk to the Michael Leightons of this world who understand how to provide professional services. Although it is important to talk to psychiatrists and psychologists it is also important to talk to the consumers who receive the service and their carers.

Great progress has been made in the quality of the service. The honourable member for Albert Park spoke about the importance of quality assurance in the service and the importance of having a measure by which to ensure that quality service is being delivered.

Victoria has come a long way in a relatively short time. I was first introduced to mental illness and psych services as a parent of someone who was using the services in 1986. Before that I had had a community involvement but that does not give one insight. I have assisted with showering and feeding people but it is different when as a parent you have a vested interest in the services. The progression is a positive sign.

I had the great privilege in 1997 of visiting psych services in the UK. If one wants to ask how Australia and Victoria in particular are travelling in terms of delivering services, one need only visit services in the UK. Acknowledging that Australia still has a long way to go, I came away from the UK with a heavy heart when I thought of the lack of services provided to people compared with those provided in this country.

The things that must be done should be acknowledged but account should also be taken of where Victoria has come from as a source of encouragement to everyone, whether they be professionals working in the field, consumers using the mental health services or parents caring for people with mental illness.

It is frustrating when medications do not work or side effects are so bad that the consumer makes a conscious decision to put up with a psychotic episode rather than face them. If you speak to people about the side effects you begin to understand how they feel. My boys have been through that and have made those decisions. The moment they stop taking the medication you can see a psychotic episode coming on. That is just grist for the mill.

With continued progress and new medication, such as the new Clozaril variety he is now on, my son lives a very fulfilling life working 26 hours per week in the severely intellectually disabled adult field, which we all understand is a very challenging place to work. He works there and enjoys it. He lives independently. He has his own car. It is part of the progress of the delivery of the service. If he had been ill 30 years ago he would not have had that opportunity. We have progressed a long way.

There is a need to address the large percentage of the population that is not receiving any or adequate services. That is happening worldwide; it is not just a Victorian phenomenon. I am involved at the national level. Other states and territories look at Victoria with envy because the document I referred to earlier which was driven by Minister Tehan has provided leadership

for Victoria and has given the state a good framework, but more needs to be done.

Members of the community need to be taken on board so that they start to understand that it is okay to be mentally ill, that mental illness is treatable and that just because you have a mental illness does not mean that you are excluded from society. Unfortunately that is what has happened in the past. There is a need to move on from that so that those people who are suffering can feel part of the community.

Everyone has a collective responsibility to encourage members of the community to get to know people with mental illnesses. People need to be educated that mental illness is very much part of the community. One in five people in Australia have a mental illness. If one applies that statistic to one's own community and to the number of people in neighbourhoods that are affected the vast scale of the situation soon becomes evident. The consequential effect on families, fellow workers and the community at large has a huge impact. It is only now that we are starting to see the mainstreaming of mental health and recognising it as a genuine part of the health system. Although it is a great tragedy that it was not recognised as such years ago, let us just look forward.

For instance, if a member of a family had diabetes or cancer or had been involved in a car accident people would be either turning up at the hospital or at home with flowers, cards, gifts or casseroles. However, in the case of mental illness there are no flowers, cards or casseroles. Why should it be like that? The community has a responsibility to change that so it is possible to say to these people, 'It is okay to be mentally ill and we support you'.

The amendment in the bill deals with quality assurance. I understand the thrust of what the Deputy Leader of the Opposition said on performance measurement. I understand that the measures of quality assurance and outcomes are being continually reviewed and that might be part of the explanation for his confusion in following what is being done. Quality assurance has not been measured in the past. The government is saying to the service providers, 'Here is a sum of money for which you are responsible to deliver a service to your catchment area of, say, 250 000 people. For that we expect a service that provides a quality acceptable to the people who consume that service'. The amendment is part of the action to ensure that happens.

The role of the Chief Psychiatrist is covered in the bill, including the ability to visit services by arrangement or at random and the right to access records when making a judgment on whether a service is being delivered in the way intended by government. That is a positive outcome. It formalises the rights of the Chief Psychiatrist in that officer's role of examining the operation of the various services. The Deputy Leader of the Opposition said it is a small amendment, but without it problems could have arisen because of a lack of a mechanism by which the Chief Psychiatrist could carry out those functions.

The bill also deals with involuntary patients and I will comment briefly on the issue. I will deal with how such patients are handled in the system and how carers are excluded from the discharge planning procedure and access to the Mental Health Review Board, because they do not have an as-of-right access. I would like to see carers given such access. The board can only operate under the guidelines it is given, and it does a great job. I am not criticising the board, but there needs to be a method for involving carers in the making of judgements about when it is right to discharge involuntary patients from an acute centre.

There were many times when my late son was able to pull the wool over the eyes of a psychiatrist, and at times over the eyes of the Mental Health Review Board, yet I knew he was in a psychotic episode. I knew he had the ability to pull himself together and act out a role that he was okay, and he would invariably be discharged. A bit more work needs to be done in that area. As a parent I believe that Victoria has come an enormous distance in its delivery of mental health services.

I pay tribute to those who work in the field. They go about their jobs professionally and with amazing sensitivity, extending care and love to their clients.

The provision of mental health will be enhanced by the bipartisan support for the legislation, which will make for better lifestyles and increased opportunities for people suffering from mental illness. We can enter the new millennium with hope because the framework provides the opportunity to continue to improve services.

Mr LEIGHTON (Preston) — We have come a long way, even in the time I have spent in the mental health system. Given the wrap from the honourable member for Warrnambool, I must say it is a pleasure to follow him in a debate on mental health.

The honourable member talked about the history and condition of some of the larger mental institutions. They were built on hills — leaving aside the idea that the patients were meant to be out of sight and therefore

out of mind — to accord with the view held last century that if the community had to spend money on mental health it should build institutions that would last. It was believed that buildings located in valleys might be subject to flooding but that buildings located on hills would last for 100 years. Unfortunately they were right. Look at Ararat, Beechworth, Willsmere — —

Mr Baker — And Sunbury.

Mr LEIGHTON — Yes, and Sunbury. Mental health funding was originally provided by the Chief Secretary's Department through what was known as the mental hygiene branch. The state provided for mental hospitals and prisons in that way, and there was no great distinction between the provisions for each. For example, instead of having trained, professional psychiatric nurses mental hospitals had warders, who were fined a day's pay if a patient absconded while in their charge. A large part of the problem in mental health in those days was that funding was a state responsibility, whereas general health funding came through the former Hospitals and Charities Commission.

The bill amends the Mental Health Act of 1986, which, along with two other pieces of legislation from that time, is landmark legislation. Before then only the Mental Health Act covered mental health and what we now call intellectual disability, which was referred to in those days as mental retardation. To the extent that patients had any rights at all, that act provided them. In the days of the old mental health authority, you would be given a roof over your head no matter whether you were mad, bad or suffering from substance abuse.

On the other hand, the 1986 legislation separated three distinct areas into three acts — the Mental Health Act, the Intellectually Disabled Persons Services Act and the Guardianship and Administration Board Act. Suddenly, for the first time Victoria had three modern pieces of legislation that dealt appropriately with each of the major areas in the field, rather than legislation that attempted to provide for everything in one hit. Even more importantly, the 1986 legislation contained provisions that safeguarded the rights of the patients, clients or consumers — call them what you will.

Mental health legislation should be approached with two fundamental considerations in mind. The first is the civil liberties of the patient, and the second is the patient's need for treatment. My view, which is not necessarily a popular one, is that there will always be some tension between the two. By its very nature mental illness can leave patients lacking insight, particularly when they are acutely psychotic. Patients do not always appreciate that they need treatment. In other areas of health provision — and to some extent in the legislation — we as a community place a lot of emphasis on informed consent. However, that is not always possible to obtain from a psychiatric patient. The tension therefore is between recognising the patient's civil liberties on the one hand and providing appropriate treatment — whether or not consent is forthcoming — on the other.

The 1986 legislation got it largely right. Of course, over time it will be necessary to continue the finetuning. Any mental health legislation must be examined in light of its providing for deinstitutionalisation. As we deinstitutionalise, we need to provide a range of community supports. A patient who no longer needs treatment in a large mental hospital has certainly not come to the end of his or her need for care.

The single biggest reason why we have been able to return many patients back to the community is the discovery in the 1950s and 1960s of psychotropic drugs. More than anything else those drugs have made it possible to maintain and support people out in the community. Before they were available a diagnosis of manic depressive psychosis was a sentence to a lifetime in a mental hospital.

One of the biggest failures of western society, no matter which political party has been in government, has been its unwillingness to philosophically embrace deinstitutionalisation, using it instead to save money. Many states closed down their large mental hospitals but failed to follow up with the required community support. If we are genuine about it, we must provide appropriate support services in the wider community, and we should expect those services to cost as much as or more than the services provided by the big institutions. Deinstitutionalisation is not the money-saving device that cash-strapped states have treated it as.

Community support services should include the crisis assessment and treatment (CAT) teams, which were mentioned by the honourable member for Warrnambool, day placements and all sorts of housing support arrangements. For a number of years a lot of patients who have been placed in public housing have not been provided with the necessary community support services. That arrangement has had implications for the people living nearby and for the clients themselves. Provision for appropriate arrangements for community support must be at the forefront of any mental health legislation.

The bill deals with quality assurance and the powers of the Chief Psychiatrist and clarifies the powers of the Mental Health Review Board with respect to community treatment orders. The bill also refers to the licensing of ECT premises and community visitors. The honourable member for Warrnambool argued that mental health legislation should have bipartisan support, and I believe it largely has. However, one matter I will take up with the government is the philosophical difference between the regulation of the public sector and the regulation of the private sector. The 1986 act is cumbersome. The definitions of 'approved mental health service' and 'psychiatric service' are different in different parts of the act. For example, the provisions dealing with the licensing of ECT premises embrace the private sector. However, the powers of the community visitors are far more limited and are targeted specifically at the public sector. A different section dealing with the powers of the Chief Psychiatrist contains a different definition of psychiatric facilities.

The Mental Health Review Board was one of the key features of the 1986 legislation. The board was established to scrutinise and independently review the care and treatment of psychiatric patients. As I said, some patients are so seriously psychiatrically ill that they lack insight and need to be admitted and treated without their informed consent. However, if that is to be done, a mechanism is needed to scrutinise and review the treatment.

The introduction of community treatment orders is a good example of Parliament working at its best. The mental health field was slow to recognise the need for community treatment orders so their introduction was driven by members of Parliament in 1986. The amendments to the Mental Health Act were identified as a result of negotiations and community consultation, which in turn led to the introduction of the Mental Health (Amendment) Bill. The purpose of the legislation is to enable patients who meet all the criteria for involuntary admission but who are able to be managed in the community to be released, subject to community treatment orders. The orders require and guarantee that they have some form of ongoing treatment, particularly medication.

When I was first elected as a member of Parliament in 1988 I was concerned to find that although the legislation provided for community treatment orders, in practice members of the mental health profession, including psychiatrists, had been slow to utilise them. From the late 1980s to the early 1990s the use of community treatment orders was driven by Parliament. The legislation has since been amended, and I would have no hesitation in recommending further amendments to clarify the powers of the Mental Health Review Board with respect to community treatment orders.

As I mentioned earlier, the notion of community visitors should be applied to the private sector in light of the licensing of private-sector electroconvulsive therapy (ECT) premises. ECT is a legitimate psychiatric treatment, although there is some doubt and scepticism about it in the broader community. I admit I have not set foot in a ECT suite for more than 20 years, but from my professional experience I can say not only that it is a legitimate treatment but that in some cases it saves lives. An acutely depressed patient, such as a smiling melancholic, can muster enough motivation to suicide, and ECT can be enough to snap him or her out of that depression before it happens.

The bill recognises the importance of ECT, and it is proper to license private facilities; but the bill does not take the next step and provide for visits by community visitors. From my experience the decision to perform ECT in the public sector was made only on clinical grounds. I would be sceptical about decisions to perform ECT in the private sector given the incentive to provide the treatment for the sake of it. In view of the conflicting goals between the need to treat and the obligation to respect the civil liberties of individual patients, it may be necessary to finetune the provisions relating to community treatment orders and the powers of the Mental Health Review Board.

Society has come a long way in providing a range of treatment services in in-patient facilities throughout the community, and in doing so it has come to respect the rights and civil liberties of those who need treatment.

Sitting suspended 6.30 p.m. until 8.04 p.m.

Mr DOYLE (Malvern) — It is with pleasure that I join the debate on the Mental Health (Amendment) Bill. I refer specifically to the contribution of the honourable member for Warrnambool, John McGrath. I know standing orders do not allow me to personalise it in that way, but I recall being in the house when the honourable member spoke for the first time about the illness of his sons and the subsequent family tragedy that ensued. I remember being very moved by his words at that time, as were other honourable members. The honourable member's contribution tonight added to the impetus of his words on that fateful night when he was prepared to bring into this place a private matter that had a public resonance and which he wished to be used in a way that was entirely appropriate in the public domain.

It is easy to say by way of cliché that an honourable member spoke from the heart because he has experience in this area, but in this instance John McGrath also spoke from his head. He gave a very important message: that if we in this place do not understand the level of public conversation that needs to occur about mental illness then nowhere will it be understood. In his contribution tonight the honourable member said, in effect, that at every opportunity we should raise the level of public awareness about mental illness and what we can do to help and understand people who suffer from this illness. I pay great tribute to John McGrath for his contribution tonight.

The honourable member for Melbourne, Neil Cole, has been equally brave in speaking in this place about his understanding of mental illness. The expertise of members such as the honourable member for Preston has added to the general tenor of the debate.

The ACTING SPEAKER (Mr Perton) — Order! The honourable member should now use their correct titles when referring to honourable members.

Mr DOYLE — The honourable members for Preston and Warrnambool both raised important points about our understanding that — in the health portfolio in particular — the demand for services will always outstrip supply, particularly in the area of mental illness. Honourable members should recognise and not shy away from the fact, as the honourable member for Preston said, that there is an unmet demand in this area. Parliament and bureaucracies should not hide from that fact. They should face the issue squarely and do something about it, with what we all admit are limited resources. I welcome a mature debate about how those resources should be applied.

The honourable member for Preston raised the issue of informed consent — a particularly vexed question when dealing with health issues. With mental illness, the level of difficulty is raised considerably. I could take a half hour talking about the concept of informed consent, but I will not do that. I echo the words of the honourable member for Preston about medication compliance, because the role of informed consent is difficult. Who should have that informed consent and when should it be taken from an individual are questions for our most practised clinicians. I do not believe we have yet solved that issue, but as long as we are talking about it and understand the parameters we are improving the quality of the debate.

The honourable member for Preston made an excellent point when referring to psychotropic medications. It is generally not well known in this place or in Victoria that 50 years ago John Cade first discovered that lithium was an appropriate treatment for bipolar mood disorder. That treatment is still used today and is the foremost treatment for bipolar mood disorder. An Australian working at the Royal Melbourne Hospital has helped hundreds of thousands of people throughout the world with this debilitating mental illness. I was delighted that the honourable member for Preston raised that issue.

I take issue with the honourable member for Preston on one point, and that concerns electroconvulsive therapy (ECT). I was interested to hear that he thought his experience of 20 years ago was perhaps out of date. I am delighted to inform the honourable member that he is back in fashion. For many forms of depression, including the smiling melancholic, ECT is one of the preferred areas of treatment. It is a decision not to be taken lightly and the Chief Psychiatrist should have, as he does, a licensing brief over all the facilities which provide it.

I was interested in the honourable member's comment about the private and public facilities. I assure him that there is no difference between them where ECT is concerned. Whether it is the Melbourne Clinic or a public facility, the Chief Psychiatrist must license and audit the facility. If I may use the vernacular, not in a flippant way, it is not possible for staff at any facility to decide to zap a patient without reference to the appropriate protocols as overseen by the audit of the Chief Psychiatrist.

The honourable member for Albert Park raised a number of questions that I wish to address, and I thank opposition members and the Deputy Leader of the Opposition for their support of the bill. The honourable member for Albert Park raised an important point about performance indicators. I agree with part of what he said and disagree with other parts of what he said. The part I agree with is that members of Parliament are here to serve the people, clients and patients who come to us. How do we do that? There are two ways: the first is that we can look at how good the service provision is. One certainty is through key performance indicators, and the second is to look at clinical audit. Any evaluation of a system, whether through key performance indicators or clinical audit, is a look at a jigsaw where no one piece will make up the total picture. A range of pieces is needed to make a reasonable picture. I partly agree with the honourable member for Albert Park that key performance indicators are important, but I disagree that they are the only methods available or that the government is not offering key performance indicators in the area of mental health.

In the past five years, as the honourable member for Warrnambool said, the focus has been on service reform. As the honourable member for Preston said, that is where the government has bipartisan support and a great deal of enthusiasm. That has taken us through five years of the first national mental health plan. The focus has been on reform rather than on the more sophisticated key performance indicators. The main point the honourable member for Albert Park made — I attempted to write it down verbatim — was that without key performance indicators you cannot tell if services are being provided properly. I agree with his central point that that is what must be done, but I disagree that the government is not doing it.

I take the point he made about the fact that there are no externalised key performance indicators in the public arena. The honourable member raised a number of points that he believed were not in the public arena, and I will take up the issue of people from non-English-speaking backgrounds in a moment. To serve clients best one must look at the whole jigsaw, not just individual pieces. I will mention some key performance indicators that are externalised, if only partly, and publicly available.

Firstly, there is a consumer and carer satisfaction survey, which is an annual survey of 5000 consumers and carers, from which is produced a statewide report that is publicly available. The report is not entirely public, I should add; some parts of it are de-identified, particularly about individual services. The overriding point I wish to make is that confidentiality in the area of mental illness is a critical point. The state-wide report is made available each year and individual reports are provided to individual services. That is one key performance indicator that is available both publicly and also in much greater detail to individual service providers.

Secondly, a key performance indicator about responsiveness to specific groups is also available, for example, for people from non-English-speaking backgrounds. When people are acutely ill that is a threatening and worrying situation. When they move into the hospital scenario they may feel unsure, hesitant and threatened. If people have a mental illness all those worries can be exacerbated. For someone from a non-English-speaking background with a mental illness in that setting the threats are exacerbated many times over.

In 1996–97 and 1997–98 the government did the same sort of work on key performance indicators and responsiveness to specific groups as it did with the consumer and carer satisfaction survey across 21 adult services. The publicly available summary certainly contains de-identified individual items for services and individual consumers, but the report on responsiveness to specific groups is a publicly available document for 1996–97 and 1997–98. Those benchmarks are available from one year to the next.

At the moment the government is preparing the 1998–99 report and extending it to the 13 child and adolescent services and 22 adult services in terms of their responsiveness to statutory clients. These clients are some of our most difficult — people in juvenile justice services and under child protection. These are good key performance indicators in a difficult area of service delivery, and that fact should not be shied away from. It is being done as we speak, and my understanding is that the results will be publicly available in the middle of this year.

This year the government is also covering aged persons mental health services, the third great arm of services provided in terms of responsiveness to consumers of generic aged care services — the ACATS teams — and looking at the linkages between the generic aged care and mental illness systems. It will look at the same key performance indicators that might form the basis that the honourable member for Albert Park was looking for. The state-wide summary reports are available. They will be de-identified if they have not already been, and I am informed that by July of this year they will be available and out in the public arena.

The annual report of the Chief Psychiatrist into clinical review, which is available towards the end of each year, touches on clinical review and key performance indicators. Although I substantively disagree with the honourable member for Albert Park that these indicators are not publicly available and are not transparent, I agree that a good deal must be done in the area to ensure that the reports are available year by year to enable performances to be measured.

I turn now to the substance of the bill. It is the second part that the honourable member for Albert Park did not mention. To see how good the government is and how well it is responding to needs, people can look at the services; they provide a very good, first-hand anecdotal view. They can examine the key performance indicators, and I hope the government has shown it has those transparently and publicly available for yearly comparisons.

The system of clinical audit set up through the bill shows the government is meeting the needs of its clients. The clinical audit provisions are impressive. There are 21 areas of mental health services — and that

covers the entirety of Victoria — that have agreed to a rolling process of review. Through the mechanism of the bill the government will set up a quality assurance committee which will consist of the Chief Psychiatrist and approximately 60 eminent people from around Victoria. The Chief Psychiatrist or nominee, and perhaps six people in a team, can do a rolling clinical audit review of any mental health service. Provisions of the bill ensure that in conducting these clinical reviews the Chief Psychiatrist and the team have access to records. The clinical audit will ensure that the government is delivering the best services it can to the clients it is serving. The quality assurance committee the government is setting up and the clinical audit rolling through all 21 areas of mental health services will provide a great second arm in support of what the government is on about.

I believe that answers the points raised by the honourable member for Albert Park. I took down the word 'precisely' — I suppose it is easy when it is a single word — and he commented that the government provides reports sparingly. I have demonstrated that the reports are transparent, they are public and they are key performance indicators.

I know interjections are disorderly, but in response to an interjection along the lines of 'What did you do?', the honourable member for Albert Park said that if we wanted to score political points we could criticise the former government — I suppose in order to distance himself from former Labor governments. We can all get into that political game if we wish to, and I am delighted to be into it.

Mr Cameron interjected.

Mr DOYLE — If you want me to continue, I shall do so, or you can bail out now and be wound free — it is up to you. I am happy to keep going, but I will not respond to that.

The ACTING SPEAKER (Mr Perton) — Order! I remind the honourable member for Malvern that although vibrant and exciting speeches are welcome, chatting to members on the other side of the chamber is not.

Mr DOYLE — I do not know whether I should move a substantive motion in disagreement with the pejorative 'chatting'. I thought that was intellectual discourse at its highest level, and I am sure I would have support from honourable members opposite.

The government welcomes the opposition's support for this very important bill. In some instances very wide-ranging powers are provided to the Chief Psychiatrist because they are necessary to enable the proper clinical audits to be conducted to evaluate in the best and most rigorous way possible the services the government offers to the most vulnerable group in the community. The government is delighted to have bipartisan support in the previous government, the current government, the continuing current government for the next couple of decades, and perhaps the succeeding government, in the reform of the mental health system. The bill will add to the impressive array of key performance indicators and clinical audit filters with which to ensure our services are the best that we can offer.

Once again I thank the opposition for its support and for the very impressive contributions that have been made to the debate so far and for those that will, I am sure, be made by successive speakers.

Mr CAMERON (Bendigo West) — I welcome the opportunity to contribute to the debate on the Mental Health (Amendment) Bill. Those with mental illness suffer enormous trauma and their treatment must be undertaken appropriately and compassionately. The honourable member for Malvern talked about bipartisan support for the bill. It is fair to say that everyone in this house wants those who suffer mental illness to be treated properly. How that is done and the level and appropriateness of the treatment when comparing patients vis-a-vis the general community will always be at issue.

I can certainly give some illustrations from my own community in central Victoria where the issue is extremely relevant. In 1996 the Anne Caudle Centre, a large nursing home in Bendigo, was amalgamated with the Bendigo Base Hospital and the Bendigo Psychiatric Centre. The psychiatric centre was run directly by the government whereas the other two government organisations were administered by independent boards. I had the pleasure of serving on the board of the Anne Caudle Centre. The three entities joined together are now known as the Bendigo Health Care Group.

The amalgamation of psychiatric services into the Bendigo Health Care Group was difficult. There was a period of some uncertainty. There was some unsettling, and certainly the group's board recognised there were problems in the provision of psychiatric services.

Approximately 18 months ago the Chief Psychiatrist prepared a report on the problems of psychiatric services in the central Victorian region. The proposed amendments to the act by which the powers of the Chief Psychiatrist will be strengthened are welcome. The Chief Psychiatrist prepared a comprehensive

report, but unfortunately not all his recommendations were adopted.

In February this year Dr Julian Davis, a new psychiatrist at the Bendigo Health Care Group, undertook a clinical review of psychiatric services in the central Victorian region. In a confidential report that has been leaked to me, he revealed ongoing problems with the provision of psychiatric services. He highlighted the fact that money provided for suicide prevention, which was intended to be spent on a regional basis, was not being spent appropriately. The report prepared by Dr Davis and his subcommittee made it clear that the recommendations of the Chief Psychiatrist that outlying areas be more appropriately dealt with had not been followed. Indeed, in an annexure to the report the staff recommended that suicide prevention money could be more appropriately spent across the entire region.

It appeared that outlying towns in the region, such as Kyneton, Maryborough, Castlemaine, Swan Hill and others towards Echuca, were missing out on vital mental health funds. As you would appreciate, Mr Acting Speaker, the area around Castlemaine is dear to my heart because it is part of my own electorate.

I hope that as a result of this revelation by Dr Davis those funds will finally be more equitably distributed across the entire region rather than being spent on funding central positions in Bendigo, as his report indicated. I mention these things so that the Loddon–Campaspe region — I use the term loosely — will have a strengthening and improvement in mental health services. We want an improvement not only in Bendigo but also in outlying towns. I hope that will be a result of the exposure of this matter in recent times.

I appreciate that it has been extremely difficult for the Bendigo Health Care Group to deliver psychiatric services, and I hope the changes will take place now that Dr Julian Davis is the clinical director of psychiatric services.

I must also acknowledge that one of the problems associated with providing psychiatric services in rural Victoria is getting psychiatrists to move to the country. Mention has been made of the problem of getting general practitioners into remote rural areas. However, there is a bigger problem in getting specialists — particularly psychiatrists — into the country, in part because the nation faces the other problem of just not having enough psychiatrists.

I am pleased that Dr Julian Davis has now taken up his post in Bendigo and I hope that as a result the service will be stabilised and improved.

As I said, everyone agrees with the purpose of the bill, which is to improve mental health services. However, it is one thing to improve the law and yet another to improve services on the ground. We have certainly had problems in central Victoria. I hope we can put some of those problems behind us and look forward to a better service. I wish the bill a speedy passage through the house.

Mr JENKINS (Ballarat West) — I wish to make a short contribution on this important bill. Firstly, I will comment on the Deputy Speaker's emotive address to this house earlier this evening. It was the second such address I have heard from him. Many honourable members will remember his first address some years ago, when he spoke so tenderly and straight from the heart about a situation he has been through.

Mental illness is an embarrassing subject for a lot of people; it is difficult for people to talk about, to address and to face up to. As members of Parliament we must be ever alert to the embarrassing issue, as it is seen by so many in our society. I make no apology for having an understanding about mental health services when I was a young teenager that was quite different from my understanding today. When I was a teenager the people administering mental health facilities did not really know what they were about. I refer to a huge complex in Ballarat that in relatively recent times became known as Lakeside Hospital. In its early days it had all sorts of names, such as the Ballarat lunatic asylum and the mental asylum. More recently it was given the more comforting titles of Lakeside Hospital and Parklands Clinic so that the clients of the services delivered there felt more comfortable with those names.

People's attitudes to the problems associated with mental illness have changed. I know that the attitudes of the people in my community in my childhood were different from the more modern approach that is taken today.

Mental illness has a fascinating history. When it was first established as an asylum, the former Lakeside Hospital was located well away from the goldfields and in the bush right out of Ballarat, behind Lake Wendouree and the swamp. At that time people were sent up there and virtually locked away. History shows that those clients were given some crude treatments. A great change took place under the leadership of the late Dr Cunningham Dax, a well-known doctor who had a lot to do with the reformation of the treatment of mental

patients. Better drugs and treatments are now available and there is a better understanding of mental health by the medical fraternity and the community.

Some time back the former Lakeside Hospital put on an exhibition of the types of equipment used by staff to treat patients. I can tell you that it was traumatic just to see the exhibition, which included canvas gowns laced at the back which were worn by patients to stop them doing damage to themselves before the days of modern drugs. I will not go into the detail of the treatments that took place in those times.

Mental illness puts a lot of pressure on the families and friends of sufferers, and often they are embarrassed about the situation. The treatment and facilities for people requiring mental health services have greatly improved. I am pleased at the great changes that have taken place in my electorate. Modern psychiatric services are now available in better and more modern facilities than the old Lakeside Hospital that was built a hundred years or more ago. Far better treatment is being given to clients by dedicated staff.

The honourable member for Preston has a background as a staff member some years ago in the psychiatric services area. When we were both members of a joint committee that looked into medical research he showed great enthusiasm and paid attention to the activities taking place as we toured mental institutions and research facilities at Parkville and other places. I compliment him on his contribution, which demonstrated his clear understanding of this sensitive subject.

Parliament, the government and the community must be more alert to the issue of mental health and the demands that are placed on those who are involved with it. The amendments provided in the bill will be a big step forward in ensuring accountability in the treatment of mentally ill people. I wish the bill a speedy passage.

Mrs SHARDEY (Caulfield) — I have much pleasure in making a contribution in the debate on this important bill. All honourable members would be aware that mental health illness affects a large number of people in the community. At some time in their lives one in five people in the community will suffer from a mental illness. That does not mean the person will be permanently impaired.

Mr Lim — One in five?

Mrs SHARDEY — That is correct. However, invariably those people are able to be treated and can return to a normal life and the activities associated with work, family, and so forth.

The budget cost to the community of mental services is some $450 million per annum. That figure does not include all the private costs incurred by patients who consult private psychiatrists and private psychiatric units. There is a need to recognise that psychiatric illness is very much a part of society. As pressures on individuals grow in many areas, particularly unemployment and the need to provide for families and so forth, illnesses are often triggered in a way they may not have been in the past. Links have been found between people who have a tendency to mental illness and drug use, which can trigger such illness. I will return to that a little later.

A new framework for psychiatry and the way the state provides for those with mental illness was introduced in 1994. There has been a move away from the stand-alone institutions to the provision of psychiatric services in general hospitals, particularly tertiary hospitals, such as the Alfred hospital, which services my area. Psychiatric patients are also catered for in community-based services, which is a more appropriate setting for treatment and care.

Some years ago a person who was close to my family and whom I knew very well was committed to Willsmere. I was a fairly young woman at the time. I went to visit the person in what was my first experience of visiting a psychiatric institution. It was one I will never forget, because I believe most of the people in the institution were being treated in such a way that they were almost moribund. They were certainly incapable of normal communication and functioning. It was one of the saddest things I have ever seen.

The person to whom I referred, who was close to me at the time and who is now deceased, suffered greatly. He was a manic depressive who required committal when in a manic phase. It took him some six months to recover from such an episode. Today such instances would probably not be seen because people are treated in much more modern facilities and the levels of care are different — the levels of nursing and so forth are such that people receiving treatment do not need to be drugged out of their minds.

I make a favourable comparison with the psychiatric unit at the Alfred, the opening of which I attended. The unit was quite different to what I had seen at Willsmere years before. It was modern, with a garden area where patients — —

The ACTING SPEAKER (Mr Perton) — Order! While I am sure there is amusement at the table, the honourable member for Caulfield is making an important contribution. I ask honourable members to listen to her.

Mrs SHARDEY — Mr Acting Speaker, it is not that I expect people to be riveted by what I have to say, but the topic is serious and deserves some thought at least, if nothing else. I was comparing a stand-alone institution such as Willsmere to the psychiatric unit that has been established at the Alfred hospital. I have inspected and attended the opening of that unit, and I have since been back to visit a patient there.

It is a modern-day facility where patients receive up-to-date treatment and can have a normalised approach to life. Patients who are committed go into that unit where the facilities and level of treatment received ensure that they can return to normal life in a short time.

The provision of mainstream mental health services in the general hospital system has resulted in better monitoring and quality of care. All medical and health services have introduced systems that can be monitored for efficiency and outcome. Given the cost of providing services it is important to audit and monitor the outcome of money spent by the community on those services.

The bill establishes a quality assurance committee to consist of the Chief Psychiatrist and authorised officers who oversee and monitor standards of mental health services. The bill provides for the Chief Psychiatrist to have access to records of non-voluntary patients if it appears that a person with mental illness is not being properly provided for or is endangered. The Chief Psychiatrist has always had the capacity to examine the records of involuntary patients but the bill provides a further power.

The provision is appropriate for several reasons. Firstly, as the Department of Human Services no longer directly provides treatment and care for people with a mental illness it is vitally important that effective monitoring of mental health services be constantly undertaken.

Secondly, the Mental Health Act specifically allows for review and investigation of services in response to complaints, and provides the Chief Psychiatrist, as the primary watchdog in this area, with strong powers. The amendments in the bill provide a structure for quality assurance when undertaking those activities.

Thirdly, the legislative provisions are necessary to secure the cooperation of professionals in quality assurance activities that risk revealing sensitive or personal information about individuals. The sensitivity of those processes is recognised in the various acts by way of confidentiality provisions. The legislation protects disclosed information gathered as part of the declared quality assurance activity. The proposed amendments establish a quality assurance committee and allow for the protections to apply; it is proposed that the committee be appointed as a consultative council under the Health Act.

At the Caulfield General Medical Centre in my electorate a high-quality unit for older Victorians requiring psychiatric care has been established. I refer to it as the Caulfield psychogeriatric unit, although it is probably known by another name. The up-to-date unit provides care for people suffering from such diseases as dementia or Alzheimer's disease, in line with facilities promoted and funded by the government. I have visited the unit on a couple of occasions and found that the level of care is superior to that previously provided at places such as Willsmere. It is part of the general hospital service.

Some years ago my brother commenced his studies in psychiatry in Victoria. He completed his studies in the United States at Rochester, New York. He stayed in the United States to practice psychiatry just outside Washington. He made that choice because at that time Australians were behind in their attitude particularly to adolescent psychiatry, which became his specialty, and to the treatment of patients. He recently returned to Australia to sit for his college examinations, which he passed. He told me that Victoria in particular had improved its level of care and society's attitude towards people who needed psychiatric help had changed enormously; and it was accepted that it was legitimate for people to require psychiatric help during their lifetime without being viewed differently from others. It is recognised that Australia, and particularly Victoria, offers a level of care for people with psychiatric illness that is one of the best in the world.

Recently I visited for the first time Odyssey House Victoria, which focuses on the care and rehabilitation of people who suffer from addiction to drugs, including heroin. I questioned the staff about the proportion of clients who suffer from mental illness. Although I was not given specific numbers, I was told that the proportion was quite high and that there is some correlation between people with mental illness and those who are addicted to drugs.

Odyssey House takes a very holistic approach to the treatment of such people. Once addicts have undertaken detoxification, Odyssey House offers them rehabilitation. Part of that rehabilitation is treatment from the psychiatric unit of the Austin and Repatriation Medical Centre. Clients receive medical help according to their psychiatric state and Odyssey provides an opportunity for them to refocus their lives and rehabilitate completely. Most Odyssey House clients will have a stay of 12 to 14 months during which they can retrain. Odyssey House is setting up training programs so that people can arrange to gain jobs before they leave the establishment.

Odyssey House is also looking at the possibility of some interim after-care arrangement where people can live in an outreach situation in a home where there is some monitoring but more freedom. I spoke to some of the clients at Odyssey House and they could not speak highly enough of the holistic approach taken in treating people for both mental illness and drug addiction.

I turn to the provisions in the budget that point to the focus of the government on the needs of people who suffer mental illness. One initiative is the allocation of $528 000 as part of a four-year, $5.1 million plan to establish a depression and anxiety treatment service to try to combat the high level of undetected depression in the community. The government recognises that a large number of people, particularly young people, suffer severe depression. It is probably not something that the government has focused on previously, but in setting up the program it is recognising that things such as suicide, drug addiction and the inability to live a normal life and seek employment have a cause, and that needs to be examined. Depression is in a sense a mental illness. The government is recognising that a certain mental state, as in the case of depression, can have a serious and drastic effect on a person's ability to live a normal life.

The budget provides around $450 million for mental health. Additional recurrent funding of $4.4 million will be provided to meet the growth in the demand for mental health services. The additional funds will be directed primarily towards community-based services, including clinical mental health services for older people as well as for adults and psychiatric disability support services.

In focusing on the mental health needs of older people, I refer to the psychogeriatric community in Caulfield and the fact that clients will benefit from the additional funding. The additional funds will be used to expand community-based services for treating mental disorders, to augment the number of supported housing places by increasing the home-based outreach support provided by psychiatric disability support services, to meet the growing cost of the more intensive treatments provided by public mental health services to patients, including the increased use of psychotropic medicines, and to increase access to mental health services for aged persons.

Those initiatives and the amendments in the bill demonstrate the government's total commitment to providing appropriate mental health services for Victorians. I commend the bill to the house.

Mr ASHLEY (Bayswater) — I am pleased to join the debate and congratulate the government on the amendments. I consider one of the most important developments in modern society is the development and role of multidisciplinary teams. It seems that the multidisciplinary team in its various guises and applications, which are wide and disparate, is rather like the modern form of what happened in village life before the industrial revolution. If people had problems in those times they could go to not just the butcher, the baker, the candlestick maker or the vet, they could go to all four or five.

Dr Napthine — The vet might have been most successful.

Mr ASHLEY — Indeed. The main point I am getting at is that it was through the shared responsibility coming out of the applying of different skills to a particular individual's needs that those needs could be best met and problems possibly overcome.

In 1993 I went to the Department of Health and Social Security in London to gain a better understanding of its use of multidisciplinary teams in the care of people in the United Kingdom experiencing mental illness in times of crisis. I will not go into the various skills that made up the multidisciplinary team. Suffice it to say my investigations were taking place at the time when the Victorian government was, in the initial part of its period in office, further building up the mobile treatment and support teams and the crisis assessment and treatment teams for people with mental illness in the community. That arose from the response to their needs as they were being moved out of institutions. The health care of those people was being mainstreamed and the endeavour was to give them appropriate community-based care with access to hospitals as and when needed.

A remarkable thing occurred not when I was on the south bank of the Thames across from Australia House speaking with the people in the Department of Health

and Social Security, but rather as I walked back across from the south bank over Waterloo Bridge.

As I swung around and came over Waterloo Bridge I looked below into a vast, open, dry area of concrete. I thought I had stumbled on a scene from a film. In front of me, some 50 metres away, were groups of dishevelled people in what appeared to be an iron-age village under a concrete canopy. I could not work out what was happening. I guessed those people were homeless, but it was only later that I found out they had slipped through the safety net after they had been moved out of United Kingdom institutions into community care. In light of that it was put to me that community care was failing. Any members who have visited the United Kingdom on parliamentary visits will know that at night doorways along the Strand are littered with people, many suffering from mental illness, who sleep there overnight.

Mental illness is no respecter of anyone. It strikes down intelligent people, people with multiple illnesses and people with intellectual disabilities alike. It strikes down people as clever, brilliant and funny as Spike Milligan through to those barely able to speak. The response of the Victorian government over the past few years, built on the contributions of previous governments, has provided a level of compassion for the mentally ill that the Mother of Parliaments has failed to provide. The bill is a further step on that journey.

While I was in the United Kingdom last year I spoke with people at a facility in Essex that cares for adults with intellectual disabilities. They have come to appreciate the move of governments away from being providers of services to characterising themselves as purchasers. The distinction between purchaser and provider is often spoken about as though it is merely an expression of economic rationalism, having no value or significance beyond dollars. As the people in Essex explained to me, in the areas of mental illness and intellectual disability the distinction between purchaser and provider roles enables governments, as purchasers, to step aside and recognise their role for what it is. They become much more demanding about the care given to people in need. As purchasers they have a stake in what is going on, and their role is not compromised by their also being providers. In the past, government have sometimes compromised their standards, their benchmarks and their quality assurance programs precisely because they have been providers as well as purchasers.

There is a strict demarcation between buyer and seller. A buyer of services for the mentally ill has the important role of auditing the provision of services. In their role of purchasers, therefore, governments can apply new and fresh pressure on providers to maintain the best standards, which may, indeed, lead to their becoming international benchmarks.

The bill places the Victorian government, as a purchaser, in the position of requiring organisations that care for mentally ill people to provide the highest quality care and treatment. That is the significance of random audits and the quality assurance committee. Quality assurance audits must be done based on a random selection of records, which would be put at risk if consent could not be obtained from the people providing the care or the people being cared for. The bill provides for a regime that, of necessity, checks whether there is any systemic flaw or continuation of systemic failure. By intervening as auditors and as quality assurers, purchasers can point out deficiencies in the care and treatment of people who are admitted to hospitals voluntarily.

A London doctor commented recently on Radio National about his experience of deep depression. He had not told anyone about his illness until he realised that one of his friends who suffered from appendicitis and another who had suffered a heart attack talked freely about their illnesses. He wondered why he should not talk about his and determined to do something about it. His story brings us back full circle to what the bill is about. The incremental development in the quality of care for mentally disabled people shows the need for them to be recognised as full human beings despite and in the midst of their illnesses. They need to be treated fairly and equitably, but they still run the risk of not being treated as well as they would if they suffered heart attacks or appendicitis, merely because they fall into episodes of mental illness.

Since the government came to office the funds put aside in the budget for the care of people with mental disabilities and illnesses have not decreased. Instead the funds have grown from the first year and every year onwards. That is a remarkable record. It underlines how determined the government has been, even at the most critical point of austerity, to ensure that the care of people with mental illness is recognised.

I commend the bill to the house.

Dr NAPTHINE (Minister for Youth and Community Services) — I thank the many honourable members who have contributed to the debate, including the honourable member for Albert Park — the Deputy Leader of the Opposition — the honourable members for Preston, Warrnambool, Malvern, Bendigo West,

Ballarat West, Caulfield and Bayswater. Their contributions have been significant and positive. Their support for the amendments in the bill are welcome both in the house and within the broader community.

There has been widespread bipartisan support for the continued improvement of services for people with mental illness and their families. The bill reflects an improved attitude to mental illness by both individuals and the community as a whole. Many honourable members would acknowledge the leadership roles the honourable members for Warrnambool and Melbourne played in the change in community attitudes. They used their own personal experiences in a positive and productive way and provided public leadership to change community attitudes towards mental illness.

The honourable member for Preston has also contributed to debates on mental health in a positive and professional way for more than a decade. The contributions made after dinner, including those by the honourable members for Caulfield and Bayswater, have also been significant.

Over the past 10 to 20 years there have been enormous changes in community attitudes and the delivery of mental health services.

Mr Hamilton — There is still a bit to do to change community attitudes.

Dr NAPTHINE — I agree with that. Further work needs to be done but the enormous changes that have been made allow for great hope, and as we move into the 21st century those changes will continue to provide a good base upon which the community can be compassionate and caring toward people who suffer from mental illness or intellectual and other mental disabilities.

In addition to attitude changes, there has been a significant movement away from the institutionalised model of service delivery toward community-based services. There has also been a shift away from bed-based services. People who were hospitalised for only short periods received bed-based services that were traditionally performed in institutionalised settings, such as Royal Park psychiatric hospital, Larundel psychiatric hospital, Hobsons Park hospital in Gippsland or Lakeside psychiatric hospital in Ballarat. People who were admitted for only short periods of time for assessment, treatment and stabilisation were sent to those institutions.

The trend is to have more bed-based services in the general hospital system. Again we are breaking down the barrier of mental illness being seen as a separate illness with a different connotation from other illnesses.

The honourable member for Bayswater said people often talked about their heart disease, cancer or some other physical illness, but most are reluctant to talk about issues relating to mental illness and its treatment. It is significant that society has shifted from institutional care for people with mental illness to short-term stabilisation assessment or having treatment provided in the general hospital system.

There has been enormous growth in the development of community-based mental health services. People are better supported and treated in their own homes, in community mental health services or by visiting treatment services, often with the backup of specialist crisis services such as crisis assessment and treatment (CAT) teams and mobile support and treatment teams. The development of those two service systems in conjunction with a broader base of community mental health services have provided a good framework of mental health services.

The bill builds on the Mental Health Act introduced in 1986, which has guided and regulated the provision of services for people with mental illness in Victoria. It provides for the deprivation of individual liberty where necessary for the treatment of mental illness and where the individual is unable, refuses or is unwilling to accept that treatment.

Amendments to the act in 1995 incorporated into the legislative framework the mainstreaming of psychiatric services into the general health system. That has been an enormously positive move and is well received in the community. Additionally, the 1995 amendments identified new service delivery options which gave greater emphasis to community-based services and involvement by the private sector. The increased emphasis on community-based services and the incorporation of the private sector into the management of mental health services have been steps that have been welcomed by the community.

A number of mechanisms in the principal act ensure appropriate monitoring and review of the powers to detain a person voluntarily. Many honourable members spoke of the role of the Mental Health Review Board, which has distinguished itself as being an effective body in providing for that careful balance between protecting individual freedoms and appropriately depriving individuals of their liberty to provide treatment when necessary.

The bill provides special investigatory powers to the Chief Psychiatrist who has responsibility under the act for the medical care and welfare of persons receiving treatment for mental illness. The amendments clarify and strengthen the powers of the Chief Psychiatrist. They make explicit reference to the quality assurance functions of the Chief Psychiatrist and authorised officers and link the current investigatory powers in the act to the exercise of those functions. Honourable members welcome the improvement of the quality assurance functions. The amendments are intended to strengthen the monetary and review mechanisms of the act, thereby ensuring its continued relevance and effective operation.

The Mental Health Act was groundbreaking legislation when introduced in 1986. At that time there was agreement on both sides of the house — and I give due credit to the government of the day which introduced the legislation. Since then there have been further amendments to the act and this government can take credit for building on the work of previous governments to ensure that our mental health system is probably the best in Australia, if not among the best in the world.

I trust there will be continuing bipartisan support as the government continues to develop the system. It should be recognised that while Victoria has a good system and there is significant improvement in community attitudes, there is still further work to be done. It is incumbent on all honourable members to provide leadership in the community to ensure it is more tolerant and understanding of people with mental illness and that it is better prepared to assist those people lead independent and high quality lives in the community. The government is committed to that process through the legislative framework. It has an ongoing commitment to provide the necessary resources to support those people with mental illness, their carers and families.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

STAMPS (AMENDMENT) BILL

Second reading

Debate resumed from 22 April; motion of Mr STOCKDALE (Treasurer).

Mr MILDENHALL (Footscray) — As can be seen by the current state of the chamber, debates on stamp bills are not debates that attract maximum attendance or attention. However, honourable members should not underestimate the significance of the Stamps (Amendment) Bill which relates to the collection of stamp duty. The amount of revenue collected by the state is significant: the combined income from stamp duty on vehicle transfers, insurance, property, marketable securities and land transfers is more than $2 billion.

Significant state revenues attract the attention of the legal and financial fraternity, some of whom are charged with the responsibility of creating loopholes in legislation and others, perhaps with greater moral standing, who are charged with closing the loopholes and ensuring there is consistency and a sympathetic treatment of members of the community who have difficulty meeting their obligations.

The bill can be put in the category of a bill designed to effect annual maintenance of the legislation. It does not make a major renovation, and it is not a legislative greenfield site. The greenfield site will emerge if and when the ill-advised GST legislation comes through from the commonwealth. However, a renovation is probably due on at least an annual basis. Today the Treasurer introduced another bill to amend the Stamps Act, so the maintenance is carried out on a very regular basis.

The bill is straightforward and the opposition supports the measures contained in it. It attempts to remove inconsistencies and loopholes and provide in some cases for a more sympathetic application of duty. The bill reinstates a liability to duty of changes in a beneficial interest in real estate and amends land rich provisions. It widens the definition of instalment receipts and improves document return systems to deal with overpayments. It provides a minor extension of the family farm exemption.

Mr W. D. McGrath — A good thing, too.

Mr MILDENHALL — In minor measure, but one cannot make a welter of these things. Some would wish that were so, but there must be limits on family farm exemptions. The bill reduces the duty payable on taxis that are converted for wheelchair access, which is a commendable measure. It attaches new residential criteria for duty on life insurance to ensure consistency of treatment and provides for greater consistency in the treatment of duty payable on insurance policies containing the fire services levy.

The bill is reasonable. In some cases it is performing urgent maintenance and in other cases it is simply sensible preventive maintenance. Some amendments are the result of the identification of a potential for avoidance practices. An example is the strengthening of land rich provisions to ensure that conveyance duty will not be able to be avoided through the transfer of shares in a company. Another example is the provision that allows the Commissioner of State Revenue to calculate the duty payable on transfers of shares by adjusting the share value of the company to include assets sold prior to the sale of shares, to stop companies reducing their stamp duty by entering into arrangements involving the selling of assets prior to the sale of the company. There are complicated manoeuvres involved in such dealings that must be anticipated and jumped on.

Other amendments remove the potential for overpayments of duty. God forbid that that might occur! There should be no overpayment of duty because the Treasurer sucks enough taxation revenue out of hard-working individuals and businesses in the state. It is important to ensure that duty is not overpaid or that double duty is not paid. Adjustments provided for in the legislation include the inclusion of refund and offset provisions for stamp duty paid on dutiable documents, insurance premiums and TAC charges; changes to the mortgage refinancing provisions of the act to include as collateral mortgages, mortgages stamped under the law of another state or of a territory of the commonwealth; and the provision of a new nexus for life insurance duty to be the domicile of the insured at the time the policy is issued. The amendment also shuts down a possible avoidance practice. It is intended to clarify the nexus between a domicile and the responsibility to pay duty.

Probably the principal and most urgent amendment has been made necessary as the result of a Court of Appeal decision in *Chief Commissioner of Stamp Duties (NSW) v. ISPT Pty Ltd*, which was handed down on Christmas Eve last year. It was certainly not much of a Christmas present for ISPT.

Mr W. D. McGrath interjected.

Mr MILDENHALL — By way of interjection the Minister for Police and Emergency Services has asked for the identification of ISPT. For his edification I have a copy of the judgment here if he would like to peruse that. There does not appear to be any greater detail on what ISPT stands for.

The amendment introduces provisions in the act to reinstate a liability to duty of changes in beneficial interest in real property after a possible avoidance tactic was discovered. The measure is retrospective to 4 January 1999. Normally one would be wary of retrospective tax legislation, which has a fairly spectacular history in Australian political debate, but to his credit the Treasurer issued a press release on Monday, 4 January alerting the community to the intent of the government to amend the bill and close off the loopholes. Due process was followed.

The bill includes further changes to improve the consistency and equity of treatment under the act. They include changes to mortgage refinancing to ensure that a number of emerging commercial situations are exempted, and exemptions of assignments of leases of residential property, together with the exemption for leases of residential property. As conditions change in the property industry in particular the legislation must remain consistent and be able to cope with new situations.

I referred to the reduction of stamp duty on taxis which are converted specifically to provide wheelchair access and which have not previously been registered. That will provide an average saving of $1500 per vehicle and is a welcome step. It may provide an incentive to get more vehicles on the road. A number of aged constituents of mine find it difficult to access day therapy and other social and therapeutic opportunities because of a severe shortage of wheelchair access vehicles. Any sensible and sympathetic move such as this is welcome in my part of town.

The eyes of the Minister for Police and Emergency Services lit up at the prospect of an extension of the family farm exemption from stamp duty to include transfers of primary property from a family-owned company to a relative of a shareholder of a company. I suppose that is effectively a transfer of property and assets from family members to family members. Although that seems to be straightforward, once we move into shareholdings in property trusts, the number of shares held and the relationship between the owner of the shares and the owner of the property, the matter begins to get a little more complicated.

Mr W. D. McGrath interjected.

Mr MILDENHALL — I believe one of the key issues is the number of shares held. To ensure there is consistency and fair treatment the opposition has no difficulty with that provision. However, this is not the first time the exemption from stamp duty for the transfer of family farms has been widened. It seems to come up as a regular issue.

The amendments in the bill are basically housekeeping devices and not particularly controversial. They are welcome, although there is a prospect of major renovations and rewrites of the Stamps Act, particularly in view of the fact that the goods and services tax, if it appears, will replace most, if not all, of those duties. It will be interesting to get a comprehensive and detailed statement about that. Certainly I know, again from talking to my constituents, that despite what they see as being the impost of stamp duty and a tax on business, they regard it as a far more simple and straightforward proposition and a far easier animal to deal with than the GST. When the GST is introduced many small businesses will become tax collectors. They will be required to undertake difficult calculations covering hundreds of transactions and to maintain complicated ledgers in order to survive in an environment where the government — as conservative governments are wont to do — sheds its responsibilities and shifts the role of collecting a basic tax to small businesses as its agents.

I believe there will be an absolute mushrooming or outbreak of avoidance behaviour compared with the relatively straightforward, long-established and predictable stamp duty regime that now exists. The GST will be an absolute nightmare. However, I am sure honourable members will have an opportunity to debate that at greater length when other bills more centrally focused on the new taxation system are introduced in the house.

With those words of warning, but also with the endorsement of the thrust and detail of the bill, the opposition has no difficulty with the measure. It looks forward to further contributions to the debate and to the annual maintenance of stamp duty legislation in the house.

Mr CLARK (Box Hill) — I thank the honourable member for Footscray and the opposition for their support of the bill and also for the honourable member's detailed review of the bill's contents. So far as I could tell, his review displayed the fact that he had examined the bill thoroughly and appreciated most, if not all, its key points. That sort of constructive input in contributions to debates on legislation such as this is most welcome.

The honourable member for Footscray touched on the difficulties relating to stamp duty legislation. However, he contrasted stamp duty legislation favourably with what he thought would be difficulties of administration with the goods and services tax As the honourable member said, that subject will probably be debated at length on other occasions, but I make the general point that the possible taxes available to state governments are very limited and have become increasingly limited over the years.

All honourable members know that at least since the time of the Second World War the commonwealth government has been extending its tax net and almost in an unbroken succession squeezed state governments out of opportunities to raise revenue on a fair and efficient basis. In that respect the move by the commonwealth to introduce a goods and services tax in conjunction with a cast-iron guarantee to return all the proceeds of that tax to the states is a significant improvement in the states' position.

Goods and services or value-added taxes are well known around the world. They are conceptually straightforward and, in this case, will replace the disparate and confused wholesale sales tax structure that currently exists as well as replace a number of inefficient state taxes. Some might ask why it does not go further and replace payroll tax as well. As I believe the Premier said the other day, if that were done, the rate of goods and services tax would need to be much higher than the 10 per cent the commonwealth government proposes. So we will have stamps legislation, payroll tax and various other state taxes for some time. However, the GST should go a significant way towards improving the revenue source position of the states, particularly given the commonwealth government's commitment to returning all the proceeds of the GST to the states.

The honourable member for Footscray referred to this being a maintenance bill in many respects — and he is right. As he said, people seek to avoid stamp duty from time to time and the range of schemes they come up with appear to be increasingly ingenious as time goes on. I had the dubious pleasure of having to turn my mind to the Stamps Act from time to time when I was in practice as a solicitor — although I cannot recall ever having been involved in trying to devise schemes of the ingenuity with which the bill deals.

The bill deals with a wide range of measures that do not have a great deal of nexus with one another. Clause 4 amends section 3 of the Stamps Act 1958 to substitute a new definition of 'instalment receipt'.

It extends the definition to cover instalment receipts connected not only with the issue of shares in entities owned by the commonwealth government, but more generally the instalment receipt approach pioneered by the commonwealth government with some of its partial or total privatisations. It appears that these instruments will now be used more widely. The amendment will ensure that duty is payable on instalment receipts

which, to most intents and purposes, are equivalent to other marketable securities and will pre-empt possible disputes about or avoidance of duty.

Clause 5 deals with a particularly ingenious scheme for the avoidance of stamp duty, whereby a company and its assets are separated prior to or at the time of sale, the intention being to reduce the value of the shares in the company by taking assets and a corresponding amount of equity out of the company, then once the transfer of shares has taken place reuniting the company and its assets. Clearly that will only work where the assets that are separated out from the company are non-dutiable, because if they are dutiable transferring them separately would attract separate duty.

Victoria, unlike other states, is relatively limited with the class of assets on which stamp duty is imposed, so there is potential for companies with large stocks of plant or possibly some forms of intellectual property to undertake that transaction. Clause 5 prevents that by allowing the commissioner, if the commissioner believes such a scheme is going on, to add back in the value of the assets that were transferred out in assessing the value of duty on the shares.

The honourable member for Footscray referred to clause 7 and to a New South Wales Court of Appeal decision involving ISPT Pty Ltd. Like the honourable member for Footscray, I do not know what the initials 'ISPT' stand for, if indeed they stand for anything. I understand the company concerned was a subsidiary of the Coles Myer group. However, the clause provides that if in the opinion of the comptroller the issuing and cancellation or redemption of units is part of a scheme or arrangement for the purpose of reducing stamp duty, that scheme can be disregarded. The issue and cancellation of units in unit trusts is quite a common practice. The government would not want to impose duty on a blanket basis on that issue and cancellation, but where there is a scheme, that scheme should be dealt with.

The honourable member for Footscray touched on the family farm exemption. That is being extended to cover the case where the transferor entity is a company, all the shares in which are owned by natural persons who are relatives of each other. A typical example is where mum and dad's family farm is owned by a company of which mum and dad are the shareholders and they want to transfer the family farm to the children. The transferees cannot be companies, they must be natural persons — in other words, individuals. However, if the land-holder is a company wholly owned by mum and dad, that will not be a bar to the transfer attracting the exemption.

The only other provision to which I will refer is on the stamp duty on wheelchair-adjusted taxis. There has been a growing demand for those vehicles. The honourable member for Frankston has been closely involved with the issue and I understand she will make some remarks on it later in the debate.

In conclusion, the bill makes a range of various amendments to protect the revenue and also to provide some adjustments favourable to taxpayers. The support of the opposition is welcome. I commend the bill to the house.

Ms KOSKY (Altona) — I am pleased to speak on the bill and to support its passage through the house. It is one of the more exciting bills I have had the opportunity to speak on. The purpose of the bill is to amend the Stamps Act by providing a series of minor amendments. Prior to the total rewrite of the stamps legislation, which will be required if a goods and services tax is introduced, the bill will continue the annual maintenance of stamp duty laws.

The bill does a number of things, but I will comment particularly on one area. The bill closes a loophole exposed in a recent New South Wales court decision, amends land rich provisions, widens the definition of instalment receipts, improves document return systems to deal with overpayments, provides a minor extension of the family farm exemption, reduces the duty payable on taxis converted for wheelchair access, attaches new residential criteria for duty on life insurance, and provides for greater consistency in the treatment of duty payable on insurance policies containing the fire services levy. I will address my comments to insurance policies and fire services.

The metropolitan fire and emergency services provide 24-hour coverage for 95 per cent of the area of my electorate of Altona and the Country Fire Authority provides coverage for the remaining 5 per cent. The CFA coverage has a historical base. Originally the area was farming land. Because the area is now a residential population growth area the local council is going through the steps involved in obtaining metropolitan fire and emergency services coverage for it. However, that has real implications for insurance premiums. Residents in the area covered by the CFA pay much higher insurance premiums, for a range of reasons. One is that the areas covered by the CFA are considered to be country areas. Obviously the response times of the CFA, although they are good, are not as quick as those of the metropolitan fire and emergency services, and that affects insurance coverage.

I imagine that quite a number of growth areas in metropolitan Melbourne will be in similar circumstances. The issue came to my attention because of an unfortunate fire that highlighted it as one affecting my electorate. For whatever reason, councils and other people in the area have not been alerted to the fact that some areas attract higher insurance premiums because of their coverage by the CFA. Perhaps that is no longer appropriate. I raise the issue in the context of the intention in the bill to close a loophole in respect of insurance policies that contain the fire services levy. I suggest the issue I have raised is another loophole that needs to be addressed.

As I said, the bill is one of the more exciting bills I have spoken on in the house! I hope my contribution has taken the debate just a little further.

Ms McCALL (Frankston) — Given that the clock is working against us, I will make my contribution brief. It is with some pride that I say I had direct input into a clause of the Stamps (Amendment) Bill. The bill proposes an important change to reduce the level of stamp duty that applies to taxis which have been specifically converted to provide wheelchair access and which have not previously been registered.

I am fortunate in having Frankston Radio Cabs Pty Ltd in Frankston. The company raised the issue some 18 months ago and on 21 August 1997 wrote to me stating in part:

> At the end of June and again in the first week of July we registered two new vehicles for service as wheelchair-capable taxis. At the time of registration we were charged an additional tax of $2700 because the vehicles each cost in excess of $40 000.
>
> Because those vehicles are in fact basic Commodores which have been cut in half and a centre extension added to provide an area suitable for the carriage of wheelchair-bound passengers we believe the additional stamp duty impost to be unfair and unreasonable.
>
> We have written to the State Revenue Office requesting a refund but have been informed verbally that a refund will not be given as the market value of those vehicles is in excess of $40 000 each. As those are special purpose vehicles the market for them is virtually non-existent except for the carriage of wheelchair passengers. In realistic terms their market value is certainly less than the value of the Commodores they started out as!

The changes to the Stamps Act mean that I have achieved something of which I am very proud. I thank the Treasurer and the parliamentary secretary and express my thanks on behalf of Frankston Radio Cabs for their support.

Mr W. D. McGRATH (Minister for Police and Emergency Services) — I thank the honourable members for Footscray, Altona, Box Hill and Frankston for their contributions to the debate on the Stamps (Amendment) Bill. Such a bill is presented annually and provides an opportunity for honourable members to make relevant contributions.

I was interested to hear the comments of the honourable member for Altona about the effect of stamp duty on funding for fire services in her region. I thank her for her remarks which I have taken on board. I will analyse her contribution and examine its relevance.

The honourable member for Footscray was appreciative of a reduction in stamp duty for wheelchair-access taxis, which I totally support.

The honourable member for Box Hill in his usual efficient and professional manner made a good contribution. He assists with the framing of bills for cabinet as part of his duties as parliamentary secretary to the Treasurer. He has a good knowledge of the legislation.

As a former farmer — my son now operates the farm — I appreciate the stamp duty exemption for transfers of family farms. The bill will ensure that young people receive pecuniary interests in family farms earlier than would previously have been the case. The amount of stamp duty payable on the transfer of farming land was prohibitive. Under the probate laws no stamp duty applies when a parent or grandparent dies. The issue now has a greater degree of application for the living.

I appreciate the work done by the honourable member for Box Hill on a matter brought to my attention a couple of years ago. He worked with legal people in the Horsham region and reached an outcome whereby a primary production property in a family-owned company could be transferred to a relative of a shareholder in the company without heavy financial burdens being placed on the family company.

The bill has been accepted by all honourable members and I am pleased to see the Stamps (Amendment) Bill progress through the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

ADJOURNMENT

Mr W. D. McGRATH (Minister for Police and Emergency Services) — I move:

That the house do now adjourn.

Building industry: payment security

Mr ROBINSON (Mitcham) — I raise with the Minister for Industry, Science and Technology in another place my concerns about the vexed problem of security of payment for tradespeople and subcontractors who are involved in the construction industry, and ask the Attorney-General to direct the matter to his attention. I seek an assurance from the minister that he will examine legislation that has been promised in New South Wales on this issue with a view to checking whether it is applicable to Victoria and would offer benefits to Victorian tradespeople and subcontractors.

Some months ago I sought the opinions of tradespeople and subcontractors in the Mitcham electorate on bad debts in the building industry following complaints that had been made to me on a number of occasions. I was amazed by the high level of response from tradespeople claiming that bad debts were a substantial problem in the building industry. It appears to be caused by the existence of pay-when-paid and pay-if-paid clauses in construction industry contracts between the parties.

According to tradespeople I have spoken to, it is not uncommon for them to have to carry many thousands of dollars of bad debts annually, which given their turnover is a severe load indeed. It is also not uncommon for people working for themselves in the trades to be offered many months down the track far less than they are legally owed, the approach being, 'Take it or pursue us endlessly through the courts'.

The New South Wales government has shown great initiative in this area. Prior to the last NSW election Premier Bob Carr — he was handsomely re-elected, and I congratulate him — promised a building and construction industry security of payment bill, which among other things would eliminate pay-when-paid and pay-if-paid clauses. Such a measure would appear to be a great step forward for tradespeople and subcontractors. If nothing else, it would be a commonsense measure.

I seek an assurance from the Minister for Industry, Science and Technology that the government will examine the New South Wales draft legislation with a view to adopting those bits of it that are applicable and will offer great benefits to Victorian tradespeople and subcontractors.

Wangaratta District Base Hospital

Mr JASPER (Murray Valley) — I offer my congratulations to the Minister for Health in another place for his support in achieving a capital works contribution of $15.4 million for the redevelopment of the Wangaratta District Base Hospital that was announced by the Premier when he visited Wangaratta briefly last Wednesday. That is certainly a great result for the Rural City of Wangaratta and for the base hospital that services north-eastern Victoria.

I ask the Attorney-General to direct to the attention of the Minister for Health in the other place the excellent dental health services that have been provided through the hospital for a number of years to people on low incomes. The hospital services an area that has some 30 000 health card holders in north-eastern Victoria. The service was funded for a number of years with support from the federal government to the extent of 50 per cent of the cost of the service across Victoria. However, the federal government withdrew its funding on 1 January 1997. As a result of a $27 million reduction across Victoria the $680 000 normally provided for the service in Wangaratta was reduced by 50 per cent to approximately $340 000.

The withdrawal of commonwealth funding has made it difficult to provide the level of services that has been provided in the past. The Minister for Health made strong representations to the federal minister on the issue, but without success. Difficulty has been experienced in providing continued service to low-income earners in Wangaratta and the surrounding areas. In the past two dentists serviced the area, but that was reduced to one dentist over about 14 months. A second dentist was appointed to the base hospital late last year and the waiting list has since been reduced. Urgent cases are handled quickly, but the waiting time for patients who need a normal check-up is more than two years.

I seek assistance from the Minister for Health for additional funding to improve the dental health services being provided at the Wangaratta District Base Hospital with a view to reducing the waiting list.

Police: Bacchus Marsh station

Ms KOSKY (Altona) — I direct the attention of the Minister for Police and Emergency Services to the manning of the Bacchus Marsh police station. I had hoped the Minister for Sport, who is the honourable member for Gisborne, would raise the matter, but in the absence of any concern about it on his part, I shall do so.

The Bacchus Marsh police station is not manned every second Saturday evening. At present Bacchus Marsh is covered by officers at the Melton police station, which is relatively close — 10 minutes down the road. Under proposed changes to the police regional structure Bacchus Marsh will be working cooperatively with Ballan and Daylesford to cover the night shift every second Saturday. That means every second Saturday night Bacchus Marsh will be covered by the Daylesford police station rather than the Melton police station.

Honourable members who know the area will be aware that Daylesford is at least 55 minutes away by road — and that is on a good night in good weather. It would be quicker to fly into the area, but that is unlikely to happen. The road between Bacchus Marsh and Daylesford is treacherous and would be dangerous for police who were hurrying to get to an area of concern, particularly if the weather were bad. The proposal does not seem to be an appropriate arrangement for the Bacchus Marsh citizens or the police who will be required to cover the area.

The community will not be well served by that arrangement. The police will, as I have indicated, have great difficulty in attending to any problems that arise in Bacchus Marsh as well as those that arise in Ballan and Daylesford. I ask the minister to take action to ensure that the people of Bacchus Marsh have a proper police service that can respond quickly on Saturday nights.

Soldiers Hill Steam Train Society

Mr JENKINS (Ballarat West) — I raise a matter for the attention of the Minister for Transport, who, as we all know, is a very generous minister. I hope he will be generous in this case, too. The Soldiers Hill Steam Train Society, which is a keen and energetic society when it comes to steam trains, wishes to maintain the character of steam trains throughout Victoria. The society has approached me — —

An honourable member interjected.

Mr JENKINS — Yes, they blow the whistle. I am about to blow the whistle for them right now! In November the society proposes to run a train from Melbourne to Mildura, passing through Ballarat. It is intended that it will be the last trip to Mildura by steam train in the 20th century.

The society informs me that the first steam train arrived in Mildura in 1903. The train was driven by Hellfire Bill Hill, a driver of renown, and the society has tracked down some members of his family. They are excited about the idea of a trip by steam train to Mildura, passing through Ballarat, and about joining the other enthusiasts who plan to come along. The society has collected memorabilia from many different sources, included in which are some interesting photographs, among them a photo of the first steam train to travel to Mildura. There are also photos of the construction camps along the line to Mildura, which was laid in harsh conditions through the Mallee sand and scrub.

The society would like the minister, who as I said is normally very generous, to contribute between $2000 and $2500 towards the cost of making a professional video to record the commemoration of Hellfire Bill's efforts in driving the first train to Mildura, which will also be last steam train trip to Mildura this century. I am sure hundreds if not thousands of people will gather along the line to witness the event. I trust the minister will be his usual generous self and contribute to the making of the video.

Neighbourhood houses: funding

Ms CAMPBELL (Pascoe Vale) — I ask the Minister for Youth and Community Services to stop sitting on his hands and start working to inject funds into the neighbourhood house program to ensure the 69 unfunded neighbourhood houses receive coordination funding.

Next week is Neighbourhood House Week, when the 263 funded and 69 unfunded houses will celebrate their magnificent achievements with community members and other participants in their work. In the past few months I have visited many neighbourhood houses throughout the state. I am always impressed by the quality and range of their programs, the mutual support provided by course participants and the sense of community building that the neighbourhood houses achieve.

I refer the minister to a document entitled *Review of Neighbourhood House Coordination Program: Final Report*, in particular to page 26, paragraph 3.4, which contains a table of funded and unfunded neighbourhood houses. It is important that *Hansard* records that many regions have been severely disadvantaged by the

government's ineptitude when it comes to funding neighbourhood houses. Page 26 of the report shows that the Barwon region has 20 funded and 6 unfunded houses — in other words, 23 per cent are unfunded. In Gippsland, 25 are funded and 11, or 31 per cent, are unfunded; in the Grampians, 17 are funded and none is unfunded; in the Eastern region, 42 of the 60 houses are funded and 20, or 32 per cent, are unfunded; in the Northern region, 33 are funded and 11, or 25 per cent, are unfunded; in the Southern region, 49 are funded and 12, or 20 per cent, are unfunded; and in the Western region, 21 are funded and 6, or 22 per cent, are unfunded.

Given that this is budget week, it is important that the minister is informed that the members of the neighbourhood house program are disappointed by the government's inaction. In particular, they are disappointed that the minister is incapable of giving them the funding they so urgently require.

Wodonga: satisfaction survey

Mr A. F. PLOWMAN (Benambra) — I raise for the attention of the Minister for Planning and Local Government the local government community satisfaction survey. In February and March this year all 78 local councils in Victoria took part in a survey prepared by an independent group called Newton Wayman Research. The survey analysed community members' perceptions of how well their councils are going and the extent to which the services they receive relate to the rates they are charged.

I am delighted to see the honourable member for Knox in the house because the City of Knox came second in the survey. I am not one to boast about such things, but I make the point that the Rural City of Wodonga topped the state. The city received a satisfaction rating of 75 per cent, which is exceptional. We all love to hate our local councils, but many councils scored better than 70 per cent.

The Wodonga council's performance provides its sister city of Albury with the incentive to have another look at the benefits that could flow from establishing a single amalgamated structure to administer the Albury–Wodonga region. There are a number of examples of amalgamated administrations working well, including the City of Lloydminster in Canada, which has a provincial border running through the middle of it. That city determines which services it wants to provide and which state laws it wishes to enforce.

Given the popularity rating of the Wodonga council, I ask the minister to ask his New South Wales counterpart about the real benefits of amalgamating the two cities into one council with one administration. Wodonga is the fastest-growing city in Victoria, and if the two cities were amalgamated the regional centre could become the most dynamic in Australia — and given the growth in the area it could be one of the most dynamic in the world. I ask the minister to put the proposition to his New South Wales counterpart.

Newstead youth training centre

Mr CAMERON (Bendigo West) — I raise for the attention of the Minister for Youth and Community Services the proposed location of a new youth training centre.

A couple of months ago there was talk about whether a new youth training centre should be located in Newstead, which caused a great deal of disquiet in the local community. I wrote to the minister on behalf of the Newstead community, asking him to inform me of the location of the proposed new centre. His response was that a decision about the matter had not been made, but he would not give an assurance that Newstead had been ruled out as a possible location.

That response was given some three weeks ago. Now that the minister has had an opportunity to reflect on the matter I ask him to advise the house whether he is prepared to rule out Newstead as a possible site for a new youth training centre.

Knox community health service

Mr LUPTON (Knox) — I raise for the attention of the Minister for Health in another place the announcement in the budget that $3 million will be provided to establish a new Knox community health service. The proposal, which has been on the books for a long time, has gradually taken shape over the past three years. The health service has had to operate from temporary premises as a result of the building program of the City of Knox. The $3 million will be used to establish permanent premises for the service.

The local committee examined a number of sites, including one located behind the City of Knox offices, which are close to the current premises of the community health service, and the site of the former shire offices in Ferntree Gully. The local community came to the conclusion that the site of the former shire offices is the most appropriate on which to establish permanent premises for the service. The former shire offices are some 125 years old and in a state of

disrepair. The procrastination and the chequered history of the site has resulted in the project being delayed while the various departments consider the application.

As the local committee and the members of the local community associated with the Knox community health service have determined that the site from which the former shire operated until 1973 is the most appropriate, I ask the minister to investigate the possibility of speeding up the process. The land has been in the hands of the finance department for some six years. Given that the department does not know what to do with it and that the Knox community health service wishes to use it as a permanent site for the new centre, I ask the minister to give the matter his urgent consideration.

Camp Reefton

Ms DELAHUNTY (Northcote) — I raise for the attention of the Minister of Education a serious matter concerning schoolchildren being denied the benefits of attending Camp Reefton, near Warburton. Children have been denied the benefits of attending the camp because of a secret rezoning that allows land that was previously state forest and used for education and recreational purposes to be used for deer hunting.

The secret rezoning has had two alarming consequences. In February a young man was accidentally shot while walking his dog on land that was previously considered by residents to be state forest and, therefore, not able to be used for hunting or shooting. The tragedy set off alarm bells not only for local residents, who are fearful about where they can and cannot walk, but also for school and youth groups around Victoria who have been using the facilities at Camp Reefton for more than 20 years.

In response to the information that the land has been rezoned and therefore is a hazard for students and residents, 12 schools have cancelled their student excursions to the camp. Many of those schools will not enjoy a school camp this year because they cannot make other arrangements in such a short time, and perhaps they would not choose to because, as I said, Camp Reefton has had an enviable reputation in providing appropriate facilities for schools. Not only the residents but also the schools did not know about the rezoning.

I ask the minister to urgently investigate the disadvantages faced by schools because of the rezoning and to identify how many schools have been denied camp excursions. I also ask him to take up the matter with his colleague the Minister for Conservation and Land Management and request from her a moratorium on deer hunting in that area of the former Yarra state forest.

I urge the minister to ensure that the decision on the rezoning is revoked so that schools can have returned to them a safe Camp Reefton. I ask the minister to supply the information to a public meeting at Warburton Art Centre tomorrow evening.

Mount Baw Baw road

Mr ANDRIGHETTO (Narracan) — I raise for the attention of the Minister for Roads and Ports in another place signage on the Mount Baw Baw tourist road. Over the past few years tourism on Mount Baw Baw has gone ahead in leaps and bounds, with some exciting developments on the mountain. For many years it was considered the poorer cousin among alpine tourist areas and to a certain degree it was neglected by the then Alpine Resorts Commission.

As I said, during the past few years tremendous improvements have been made, not least being the introduction of the full reticulation of power and gas to every lodge and facility because the telecommunications company Ozstar required power for its transmitter. A new board of management appointed by the minister has assisted in the many improvements made on the mountain, particularly with planning.

Last week I had the pleasure of accompanying the Minister for Roads and Ports when he officially opened the last remaining section of road to be sealed. Three years ago log trucks used 33 kilometres of terrible unsealed road that had significant ruts, holes and corrugations. Now for the first time people visiting the mountain will be able to drive all the way to the top on a sealed road.

The upgrade of the road and the new infrastructure have resulted in an increased number of visitations to the mountain. Last year the number of people travelling to the snow increased by 50 per cent and there was a significant increase in the number travelling to the top of the mountain during the summer. In addition, during the past two years general usage of the mountain has increased fourfold.

Unfortunately the signage on the road leaves a lot to be desired. The signs that were erected some years ago are now no longer suitable for a sealed road. I have had a complaint from a resident who observed a car leave the road on a bend near the Alpine Trout Farm at Noojee. I ask the minister to consider whether the current signs can be improved.

Fulham Correctional Centre: Vietnamese prisoners

Mr LIM (Clayton) — I raise for the attention of the Minister for Corrections the absence of culturally appropriate staffing at the Fulham prison at Sale and I ask the minister to address this anomaly.

During the parliamentary recess in February I visited the Fulham prison with some prominent leaders of the Vietnamese community, including church leaders and two newspaper editors. The visit was made because of the ongoing concern in the Vietnamese community about the conditions in which their youngsters are serving terms in various prisons throughout Victoria. The Fulham prison has a population of 600, 86 of whom are Vietnamese. They comprise a staggering 14 per cent of the prison population, yet not a single professional or ancillary member of the prison personnel speaks Vietnamese.

The concern I raise is reflected in the report released last October by the Catholic Commission for Justice, Development and Peace, which called for the government to respond to the specific needs of Vietnamese prisoners. The delegation with whom I was visiting the prison also remarked on the absence of Vietnamese interpreters.

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

Responses

Mr W. D. McGRATH (Minister for Police and Emergency Services) — The honourable member for Clayton referred to the Vietnamese population at Fulham prison. He said that 86 of the prison population of 600 were of Vietnamese origin. I do not doubt that, because I have visited the prison a number of times and I have noted the high population of Vietnamese. It is unfortunate that they find themselves in prison, perhaps partly because of the difficulty they have in assimilating into a new community. They pay a heavy price by incurring a prison sentence.

All honourable members would acknowledge that our prison population resides in far superior accommodation than was provided 10 or 15 years ago. Unfortunately, if we allow too many Vietnamese prisoners to congregate together in one prison they are difficult to manage, so it is important to break them into smaller groups and allow them to engage in the many rehabilitation programs available. I was encouraged that some Vietnamese prisoners in the Bendigo prison were studying English as a second language in the TAFE education facility at that prison. The same is happening at Fulham. The authorities are encouraging Vietnamese prisoners to develop better English-speaking skills. I know the facility buys an enormous number of TAFE hours and is trying to encourage the prisoners to be involved in industry as well. If the honourable member can provide in writing some of the details that he did not have time to speak about tonight I will address them in due course.

The honourable member for Altona raised policing at Bacchus Marsh. She was correct in saying that there have been changes to regional boundaries in the statewide management model, which allows for the delivery of local priority policing. The state is being split up into five regions and I have some difficulty coming to terms with the relationship between Bacchus Marsh, Melton, Ballan and Daylesford as she has outlined in her contribution, because Bacchus Marsh and Melton will continue to be in region 2.

I note from the map that has been recently released by the Victoria Police that Bacchus Marsh will be a district headquarters and will have a rank of inspector, which I do not think it has now. From that point of view policing probably will be upgraded at Bacchus Marsh. Its relationship with Ballan, which is not very far away, should be good. The honourable member made the point that Bacchus Marsh and Daylesford are probably too far apart. I understand that comment and will bring it to the notice of the chief commissioner on her behalf.

This is a positive step forward for the Victoria Police. It will ensure good customer service is provided in law enforcement. The statewide management model and the new concept of local priority policing will produce positive outcomes as Victoria maintains its position as the safest jurisdiction in the nation. Having a commander in charge will give each of the five region areas greater autonomy in managing both manpower and budget allocations. That will result in a better response at the local level through the local priority policing concept.

From that point of view, the issues raised by the honourable member for Altona may be a little ill-founded but I will consider them. I see some positives for policing across Victoria through the new regional boundaries and the statewide management model, which will give greater priorities locally to policing.

Mr MACLELLAN (Minister for Planning and Local Government) — The honourable member for Benambra raised the possibility of the New South Wales government agreeing to Albury–Wodonga

becoming a single city with a single administration. Victoria has supported that proposition and, in doing so, has been largely supported by the Wodonga community. The rejection of that idea by the New South Wales minister, who seems to have trouble communicating at such a distance from Sydney or sensing any of the local interest in having a single city administration, produces some tensions and difficulties. I know it is difficult for the New South Wales government to approach the subject of restructuring local government and preparing it for the next century, as Victoria has done. It has been a difficult process but has been achieved with great local government cooperation.

It is a Victorian municipality, a city that is split by the river state boundary. As a single community it would be vastly better off with a single administration. Outstanding responses were received from the cross-section of people whose opinions were sought on the performance of the Wodonga Rural City Council. It has been one of the great success stories in local government in Victoria. That makes it more difficult for the New South Wales government to approach the issue. It would probably feel more comfortable with the idea of Albury taking over Wodonga. I suppose some of the difficulty arises because there is a certain amount of jealousy of the good progress made in Wodonga and the predictions that clearly suggest that in the early years of the next century Wodonga will overtake the population of Albury. Wodonga will be the new expanding and vital community with Albury being left perhaps a little behind. Rather than having one leading the way and one being left behind, it may be better if both communities were recognised as a single community, with one set of laws, one administration, and one representative government at local government level.

The New South Wales government needs to bite the bullet and make decisions about the Hume shire and the Albury council area, and in cooperation with the Victorian government and the Wodonga community make the necessary decisions about establishing a single city. The government has long supported and continues to support that view. I will raise the matter again with the New South Wales government. For the sake of tact, I will not mention it in terms of the success of the Wodonga community but in terms of the good sense it makes for that single community to have a single administration representing the whole community on both sides of the border.

Mrs WADE (Attorney-General) — The honourable member for Mitcham raised for the attention of the Minister for Industry, Science and Technology in another place a matter relating to bad debts in the building industry and asked in particular whether there could be a better system for the security of payments to subcontractors. That has been an ongoing problem for many years. I imagine every member of Parliament has come across examples where subcontractors have been unable to obtain payments from a contractor, notwithstanding that the clients would have paid the moneys to the contractor.

I understand from the honourable member that legislation dealing with the problem has recently been introduced or passed in New South Wales. I know that in years past a number of propositions have been put forward in Victoria, most of which have had disadvantages as well as advantages. I will certainly pass the proposal on to the minister and ask him to examine the New South Wales legislation.

However, I suggest that a bit of self-help would not go astray in this area. It is incumbent on people employing building contractors to make appropriate inquiries about the record of building contractors prior to engaging them. I also suggest that subcontractors could assist themselves by making some inquiries. I further suggest that the building industry organisations, the Housing Industry Association and the Master Builders Association, could also provide some assistance by investigating complaints against their members to ensure they do not continue to have members who are consistently creating problems for either clients or subcontractors in the industry.

The honourable member for Murray Valley raised a matter for the attention of the Minister for Health. He congratulated the minister on providing additional funding for the Wangaratta District Base Hospital but pointed out there are some problems with dental services in Wangaratta. Those problems are a result of the federal government withdrawing funding for dental services in January 1997. It is a further example of the problem in our current federal system, where the federal government has the money and the state government provides the services. Unfortunately, over recent years the federal government has withdrawn funding from a number of areas. I was pleased to see in the budget that funding that had been withdrawn by the federal government for legal aid will be replaced by state funding to ensure a sufficient level will be available to provide legal aid to people in need who require legal services in Victoria.

This is an ongoing problem, and it is particularly irritating when as happens frequently the federal government provides money for pilot programs but at the end of two or three years withdraws that funding,

suggesting that it should be replaced by state funding. The only solution to the problem is a better tax-sharing arrangement between the federal and state governments. All honourable members should support the current proposals for a reform of the tax system.

The honourable member for Ballarat West raised an issue for the Minister for Transport relating to the Soldiers Hill Steam Train Society proposal for a steam train to run from Melbourne to Mildura through Ballarat as the last steam train of the century and to celebrate the first train of the century which apparently ran on that route in 1903 driven by a person by the name of Hellfire Bill Hill. The proposal was for funding for a professional video of the proposed excursion, and I will pass that proposal on to the Minister for Transport.

The honourable member for Pascoe Vale pointed out that next week is an important week — that is, Neighbourhood House Week. She referred to the review of neighbourhood houses that has taken place, but she was not particularly specific about what sort of action she requires. Neighbourhood houses have always been supported by this side of the house. The first neighbourhood houses were established under a Liberal government and they have the support of the current government.

Unfortunately during the period of the Labor government a number of neighbourhood houses were established, many of them without funding, and many of them without consideration of whether some areas were overserviced and others underserviced. My understanding is that the review considered that issue as well as the level of funding and how it could be provided on a more equitable basis. I am sure the Minister for Youth and Community Services has that aspect under control. However, I will pass on the comments of the honourable member for Pascoe Vale.

The honourable member for Bendigo West raised for the attention of the Minister for Youth and Community Services an issue about a possible youth training centre at Newstead. Apparently three weeks ago the honourable member was told that no decision had been made. I am sure the minister will inform him if and when a decision is made.

The honourable member for Knox raised an issue regarding new premises for the Knox community health service, which I understand has received additional funding of $3 million in the budget. My understanding is that an appropriate site has been found and the honourable member for Knox would like the minister to investigate whether the process could be speeded up. I will pass that comment on to the minister.

The honourable member for Northcote raised a matter with the Minister for Education regarding Camp Reefton, which is near Warburton and apparently is used for excursions by schools around the state. I understood the honourable member to say there has been a rezoning of the land, which she described as a secret rezoning, which strikes me as highly unlikely. The honourable member wants the matter brought to the attention of the Minister for Education. I would have thought it is a local government issue, so perhaps the wrong minister has been chosen. However, I will pass the matter on to the Minister for Education and he can decide to whom the matter should be referred.

The honourable member for Narracan raised a matter of signage on the Mount Baw Baw tourist road. I will pass his comments on to the Minister for Roads and Ports.

Motion agreed to.

House adjourned 10.44 p.m.

Thursday, 6 May 1999

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

PETITIONS

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

Racial discrimination

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

The humble petition of the citizens of the state of Victoria sheweth:

Racial abuse and discrimination is prevalent throughout Victoria. Such discrimination strikes at the very fabric of our society. As instance we cite the ongoing campaign of racial vilification, death threats and attempts on life directed against Captain Frank and Elisabeth Staberhofer of Captain's Lodge International Motel and VIP Restaurant.

Your petitioners therefore pray that the government immediately launch an investigation in relation to occurrences of racial abuse and vilification generally and in respect of Captain Frank and Elisabeth Staberhofer particularly. This inquiry must focus on the effectiveness of such avenues of recourse as are open to victims of racial discrimination. It must also focus to halt the abuse immediately, to exonerate the parties concerned and to compensate them for their hideous suffering.

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

By Mr HAMILTON (Morwell) (9 signatures)

Catchment management authorities: levy

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 we strongly object to the Kennett government's introduction of another state tax, through the introduction of a catchment management levy.

Your petitioners therefore pray that the Kennett government reverse its decision to allow the catchment management authorities to levy taxes.

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

By Mr HAMILTON (Morwell) (107 signatures)

Laid on table.

PAPERS

Laid on table by Clerk:

Crown Land (Reserves) Act 1978 — Section 17DA, Order granting under Section 17D the variation of an existing lease to Albert Park Golf Management by Parks Victoria.

Wonthaggi and District Hospital — Report for the year 1997–98, together with an explanation for the delay in tabling (two papers).

SHRINE OF REMEMBRANCE (AMENDMENT) BILL

Government amendments circulated by Mrs TEHAN (Minister for Conservation and Land Management) pursuant to sessional orders.

Second reading

Debate resumed from 22 April; motion of Mrs TEHAN (Minister for Conservation and Land Management).

Ms GARBUTT (Bundoora) — On behalf of the opposition I am pleased to support the bill. Although I had an amendment prepared for the committee stage, I have not circulated it because it duplicates one of the minister's amendments. I make that point because I wanted to ensure, one way or another, that the amendment would be available to honourable members.

The opposition supports the bill because it broadens the powers of the Shrine of Remembrance trustees and allows them to undertake work to develop the undercroft of the shrine. The bill also puts into place some changes to the membership, operating powers and arrangements of the trustees, which have been sought by the Shrine of Remembrance trustees.

The shrine has a significant and respected place in the history of this state. It has come to symbolise our respect for those who fought and fell in the wars in which this country has been involved. The shrine has developed as a symbol of respect from the state. According to an article in the *Age*, its history dates back to a public meeting in the Melbourne town hall in 1921, which was presided over by the Lord Mayor, Sir John Swanson. The meeting was held to commemorate the 114 000 Victorians who served in World War 1 and the 19 000 who did not return from that war — a huge number, considering that Victoria was such a small state at that time. The meeting agreed that a fund would be established. The Melbourne City Council and the then government each contributed £50 000 to build what would become the Shrine of Remembrance.

The fund was then open to public subscription, and the people of Victoria raised £150 000, which was a huge effort, remembering that the 1920s and 1930s were prior to and during the Depression — the worst of times — when people simply did not have enough money to make ends meet, let alone have any to spare. The amount raised reflected the importance that Victorians attached to that proposal.

Building of the shrine began in 1928, and it is interesting to read that it faced some opposition at the time. Among others, the Returned and Services League (RSL) saw it as a waste of money, according to the *Age* report, because Australia was going through the Depression. It favoured something more utilitarian such as a hospital. Nevertheless the people of Victoria saw it as a significant and worthy project and contributed a remarkable amount of money for those times.

The shrine was opened by the Duke of Gloucester at 11.00 a.m. on Remembrance Day, Sunday, 11 November 1934, when the shaft of light fell from the dome upon the Stone of Remembrance. Those who have witnessed that sight know what a wonderful feeling it is, and the design has been constructed to allow that to happen. On that day 28 000 servicemen marched through the streets of Melbourne, 300 000 people assembled at the shrine, and tens of thousands lined the streets. That was a great tribute from the people of Melbourne and Victoria to our World War 1 servicemen and women.

However, the real strength and value of the shrine, and the attitude of Victorians towards it, is shown by how it has changed over the years to include other wars in which Australians have fought. It has now become a memorial for all men and women who have served overseas, not only in World War 1, but also World War II and wars since then.

It is reported in the *Age* article that in 1953 the forecourt and statuary were added at a cost of £120 000 in memory of those who fought in World War II. Then in 1978 a simple memorial wall and garden costing $205 800 were put in place to commemorate post-World War II conflicts, including the wars Australians have participated in since then, in Korea, Malaya, Borneo and Vietnam.

The shrine's position in the hearts of Victorians has meant that it represents our respect and appreciation for those who fought in all the wars this century, so it is a special place, and one that last week's Anzac Day services showed is growing in respect. The reports from the last Anzac Day service reveal that more people than ever are attending, and that many of these are young people, so the Anzac Day ceremony at the shrine has come to represent a very broad range of feelings indeed. The day has come to symbolise a lot of things about our nation that we wish to respect and honour.

The bill will allow for some changes at the shrine. Several years ago when works were undertaken to fix the terraces of the shrine, rubble and materials were removed from the undercroft, and that area is now vacant. The trustees have plans to develop some galleries of remembrance, and they have received federal funding of $5 million from the Federation Fund for those works.

It is not often that I quote the federal Treasurer, but his press release of 22 September 1998 announcing the funding describes how the money will be used to depict:

> ... the way Australian servicemen and women lived while operating against the enemy ...
>
> By the maximum use of interactive displays and modern audio and visual techniques — soundscapes, touchscreen videos and walk-through displays — visitors will have a life-like total experience.
>
> Special rooms will be set aside for lectures, further explanations and use by schools and tertiary institutions. The auditorium will show films relating to wartime on a continual schedule and be used for public lectures.

The shrine already attracts 300 000 visitors per year, and the proposed developments will add to the attraction.

The bill gives the trustees the power to develop the undercroft area, as the current act allows only for maintenance of the shrine and the grounds.

The bill also provides for the restructure of the trust by reducing the number of trustees. The eight trustees will be the chairman, the Lord Mayor or a councillor, a representative of the RSL, for the first time a representative of Legacy, and four members appointed by the Minister for Conservation and Land Management. Those four appointees will have the expertise needed by the trust to undertake the large proposed redevelopment.

An issue relating to the chairperson of the trust has been addressed by the minister's amendment, which provides that the chairperson will be:

> a person nominated by the minister, who has been engaged in service or duty as an officer or a member of the naval, military or air forces.

Therefore at least half of the eight members of the new trust will be former service people, which is important given the nature of the background of the shrine.

The trustees will be given extra powers to allow them to develop the undercroft, to employ people to carry out that development, and to charge a fee for entry into the undercroft area but not to the rest of the shrine, access to which must remain free to all. The bill also allows for the appointment of life governors, who will assist the trustees with their extensive ceremonial activities throughout the year. The opposition is pleased to support the amendments to the act.

It is interesting to note that $5 million of the funding for the galleries of remembrance has come from the federal government. I would have thought the minister would have taken the opportunity in her second-reading speech to offer some state funding for the project, but she was silent on that point. The minister will have another opportunity to do so when she sums up; I will be listening for that.

The bill also recognises organisations of importance to the Shrine of Remembrance, including the Melbourne City Council, which, as I said, was the original proponent of the shrine at the first meeting about it in 1921. The inclusion of the Lord Mayor or his or her delegate as a member of the trust is another important recognition of the ongoing role of the Melbourne City Council and the contribution it continues to make to assist the trust.

The bill also provides recognition of the work of the RSL which is an important organisation in my community as it is in all Victorian communities. My local RSL group has put a lot of money into the local community, and members attend the Anzac Day dawn service and march each year. Their work is well recognised by the bill.

It is also worthy of note that the work of Legacy is now recognised by the appointment of a Legacy representative as trustee. My own family has benefited from the work of Legacy, as have the majority of Victorian families over the years. It is an organisation that does wonderful work without much recognition. I am pleased it has received that recognition in the bill.

The opposition is pleased to support the bill, and wishes it a speedy passage through Parliament.

Mr McARTHUR (Monbulk) — I welcome the support of the opposition for the bill. As was mentioned in the house during the previous week of sitting, it is pleasing that nowadays the opposition is supporting much of the legislation proposed by the minister. I welcome the opposition's pleasant change in attitude and its support of practical and reasonable bills.

The bill is a small measure that will be very important to many people for the simple reason that the residents of Victoria, and Australians as a whole, hold very dear the memory of what the men and women of Australia did for them during various wars and conflicts.

I will briefly outline my personal reasons for being protective of and respectful to that memory. My wife was, I believe, the first child born in Belgium after the war to Jewish survivors of concentration camps. In recent years she has spoken at dawn services about her origins, her feelings of gratitude and respect for the efforts and sacrifices of the allied servicemen and servicewomen, and the gratitude that members of her family felt when they were released from places such as Auschwitz and Bergen-Belsen as a result of the efforts of those servicemen and servicewomen.

My father and his two brothers served during the Second World War, and between them covered all the major arms of the military service. My father served in both the army and the RAAF; his brother Angus served in the army; and Jack served in the navy. Therefore I approach with much hesitation any bill that proposes alterations to arrangements for the shrine, which is a fitting and well-respected tribute and memorial to all the men and women who have served in Australia's armed forces since the Boer War.

The reasons for the bill are twofold. At the outset it must be acknowledged that the bill has been developed at the request of and in consultation with the Shrine of Remembrance trustees. They have been closely consulted in the drafting and development of the bill, and they initially proposed the bill's substantive parts.

The honourable member for Bundoora has mentioned the major purposes of the bill and the reasons for the trust's interest in developing the undercroft, which was cleaned out recently when the shrine was refurbished. In household terms, the undercroft is the basement section of the shrine. It was full of builders' leftovers, bits of rubble and such things. When it was cleaned out the trustees saw its potential for use as a museum, in effect. They are very keen to implement their plan to develop what they seek to call galleries of remembrance and so establish a permanent display of memorabilia of all the theatres of war from the Boer War on in which Victorian men and women have been involved.

As mentioned by the honourable member for Bundoora, the trustees have already received

considerable support from the federal government to assist them with that project. The trustees have received a grant of $5 million from the Federation Fund and have applied to the Community Support Fund for a similar amount. The balance of the capital cost of the program will have to be raised by the trustees themselves. They may do that in whatever way they see fit, such as seeking sponsorship or raising money from public subscription. Although they have considerable support for the capital cost of the project, there will also be recurrent costs associated with any such program and the trust proposes that it be allowed to set admission charges to the galleries of remembrance to help cover those costs. The current ballpark estimate of the cost of running and maintaining the galleries is $1 million a year.

The legislation is required because although the trust is keen to develop the galleries of remembrance and has the responsibility and power to maintain and preserve the shrine it does not have the power to alter or improve anything at the shrine. The bill will provide the trust with the power to improve the undercroft. The power will be limited to the undercroft as is defined in the early part of the bill and as will be defined in a plan of survey to be approved later. The public and former serving personnel can rest assured that although the bill will provide the trust with the power to make alterations and improvements, it applies only to the undercroft and not to the above-ground areas of the shrine with which the general public is familiar and which many visit for the dawn service on Anzac Day. As the honourable member for Bundoora has said, some 300 000 people a year now visit the shrine.

The bill also provides the trust with a number of other powers. It will allow the charging of admission fees to the undercroft area once it is developed but will not allow any form of admission fee to be charged for the normal public areas of the shrine. For the first time the trust will have the power to employ staff. That option has previously not been available to the trust and has not been required. Once the undercroft and the galleries of remembrance are established staff will be needed to maintain those areas, to undertake guide duties, provide explanations and assist visiting members of the public.

The bill also provides the trust with the power to delegate its powers to perform any of the duties required to one or more of the trustees, to staff or to appointees. It will also give the trust the power to appoint governors. Governors are required because many ceremonial duties are performed at the shrine at various times of the day throughout the year. Traditionally those duties have been undertaken by the trustees, but the task is becoming increasingly onerous. Given that the trust is to be restructured the burden on the new trust members is likely to be too great and the power to appoint governors will assist the trust to deal with the ceremonial duties.

The bill implements the suggestion of the current trust that the trust be restructured. It is proposed that current trust membership of 14 trustees be reduced to 8, to be made up partly of representative members and partly of people with experience and expertise. The chair of the trust will be appointed by the Governor in Council following the recommendation of the minister and will be a person with some military experience. The Lord Mayor of the City of Melbourne, or his or her nominee, will also be a member of the trust. Traditionally the Lord Mayor has carried out that role, and I hope and imagine that that tradition will continue. The City of Melbourne has a long and proud tradition of supporting the shrine. I do not expect that that will change.

As the honourable member for Bundoora pointed out, the Returned and Services League will recommend to the minister that another trustee be appointed — again, a person with military service — as will Legacy. It is fitting that those bodies should have the opportunity to recommend to the minister suitable people for appointment to the trust.

The other four members of the trust will between them have expertise and experience in a range of areas, including administration, business, finance, marketing and public relations. That is necessary because in the future the role of the trust will be expanded to cover the administration and management of the galleries of remembrance that may be developed in the undercroft. The bill provides the opportunity for but does not guarantee the development of the galleries of remembrance. Whether the galleries are developed will depend on the trust's ability to raise the required capital, a good deal of which has already been allocated by the federal government. For the project to proceed the trust will need to satisfy itself, firstly, that it can raise the required capital, and secondly, that it can continue to manage and operate the galleries of remembrance.

The bill requires that each year the trust provide a business plan to the minister, who may with the approval of the trustees provide a copy of the plan to the City of Melbourne. The requirement for the submission of an annual plan will involve the normal procedures set out in a range of legislation governing committees of management and boards. The bill will allow for reasonable comments by the minister about the content of the plan and consideration of the comments by the trustees. The trust will be subject to the Financial Management Act and in common with a

range of boards and committees of management across the system will be required to present an annual report.

The operation of the shrine involves many ceremonial duties. The bill provides for any person who holds office as a trustee immediately before the commencement of the operation of the act and who is not reappointed to the new trust to be made a life governor of the shrine. It also provides that a person who is currently a member of the trust and who takes a role on the new trust, and who later retires, will also become a life governor. The appointments recognise the excellent service provided by people who currently serve as members of the Shrine of Remembrance Trust. They will be allowed to continue performing ceremonial duties at and maintain their association with the shrine. It is a fitting tribute to their past efforts and a good way of ensuring the continuation for as long as possible of their long association with the shrine.

This is a very sensible piece of legislation, which will ensure the protection of a Melbourne icon, held very deeply in the hearts of people across Victoria. It is also a sensible way of making the shrine more important to people in the future by providing young Victorians and visitors to Melbourne the opportunity to visit the galleries of remembrance and learn more about the service given by those men and women who served us so well. I wish it speedy passage.

Mr ROBINSON (Mitcham) — I am pleased to support the Shrine of Remembrance (Amendment) Bill. The shrine is a significant monument in Melbourne and ranks as one of the two or three outstanding landmarks in this city. I do not know the visitation statistics but I suspect that probably more people per year visit the shrine than any other attraction.

Mrs Tehan interjected.

Mr ROBINSON — The figure is 300 000 a year, is it? That would put it in the top two or three attractions in Victoria. The shrine has significance beyond being a tourist attraction. Its purpose is to commemorate the deeds and efforts of Victorians over many years in defending the country abroad.

The shrine's busiest day of the year is Anzac Day, and the crowds start gathering early in the morning. This year I had the opportunity of taking some people from the Mitcham electorate to the shrine for the dawn service. It was a moving experience. The dawn service is becoming more popular with each passing year.

Numerous benefits will flow from the use of the undercroft area at the shrine, not the least of which will be the capacity to offer a greater range of displays, information and interactive material for visitors and, especially, younger Victorians. That is to be commended. Some time ago the federal government produced an interesting booklet subtitled *The Australian Corps in France, 1918*. It is an example of the popularised history emerging about the contribution made by Australians, particularly in the First World War. It is easy to read but provides substantial detail with a great array of photographic material of the many different campaigns that Australian troops were involved in during 1918 under the command of General Monash and other great Victorians.

The book is interesting also because it refers in some detail to the different campaigns involving battalions raised on a state-by-state basis, particularly in the first and second world wars. There were something like 60 battalions in the Australian corps in the last year of the First World War, and a number of them were almost exclusively Victorian. For example, the 24th battalion, which my grandfather had the opportunity to serve in, was involved in the last great infantry action in France in 1918 which culminated in a three-day battle in the town of Montbrehain on 5 October.

The redevelopment of the shrine will allow Victorians to be informed of, to remember and to celebrate instances like that. The efforts were outstanding and the legacy of the Victorians who served in France is well recalled by people in France today. The deeds of the soldiers in those early battalions are not forgotten.

A number of unit associations use the shrine throughout the year for their annual gatherings, and I note that the 24th battalion has an annual pilgrimage to the shrine in September. The shrine is used throughout the year for this purpose, and its redevelopment will facilitate and enhance that usage. Members of the 24th battalion wore the colours of white and red, and it was commonly referred to as the blood and bandages battalion, so high was the rate of casualties in its early days in World War I.

My only comment on the mechanics of the bill is that its provisions allow for the Lord Mayor of Melbourne to be represented on the Shrine of Remembrance Trust. That is appropriate, given the significance of the city council's role in supporting the activities of the trustees over many years. However, there is nothing in the bill that deals with the possibility of the removal of the Melbourne City Council. It would be a pity if there were no representation from the council. I have looked through the bill and I am not certain whether a trustee appointed by the Melbourne City Council would be

allowed to continue should the council be dismissed by the state government.

There are provisions for other people to be appointed in addition to the trustees from time to time, and someone from the council could be appointed in that capacity. The council's role is substantial, both traditionally and currently, and it deserves to have a trustee rather than someone in a more peripheral role. I raise that issue for the minister's attention.

The opposition does not want to make a big argument about the rights and wrongs of sacking councils. This is not the occasion to do that. However, the Premier has indicated that he reserves the right to review the council's performance and does not shrink from dismissing councils if he does not think they are up to scratch. As I said, I raise that matter for the minister's attention and hope we get a commitment that the council will be represented in the form of a trustee regardless of what happens to the council over the next few years.

With those comments I support the bill and wish it a speedy passage.

Mr E. R. SMITH (Glen Waverley) — It is with a great deal of pride and delight that I support the bill, which obviously has bipartisan support. It is a bill that goes to the heart of Australianism. The design of the Shrine of Remembrance is unique in the world. It is interesting that there is no indication or sign nearby to show that it is the Shrine of Remembrance: visitors just learn it is the shrine. That is part of the magic of the place when visitors first come into it. In comparison to similar memorials in many other places, such as those in Whitehall and Sydney, the Melbourne shrine has a special magic.

In war cemeteries such as the one at Kanchanaburi, where the bridge over the River Kwai was, or the one in Changi in Singapore, there are rows of simple crosses indicating that this is a burial place, even though in many cases that is not where the victims are buried. The crosses might show Private A, 17 years; Private B, 19 years; a very elderly corporal, 21 years; and a very elderly sergeant, 23 years. Walking through a war cemetery gives a sense of the significance of the sacrifices made for Australia by thousands of young men and brings to mind what they died for. Because of them we enjoy a freedom today from the dictatorships and authoritarian governments that could have been imposed on us.

The minister should talk to those in charge of the galleries of remembrance about a central theme focussing on youth, because it is the young people who have recently been captured by the spirit of Anzac. They can easily identify with young men who gave their lives for them. That is the reason why thousands have been attending the dawn services, the marches and other services in suburbs such as Glen Waverley, where 800 to 1000 people attended or the 6 a.m. service in Mount Waverley where 400 attended. Young people are identifying with Anzac Day. There could be a theme for youth in the galleries of remembrance.

The honourable member for Caulfield suggested that the mothers who were left behind should also be identified in the galleries of remembrance. Years ago I was involved in work on dioramas at the War Memorial in Canberra. The community wants to assist the new shrine trustees and such ideas should be considered. Mr Tony Beddison was head of the Australia Remembers campaign in 1988. Many people looked to Tony or the person visiting Parliament today, Major Peter Thomas, who worked with Tony on public relations work, for advice. Such people should be used in the new organisation. It is important that the minister chooses appropriate people for this task.

I turn to whether there should be an admission charge to the shrine. I have no problem with such a charge. There could be some form of sponsorship, but not commercialism. Perhaps sponsors could be listed on the program that is given to visitors. We do not want commercialism such as that associated with Optus Oval, but the program that is handed out could have, for example, 'CUB' at the bottom. There should be no advertising on the walls of the galleries. Taxpayers should not be funding such an entity. The RSL can raise money and we all stand on railway stations during Anzac Week to raise funds for the Anzac cause. Entry to most of the war memorials, cemeteries and so on that I visit is free. I have no ideological objection to a fee being charged but it is a matter that the minister may wish to consider.

The themes in the galleries of remembrance should be about youth, the mothers who stayed behind or the females who worked to support the men in the field. People such as Mr Beddison should be considered when appointing governors. The bill provides time to reflect on what we are about, our history and the sacrifices that were made by the young men in those days. It will help bring together our history to ensure that the memory will not only be long lasting but also be part of the Australian way of life.

Mr BAKER (Sunshine) — I strongly endorse and support the intentions of the Shrine of Remembrance (Amendment) Bill. We all have problems in deciding

how to strike a balance between glorifying war and remembering the bravery of those who fought for our country across a series of wars. My own family, from the last count, has lost seven men in the Great War and in the Second World War. They are buried at Lone Pine, Crete and in the Coral Sea. Some of those who returned had their lives destroyed. The cost and the pain of that to our family is still carried on into present times. Family names died out because of war, names of original settlers in Australia six or seven generations ago. Those names have been totally wiped from my family's history.

The other day I had to talk to students at Sunshine Secondary College and there was a sea of faces that were not Caucasian in the main. I was the last speaker and I was thinking about what to say. I said that I wondered what had happened to a fellow I knew called Bobby Morton who was the sook in the block where I grew up and was often belted around the head by the local bully. Bobby was brought up by a couple of maiden aunts in a bush mining town and people thought that was strange. When he was called up for service during the Vietnam war we all thought that was rather funny. When he returned from Vietnam six months later they put him in the back of a utility and drove him down the main street and everybody cheered Bobby Morton. He had no legs because he had been shelled by our own troops. I wonder how he spent Anzac Day and whether they put him in the back of a utility again. I suspect they did. He is two or three years younger than I, and I now wonder how he spends the rest of his time.

I suggest, with respect, that in remembering war we should also remember the other aspects of it, not only the glory and the contribution of those who served but the suffering of those who returned and the effect on their families, because it is never the politicians who are killed in the wars! In electorates like mine one does not see many military crosses on the honour boards because most of the people from those electorates who fought were not officers. The majority of those who won medals were of the officer class. I should like to see in a modern display in the undercroft of the Shrine of Remembrance some weighting paid to that and to the contribution in particular of women who have only recently been given due recognition for the role they played in the armed services, both on active service and working at home.

One of my grandmothers worked in the munitions factory with many other women rolling bullets for the war effort. She had to bear the consequences of all the men, husbands and sons being away at war for periods of up to five or six years, some of whom when they returned were never the same again because of the horrific circumstances they experienced. Her first husband spent three to four years at the Somme and when he returned he was never the same. He put up his age to go to the Great War. Her second husband, who put his age down to go to the Second World War, fought in Balikpapan and Tarakan. This lady lived through the experience of two wars with children to care for in difficult circumstances.

I endorse the remarks made by the honourable member for Glen Waverley and in particular his reference to the excellent work of Mr Beddison in recent times. I could not think of a more ideal appointment for that board without presuming to tell the government what it should do. Persons of that calibre would be welcomed by all sides of politics.

It is a good bill and a worthwhile thing to do. I commend it.

Mrs TEHAN (Minister for Conservation and Land Management) — In closing the debate, I thank all honourable members who contributed and those who would have liked the opportunity but were denied it due to the time restraints of the house. I especially welcome the opposition's support for the bill. It is good that it will be passed with the bipartisan support one would expect.

The bill was developed from a proposal by the trustees themselves. Approximately two years ago the trustees asked me to consider the size and composition of the trust. It was seen to be large and unwieldy. For example, no arrangements had been made for the retirement of trustees. The trustees had seen the changes made to the Melbourne Cricket Ground Trust in the Melbourne Cricket Ground (Amendment) Bill and thought it appropriate to review the trust administering the shrine in the same way.

Further stimulus was provided by the need to develop the undercroft. A Federation Fund grant of $5 million was made towards the development of the shrine undercroft and further consideration was given to what legislation was required. It became obvious that the trustees did not have the power to plan for development of the shrine per se — the act provided only for its administration — and further powers were needed to enable the development and operation of an undercroft. It was decided to use the bill to address the deficiencies in the 1933 act.

The honourable member for Bundoora addressed the role, history and development of the shrine, as did other honourable members. The Shrine of Remembrance Site

Bill was introduced in 1933 by the then Premier and Treasurer, Sir Stanley Argyle. The second-reading speech states:

> This is a bill intended to provide for the permanent reservation of a site for the monument known as the Shrine of Remembrance which has been erected, but not yet completed, under the supervision of a body known as the National War Memorial Committee ...
>
> The building is, in the words of the late Sir John Monash, the greatest structure in granite that the world has ever seen. There has never been a building, in any part of the civilisation known in this world, the equal of this in solid granite, and it is fitting and proper that Parliament should put the care of the shrine in the hands of some responsible people ...
>
> It will always be accessible to anybody who desires to enter. There will never be a charge for admission, or anything of that kind which will make it a money-making concern. It is the property of the people of Victoria, and this bill is designed solely to place in responsible hands for all time the matter of its care and maintenance.

Those objectives and that vision for the shrine were restated in the contributions of honourable members today. The only difference is that the new legislation adds to the responsibility of the trustees for the care and maintenance of the shrine — the operative words at that time — a new responsibility for its development, and especially for the development and operation of the undercroft.

The bill clearly restates the intention in the 1933 act that there should be no charge for admission to the shrine. If and when the undercroft and remembrance galleries are developed a charge for entry to them will, however, be applied.

Contributors to the 1933 debate spoke of the role of the Melbourne City Council and of the lawns and vista. The report of Sir Stanley Argyle's speech states:

> ... it is necessary to have this large area. Trees will be carefully selected and tended, and the lawns will be looked after. The idea is to use a system of watering which will be hidden below the surface. Honourable members will know what I mean. When a tap is turned on, the grass will be watered with concealed sprays. A boy could attend to this.

Obviously the latest 1933 technology was used for the watering system around the shrine. Watering systems are now taken for granted, but at the time it was the latest technology. It will be interesting to see what technology is considered for the galleries of remembrance. No doubt it will be the latest, state-of-the-art, touch-button technology and an advance on any technology of the previous 50-odd years, but it will be no more advanced relatively than the original watering system was in its day.

The contributions have been very positive and I appreciate them. I refer also to the contributions of the trustees themselves, in particular the contributions of two men: the chairman, Mr Peter Isaacson, and Colonel George McKenzie. They formed a small committee to work with Helen Harbison of the Land Victoria component of my department to prepare the legislation. Those three people have worked carefully and have considered seriously all of the proposals that now form part of the bill. They will be pleased with the outcome, including the support of the whole of this house. I place on the record my thanks for the work they have done.

As the honourable member for Monbulk said, $5 million has already been provided by the federal government. There is a proposal under consideration for another $5 million to come from the Victorian government through the Community Support Fund. As the trustees recognise, an important consideration will be the recurrent costs of operating the proposed galleries. Setting the galleries up is one thing, the cost of operating them is another. It is unlikely that there will be a revenue stream to meet that ongoing cost and the issue is one with which the trustees, both current and new, will have to grapple. The balance of capital funding will in all probability be provided through a public subscription of some sort, and probably one not dissimilar to the fund used to raise funds for the building of the shrine in the 1920s and 1930s. The first step was to introduce legislation to allow fundraising that is not provided for in the limited objectives of the 1933 act. That shortcoming is addressed in the bill.

The trust will comprise eight trustees: the chairman, who will be a member of the active services; a Legatee and two Returned and Services League representatives, who will also be people who have seen active service; and four persons appointed for the skill and experience they can bring to the development of the undercroft galleries as well as to maintenance and care of the shrine.

I thank the current trustees, who have done an excellent job in caring for the shrine, a Victorian icon. As honourable members have suggested, the shrine holds a very special place in the hearts of Victorians. The trustees who are not to be reappointed will become automatic life governors. It will be an ongoing and real role involving the protocols and ceremonial duties that are associated with the shrine. I am sure that the new trustees will follow on in the spirit of past trustees, in the spirit of the debate on the 1933 legislation and in the spirit of the debate on the bill today.

Motion agreed to.

Read second time.

Ordered to be committed later this day.

APPROPRIATION (1999/2000) BILL

Second reading

Debate resumed from 4 May; motion of Mr STOCKDALE (Treasurer).

Mr BRACKS (Leader of the Opposition) — I am pleased to speak on the Appropriation (1999/2000) Bill. Tuesday's budget was not a plan for Victoria; it was a plan for an early election. The commentators say that and members of the public know it is the case. It is an election bribe that will disappear overnight if the government is re-elected. The government will return to form if re-elected. It will go back to being the same old government — cutting services and privatising whatever is not tied down.

In his rush to offer pre-election bribes the Treasurer has forgotten ordinary Victorians who are suffering under high taxes and charges, poor health services and overcrowded classrooms. The Treasurer's last budget encompasses his vision for Victoria: schools with insufficient teachers, hospitals with insufficient nurses or cleaners, police stations manned by insufficient police.

I am not churlish. Breaking from the tradition of shadow Treasurers I am prepared to accept that the budget contains some good initiatives. The Eastern Freeway extension and the Princes Highway upgrade, including the Hallam bypass, are long overdue. The emphasis on science, engineering and technology is welcome.

But where is the plan to restore service in Victoria? No plan exists to reduce Victoria's hospital waiting lists which have blown out under the Kennett government. There is no plan to ensure that hospitals are kept clean. There is no plan to reduce class sizes and there is only a half-baked plan to improve community safety and increase police numbers. The budget lacks a plan for the real issues that affect all Victorians.

The Treasurer said that the budget was one of social advantage. Listen to the words — 'social advantage'. He was not referring to social fairness but to 'social advantage'. However, the reality is that the budget will advantage some Victorians and disadvantage others. According to the Treasurer the budget makes up for seven years of austerity and provides a social dividend. Instead, it is a budget that provides a dividend for some — that is, those who are already advantaged in Victoria — but it continues to ignore the majority of people in the state.

The budget marks out the difference between the Labor Party and its opponents. The Labor Party stands for all Victorians. It is not about social advantage but about social fairness. The government stands for those who are already advantaged. The Labor Party stands for delivering basic services while the government stands for election bribes and hollow promises.

The budget is a missed opportunity. The opportunity to sell the budget has also been missed. In an extraordinary display of petulance and pique yesterday the Premier white-anted his Treasurer. The Treasurer, who is described by some honourable members on the other side as the engine room of the government, should at least have been given one more day to sell the budget. However, the Premier — annoyed at being overlooked, as he often is, and even more annoyed at being regarded as the Treasurer's sidekick — decided to speculate about his retirement. It was a clear and deliberate attempt to move the camera away from the Treasurer and his last budget. What kind of support is that for the Premier to give his Treasurer? The Treasurer knows that the Premier's comments yesterday ensured that he was removed from the front pages of the papers and the Premier was back on them. The Premier knows that by speculating on his own future the Treasurer will not get his day in the sun.

Mr Baker — What a mate!

Mr BRACKS — The dynamic duo. According to the Premier, Victoria is a one-man show, so if another person is in the limelight the Premier will cut that person off. If I were the Treasurer of the state I would be damned annoyed. I would want the chance to explain and sell the budget. I should have thought that rather than talking about his own future the Premier would be more intent on speaking about the plan for Victoria's future, leaving the Treasurer to explain the budget.

The government benches look more like a retirement village than anything else. Ministers appear to be planning their retirement rather than planning Victoria's future. The Premier has joined the queue of ministers and others seeking to leave Parliament.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition does not require the assistance of the honourable member for Swan Hill.

Mr BRACKS — It is best to judge politicians by their actions rather than by their rhetoric. The Premier's comments yesterday indicate his belief that his best days are behind him.

The budget will cut education spending over the next four years. It will also cut health expenditure over the next four years and, as I said, it has a cynical and half-baked approach to community safety. It provides no tax relief for ordinary Victorians. It covers up the real surplus and ditches — —

Honourable members interjecting.

The SPEAKER — Order! The Treasurer was heard almost in silence. I ask that the few members on the government benches who are being disorderly accept that the Leader of the Opposition deserves the same courtesy. That clearly includes the honourable member for Swan Hill.

Mr BRACKS — Education spending will be cut over the next four years, and I will explain that in detail later. Health spending will be cut. The surplus is dodgy, and I will also come to that later. The promise that 1.25 per cent of gross state product (GSP) will be spent on capital has been ditched. The budget goes back to what has been achieved in actual terms — that is, only 1 per cent of GSP being spent on capital.

I turn now to some of the deficiencies. Where does the surplus go? That is not my heading but part of the heading of the table on page 5 of budget paper no. 2: 'Box 1.1: 1999–2000 Budget — Where does the surplus go?'. The table commences with an operating surplus of $6.2 billion and finishes with a sustainable cash surplus of $67 million. That is what the Treasurer would have Victorians believe. Whenever the Treasurer comes in with a surplus there is always a balance figure. It is either capital underspent or some new arrangement he has identified to trick up a lower surplus. There is a new one in the table, called 'economic and financial parameter changes'.

I further refer to budget paper no. 2, which shows the figure for 1998–99 to 1999–2000 as $170 million. That figure is designed to depress demand, so ministers do not get their turn and the public does not get what it wants. I will be fair to the Treasurer on that aspect because a note is attached to the provision stating that the $170 million balancing figure:

> Comprises the net impact of economic and financial parameters (such as wage and price inflation, economic growth and less buoyant property and financial markets) which result in growth in departmental operating costs and a decline in operating revenue. This is partly offset by lower interest costs as a result of debt reduction.

Economic commentators and the Victorian public were not born yesterday. The $67 million sustainable cash surplus is as dodgy as a surplus can get. It is a figment of the Treasurer's imagination and does not match up with reality. If one examines the balancing figures — the amount underspent from estimates to capital, the underestimation of revenue so the revenue figure comes in higher, and the expenditure not spent — one sees the surplus is dodgy and absolutely inaccurate.

In each budget for seven years the Treasurer has claimed the cupboard is bare; yet 12 months after each budget he returns and tells us why the situation is better than expected. Has any honourable member ever seen the actual figures in departmental expenditure for 1997–98? The truth is there are no actuals for that period. There is no evidence that promises in previous budgets were delivered. Every year all the house gets is a series of estimates and later revised estimates. This year a $770 million operating surplus simply disappeared without any sustained boost to expenditure and without any tax relief.

At page 5 of budget paper no. 2 the question is posed, 'Where does the surplus go?'. The answer is that it has disappeared because the Treasurer has done what he has always done and redefined it in his own way to make sure he comes up with the figure he wants. How can we be expected to believe this surplus when the budget contains interest payments of $237 million lower than the previous forecast for 1999–2000? For example, capital spending for 1998–99 and 1999–2000 has been revised down by a massive $738 million — that is, the amount underspent on capital compared with what the government estimated is reduced. Taking in capital and interest payments that have been reduced, the underestimate in the budget on only those two aspects is about $1 billion.

I turn to deal with other matters underestimated in the surplus. What about state taxes? They are $106 million higher than the figure forecast in the last budget. The sale of goods and services figure has been revised upwards by $50 million. The level of underspending across departments was more than $136 million, and the figure for the reduction in superannuation and depreciation expenses was $128 million. Employee entitlements, particularly in health services, were more than $30 million less than previously forecast. Taking in capital expenditure revenue, about $1.4 billion has

not been properly accounted for in this budget, which makes an absolute mockery of the $67 million figure.

We know about the $1.4 billion, but what will the government do with that figure? It will be used for the big pre-election spend-up. The Treasurer has hidden it and the Premier knows about it. Not only is this a dishonest budget in its forecasts and surplus, but it has hidden amounts that will be used for pre-election spending.

I turn now to what is a capital expenditure con in the budget. Prior to his introduction of the budget the Treasurer attempted to convince anybody who would listen that the government had boosted expenditure on capital. Nothing could be further from the truth. We have only to look at the budget papers to realise that. In April 1995 the government set itself a target for capital spending of 1.25 per cent of gross state product. This budget scraps the target. At page 22 of budget paper no. 2 we discover the scrapping of the commitment to capital spending in Victoria. It states:

> An operational target of a minimum 1 per cent of GSP, from 1999–2000 onwards, is now considered to be consistent with the long-term objective of ensuring that the state's infrastructure is adequate to support service delivery and economic growth.

Capital spending has been cut in forward projections, as is shown in the budget. The government has ditched its commitment to a 1.25 per cent spending on capital. In addition, at one fell swoop the budget has revised down expenditure on capital for 1999–2000 by $180 million. Capital spending has been revised down by a staggering $558 million. A comparison of the last budget expenditure on new fixed assets in the general government sector reveals the extent of the downturn. I seek your leave, Mr Speaker, and that of the Treasurer to incorporate in *Hansard* a table from budget paper no. 2 which describes the underspent capital.

The SPEAKER — Order! The papers have been checked with and approved by the Chair and Hansard. That ruling applies so far as the Chair and Hansard are concerned for the other incorporations, but the Leader of the Opposition needs to seek the leave of the Treasurer for each incorporation.

Mr Stockdale interjected.

The SPEAKER — Order! The Treasurer has confirmed that he gives leave to incorporate all those documents.

Leave granted; table as follows:

Comparison of general government sector asset investment

$millions	1998–99	1999–00	2000–01	2001–02	2002–03
Estimated expenditure on new fixed assets (1998–99 Budget)	$1457.9m	$1658.6m	$1804.1m	$1960.2m	
Estimated expenditure on new fixed assets (1999–2000 Budget)	$1278.2m	$1100.6m	$1266.1m	$1355.3m	
Difference	$189.7m	$558m	$538m	$604.9m	

Source: budget paper 2 1998–99, budget paper 2, 1999–2000

Mr BRACKS — I turn to a comparison of general government sector asset investment. When one looks at the estimated expenditure on new fixed assets in the table I have just incorporated in *Hansard* one finds an underspent amount in each year increasing from $189 million in 1998–99 to $604 million in 2001–02. In other words, almost $2 billion has been wiped off Victorian capital expenditure in one fell swoop through this budget.

The budget is no big-spending capital initiative. There was an announcement in the press before the budget was introduced, but the budget discloses that historically the government has underspent by $1.5 billion, and the underspending increases to $2 billion. The government has never met its target, so has scrapped it.

The picture is the same when one examines actual infrastructure spending by the state. That document will be incorporated in *Hansard*, in line with your earlier ruling, Mr Speaker.

Leave granted; table as follows:

Actual infrastructure spending by the state

$millions	1993–94	1994–95	1995–96	1996–97	1997–98
Estimated direct additions to public infrastructure	$1461.3m	$1322.5m	$1434m	$1538m	$1547m
Actual expenditure	$942.4m	$1246.6m	$1,237m	$1,244.1m	$1160.3m
Government underspending on capital	$518.9m	$75.9m	$197m	$293.9m	$387.1m

Source: Compiled by the state opposition from various budget papers

Mr BRACKS — The budget is a con in its underspending on capital. The Treasurer has claimed that more money will be spent on education. If the Treasurer had a vision for Victoria's future he would have set about repairing the damage to our education system. This budget shows there is no plan for education — no plan to improve numeracy and literacy skills in schools or to reduce class sizes. The government has no intention of fulfilling the promise it made at the last election to place 1000 additional teachers into schools.

Instead of supporting them the government plans to close another eight primary schools, according to my reading of the budget documents. Parents with children at Victoria's 560 schools in classes of 30 or more students will condemn the Premier for his failure to ensure a fair go for their kids. While children are dropping out of school at alarming rates the Premier's response is to revise down the targets. The budget offers no targeted improvements for next year.

The commitment to provide 1000 more teachers has not been met. Figures released by the Australian Bureau of Statistics on 21 April 1999 show that as at December 1998 there were 254, or 298 full-time equivalent, fewer teachers in Victorian schools than there were in December 1997. The number of teachers was actually cut! The budget shows that the student-teacher ratio is expected to increase.

For the benefit of the honourable member for Box Hill, who will speak next on the budget, I refer to page 27 of budget paper no. 3, which shows that the teacher-pupil ratios in schools will increase under performance indicators. It is no wonder the government expects 28 per cent of primary teachers and 36 per cent of secondary teachers to have low morale by 2000 — another performance indicator under the budget.

The government has decimated Victoria's public education system. According to Commonwealth Grants Commission data Victoria spends less on education per capita than any other state or territory — almost 13 per cent below the Australian average — and it appears that less will be spent in the future. The budget shows that spending on education over the forward estimates period is well under the expected level of inflation and takes no account of potential wage increases. Where is the vision? The government has none for education beyond the next election.

In a pre-leak of next week's federal budget I notice that the federal Treasurer, Mr Costello, is looking at a new funding formula for non-government education and an extra boost to education funding in all states. Victoria has one of the worst-funded non-government education systems of any state in category 10 and category 11 non-government schools, essentially the Catholic system.

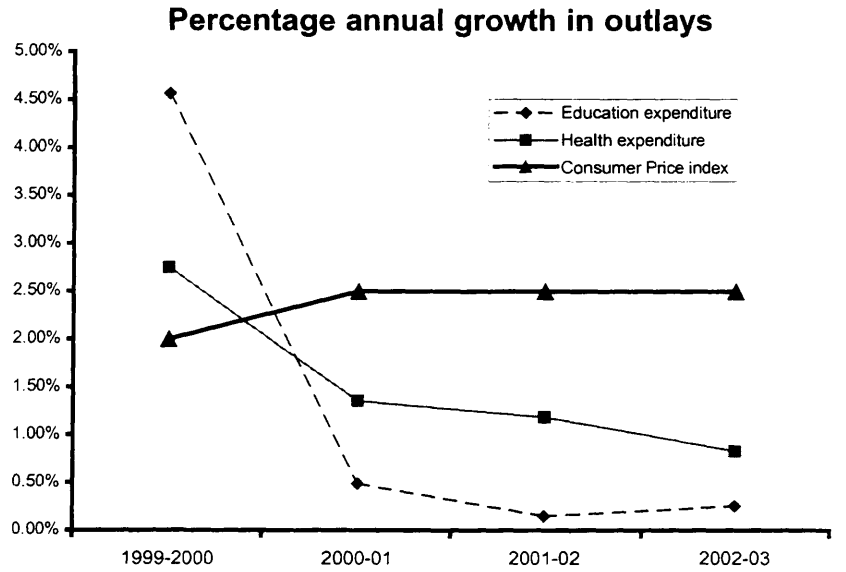
Honourable members interjecting.

The SPEAKER — Order! If the honourable members for Niddrie and Swan Hill want to have a debate they should await their opportunity or do so out of the chamber. They should not interrupt the Leader of the Opposition by debating across the chamber.

Mr BRACKS — The lack of expenditure on health is also a hallmark of the budget. Despite all the pre-budget hype the government has failed to deliver solutions to the escalating crisis in the health system. The budget shows the government has again broken its promise to provide 1000 extra workers in the health system. Page 65 of budget paper no. 3 reveals an $85 million downward revision in employee-related expenses in 1998–99, which means fewer nurses and fewer health workers.

The budget involves real expenditure cuts over the next three years. If inflation and wage movements are taken into account and a view is taken of the years ahead it will be seen that in the future there will be real cuts in education and health expenditure.

Leave granted; graph as follows:



Source: Compiled by the state opposition from information in 1999–2000 budget paper nos 2 and 3

Mr BRACKS — The graph shows effectively that in the years beyond 2000 there will be real cuts in education and health — approximately a 5 per cent cut in the period to 2003. Where is the vision for health? The government has none beyond the next election.

The big winners in the budget are contractors and consultants, to whom funding has increased by 37.8 per cent. Funding for hospitals and schools has been reduced but funding for consultants and contractors has been increased. In each of its past three budgets the Kennett government has claimed it has spent significantly more on hospitals. The reality is less staff and longer waiting lists.

The budget does not do enough to turn around Victoria's rapidly growing crime rate. If the Premier were serious about reducing the crime rate he would have matched Labor's commitment to an extra 800 police. He did not. Instead he went in with a half-baked promise in a half-hearted way. The Premier's political response to a serious community safety issue will not fill the vacancies in police stations, get patrols back on the streets or cut crime.

The Premier's promise is underfunded. On Productivity Commission figures the average cost of employing an additional police officer is approximately $67 000, and if the on-costs, equipment costs and other capital costs are included it works out to about $85 000 per police officer. The government has undercosted and underfunded its promise. The government is talking about providing 400 extra police at a cost of $20 million — something like $50 000 for each police officer when according to the Productivity Commission figures the average cost is about $85 000 per police officer. The government will not meet its commitment of 400 extra police and on those figures will have to cut the number back to 235.

There is no commitment by the government to replace outdated police stations such as those at Preston, Northcote, Seymour and Moe. There is no commitment to provide new police stations where they are needed in places such as Endeavour Hills, Rowville or Diamond Creek. There is no reassurance about police stations that are threatened such as those at Mount Evelyn, Olinda, Croydon or Drysdale. The government has taken a hands-off approach to crime prevention and a half-hearted approach to community safety. The government's proposal goes only half of the way and is underfunded.

The Treasurer made a pre-budget promise that there would be real tax relief. That was everyone's expectation. However, the fine print of the budget reveals that last year Victorians paid taxes and charges to the tune of $220 million more than the Australian average. When examining this year's budget one would have expected the Treasurer would want to reduce that over time. The Treasurer made a commitment when he first came to office that he would seek for Victoria to have something like the average of the taxation rate in other states. At page 157 of budget paper no. 2 it is revealed that Victorian average taxation levels relative to the rest of Australia have not gone down, they have gone up. The level of taxes in Victoria is now $314 million higher than the national average, and higher than it was last year. In the past 12 months taxes in Victoria have increased.

According to budget paper no. 3 actual tax receipts have increased by $106 million more than was forecast. Every man, woman and child in Victoria now pays $84 per person more in tax than the average Australian in other states. That is the amount Victorians are out of pocket under a Treasurer who said he would reduce taxes to the national average. This is the Treasurer's last budget. He is leaving as Treasurer at a time when taxes in Victoria are $314 million higher than the Australian average.

The Treasurer has made great play of the reduction in the rate of payroll tax to 5.75 per cent, which the opposition welcomes. However, because of the inclusion of superannuation charges and the lack of an adjustment to the threshold — the threshold has been kept at the previous level — 2500 Victorian firms are now paying payroll tax for the first time. That is why the Treasurer can bring the rate down. I now refer to the graph on payroll tax liability.

Leave granted; graph as follows:



Source: Compiled from answers to questions on notice nos 742 and 1545

Mr BRACKS — The Treasurer can reduce the payroll tax rate because there are more firms paying the tax. If he were fair dinkum about reducing payroll tax he would have increased the threshold so fewer firms were required to pay. That would have been a real reduction in payroll tax. Instead the threshold has been dropped effectively through the inclusion of superannuation contributions in the calculation of the payroll tax base. There is a great payroll tax con in the budget. I concede that there are some good things in the budget that are welcome, such as road funding and the emphasis on science technology and multimedia. There are also other winners in this budget and I will refer to some of them. The Treasurer and Premier know about these winners — the consultants, contractors, advertising agents and the Premier's and Treasurer's own departments. They are the big winners. If you are an advertiser or a consultant in this state or in the Premier's or the Treasurer's departments you have got a big tick; you have won.

Let me go through that. Consultants: in the budget papers the increase in the cost of supplies and consumables across all government departments is

staggering. On the revised 1998–99 estimates alone there is an unexplained additional $1 billion extra for supplies and consumables. For that, read 'consultants'. I urge the Treasurer or his parliamentary secretary to explain that.

In the Premier's department — here we go again: in every budget everyone else misses out but the funds to the departments of the Premier and Treasurer increase each time. For example, there was a 33 per cent increase in the Premier's budget over the same period that education and health suffered real cuts and they will suffer further real cuts in future. Table 1.3 on page 11 of budget paper no. 3, shows a 35 per cent increase in the Premier's budget for next year alone.

The Premier has also rewarded himself also with an 84 per cent increase in the cost of purchasing supplies and consumables. For that, read 'consultants'. The subheading in the tables in the budget papers is 'Strategic Leadership' and it has an 84 per cent increase. Health and education go down but the Premier's budget goes up.

The Treasurer's own department has done it again. Without any explanation there is a 36 per cent increase in expenses in Treasury over the forward estimates period. I refer the parliamentary secretary to table 1.3 on page 11 of budget paper no. 3, which shows a 36 per cent increase.

That has happened despite claims to the contrary — which honourable members may not remember. When I said that I would cut into privatisation services and the reform unit at Treasury and use the savings to fund some of the Labor Party's initiatives — remember this? — the Treasurer said, in effect, 'Look, you wait until the budget and you will see we don't have any allocation for privatisation services and nothing for the reform unit'. Well, let's look at the budget! The Treasurer said there would not be any forward estimates, but the reality is that over the next year $40 million will be spent on privatisation services and $42.9 million will be spent on reform services.

Honourable members interjecting.

Mr BRACKS — When the Minister for Finance was asked about this matter yesterday he said he did not know what it was about and that we should refer it to the Treasurer. We will do that. We hope that the parliamentary secretary to the Treasurer will explain the matter. We all know what it is about. We know why the $80-odd million is in the Treasurer's department when he said it would not be — it is there for the next stage of privatisation.

The Treasurer can leave after his last budget. In the meantime he can say what he likes in the full knowledge that if the government happens to be re-elected it will privatise water and hospitals in this state because the government is totally obsessed with privatisation. We have to ask why there is $80 million in the Treasury budget in the two units of privatisation and reform if the government does not plan further privatisation. The senior staff and consultants are there; if the government does not intend to further privatise, why provide funds for it?

Labor will cut that funding in future and use the money for other priorities. The Treasurer said it was not going to be there, but it is. He has been dishonest about this matter. The reality is that there is money allocated that can be cut and used for other purposes and Labor will do that.

Honourable members interjecting.

Mr BRACKS — The honourable member for Bentleigh was very keen to hear about Labor's plan. I can understand why she is, because the government has a very good plan to sell this state.

I will now reflect on what Labor will do — that is, on Labor's budget and Labor's plan. I am resolute and keen to ensure that the next Labor budget — which I expect will be presented later this year or early next year — will be financially stringent and tight and will be a budget that ensures that we will live within our means and not spend money we do not have. That is an absolute and 100 per cent commitment to this state. Let me go through this.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The Speaker made it quite clear earlier in the debate that the Treasurer was heard in relative silence during his budget speech and it is the Speaker's wish that the Leader of the Opposition be given the same courtesy. I support that process and ask honourable members on my right to restrain themselves from continual vociferous interjections which make it very difficult for the debate to continue in an orderly fashion.

Mr BRACKS — On Labor's plan and Labor's budget, we understand that we cannot repair overnight in a responsible way the damage that has been done to this state in health, education and community safety but that it will take some time to repair. The commitment that Labor gives is that it will repair the damage but that it will take several years and not just one year to do so. We have a clear picture of our plan and our priorities for government. Everything we do and commit to will

be underpinned by a commitment to financial responsibility overseen by an independent Auditor-General enshrined in the state constitution. That is Labor's commitment to Victoria. All of Labor's promises will be dependent on meeting financial targets that will also be audited by the Auditor-General.

Mr Mildenhall interjected.

The DEPUTY SPEAKER — Order! The honourable member for Footscray would assist the Chair if he did not bait members of the government across the table.

Mr BRACKS — Every one of our financial commitments will be overseen by an independent Auditor-General. The financial principles will require the Auditor-General to scrutinise and ensure that that commitment is adhered to. The targets are that every budget will have a substantial operating surplus; taxes and charges will be benchmarked on a national average; debt and unfunded liabilities will be contained; and all public expenditure will be closely targeted, with state service benchmarked against clear service delivery outcomes. They are the four commitments in all parts of the budget.

Labor will also give the Auditor-General unique new revolutionary powers that will be the most stringent powers of any Auditor-General anywhere in Australia. The Auditor-General will be given power and resources to concurrently report on budget day on the adherence to financial principles to which Labor will commit. Not only will the state see a budget but it will see a surplus, spending on capital, and outlays on revenue, with third-party scrutiny of it by the Auditor-General. That is important because of the shonky surplus in this Treasurer's budget.

The shonky budget surplus the Treasurer has delivered contains loose figures. That will not happen under Labor because the Auditor-General will concurrently report on budget day on the surplus and the accuracy of estimates, revenues and outlays and capital spent. That guarantees Victorians they will have a watchdog looking after their interests to ensure the figures are accurate.

Mr Mildenhall interjected.

Mr BRACKS — The shadow Minister for Finance is with me on this. He has assisted me in driving one of the hardest, tightest financial management plans any Labor Party in this state has presented. As future finance minister, he will adhere to that plan. He will be the toecutter in the Labor government. The shadow finance minister will be the Peter Walsh of the future state Labor government. That will be his role.

Mr Thompson — On a point of order, Mr Deputy Speaker, standing order 101 states that no offensive or unbecoming word shall be used in reference to any member. One would only need to read the autobiography of Peter Walsh to understand what that expression might mean for the honourable member for Footscray.

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

Mr BRACKS — Not only will the shadow finance minister be the Peter Walsh of the new government; there will also be an Auditor-General with new powers under the constitution to report concurrently on budget day and to protect the public interest by ensuring clear and unequivocal transparent reporting in Victoria. Labor will show its commitment to whole-of-government reporting by legislating for a financial disclosure bill. Whole-of-government reporting will require a Labor government to produce half-yearly financial reports, embracing all entities it controls, in which it has a substantial interest or which expose the state to substantial risk. That will enable all Victorians to be regularly informed of the true position of state finances.

There will be greater accountability in the budget through the provision of more detailed, timely, comparative information. There is a need for better, more accurate information on the state's budgetary position, including reconciliation of estimates against budget outcomes, regular budget reporting — at least half-yearly, with progress reports — and performance and output measures that are accurate and reliable. On the matter of comparisons, I am not sure — —

Mr Perrin interjected.

Mr BRACKS — Don't you talk! You will be joining the retirement queues! In your case it will be compulsory retirement. You should get severance pay for that.

On the matter of comparisons, I reported in my reply to the budget last year that the budget contained 1000 different performance indicators — 1000 performance indicators that had changed from one budget to the next! I can report some improvement. The Treasurer has only 435 changed performance indicators this time. Maybe one day we will get to the position where we can compare apples with apples and performance indicators with performance indicators. Under Labor that will be the case. Exactly the same

performance indicators will be compared year after year. Comparisons will be equal, ensuring the budget can be scrutinised properly.

Labor's recurrent expenditure proposals will be effectively targeted and sustainable and will produce clear service delivery outcomes. Our expenditure proposals will be assessed against relevant national benchmarks, producing clear and accountable outcomes. Proposals will be consistent with our commitment to a substantial budget surplus. That will be required before any commitment is made to outlays or expenditure. It will be about financial responsibility; getting the basics right in health, education and community safety; and restoring democracy.

I make it clear to people on the government benches and others that Labor will not go to the next election with a bagful of promises. It will be absolutely and totally responsible. Labor will commit to Labor values and getting the basics right. Today I want to recommit Labor to its pledges for an alternative budget for the state. The shadow finance minister is with me on these proposals.

Labor commits to class sizes for grades prep, 1 and 2 of 21 students or fewer through annual savings of $40 million from cuts to government waste in advertising and the employment of consultants. Hospitals will be cleaner and emergency waiting times reduced by redirecting $18 million from the health network bureaucracy. Labor will abolish the health networks. They are unnecessary.

We will make sure 800 more front-line police are in place. The 800 police positions will be funded by abolishing the privatisation and reform units detailed in the budget. Reliable supplies of gas, water and electricity will be guaranteed through a new Essential Services Commission with tough teeth and new powers.

The common-law rights of seriously injured workers will be restored, and 30 new hazardous chemical inspectors will be employed by slashing $2 million from Victorian Workcover Authority advertising. Victorians will be given a start in life and in their careers through the implementation of a JobsNow package that will be funded by cutting back the number of senior public executives to 1992 ratios. The number of senior public executives has grown under the government, and Labor will cut that number back.

These commitments are made with zero incursion into the operating surplus; they will be funded by cuts to government waste, mismanagement and excessive spending. The commitments are responsible, affordable and absolutely essential.

Labor will commit to total per capita revenue raising from all sources including the commonwealth being comparable with or less than the Australian average. Labor will maintain competitive state taxes and charges while maximising commonwealth funding of Victoria. We will ensure that taxes and charges that affect households are equitable and progressive; that business taxes and charges are competitive with those of other states; and that Victoria gets an increased share of commonwealth revenues.

Labor's platform commits it to an arrangement whereby payroll tax will be reduced once a growth tax is in place, whether it be a goods and services tax, which we would oppose, or whether, in a preferred way, it be a share of commonwealth revenues and particularly commonwealth income tax. If a growth tax is put in place, that growth will go not towards outlays but to reducing payroll tax — the tax on jobs. There will be a real reduction in payroll tax. Labor will sit down with industry and unions and work out a scheme whereby new job starts in the state will be excepted from payroll tax once the new jobs are committed to. Providing zero payroll tax on new job starts in the state is a far superior payroll tax cut, driving new job outcomes and based on responsible use of a future growth income.

The growth tax is accounted for in the budget. On page 181 of budget paper no. 2 it is estimated that, after an initial three-year transition period, a proposed national tax reform package will improve the budget position in Victoria. That is in the budget papers, and if that is true or if Victoria gets a better preferred share of federal income tax, Labor will reduce payroll tax in Victoria.

Labor's commitment on capital works expenditure is to develop projects that guarantee job growth and rebuild Victoria's social infrastructure. Capital works will not be for icons in the centre of the city, but on productive investment involving rail, roads, ports and areas from which the private sector can grow. Why should we not consider the standardisation of the rail system throughout Victoria? Why should we not increase the productivity of our ports that the government has neglected?

The Treasurer has dropped the ball on increasing productivity in the port of Melbourne. The port has an uncompetitive duopoly and the Treasurer lost the possible investment from OOCL because of bungling and mismanagement. The port of Melbourne has shown

no clear improvement in productivity. A future Labor government will ensure that capital investment is designed to grow the state, not just Melbourne. An infrastructure planning council will ensure spending is designed to increase private sector growth. It is a different commitment to that of the government.

With this government, the Premier wakes up in the morning and says, 'I want to put a building on that corner'. That is how the Premier runs capital investment in this state. A future Labor government will have a program of capital investment that will lead to private sector growth.

Mr Baker interjected.

Mr BRACKS — The interjections of the honourable member for Sunshine are usually very good, but I think he slurred the first word of that interjection.

A future Labor government's capital works spending will not be city-centric. It will allocate spending programs throughout Victoria so that the whole of the state grows, not just Melbourne. A future Labor government will create an environment for real growth in the Victorian economy. It will ensure active growth targets and a whole-of-government approach to jobs and growth. Every cabinet submission will be accompanied by a growth-and-job impact statement. A future Labor government will commit itself to new employment targets. It will ensure that at the end of the first term of office Victoria will have lower unemployment rates for adults and youth than the national average.

In conclusion, a future Labor government commits itself to financial responsibility and a growing economy in which everybody shares, not just a few. It will repair the damage to our health and education systems and will have an open, accountable and transparent budget arrangement scrutinised by the Auditor-General.

A future Labor government will not have social advantage, but social fairness — that is Labor. It will not have a plan for an election, but a plan for Victoria — that is Labor. It will have a fair Victoria, a prosperous Victoria, a fair go for all — that is the Labor way. That is what Labor will do for this state.

Opposition members applauding.

The DEPUTY SPEAKER — Order! The Speaker said early in the week that there had been a revolution in Parliament with the applause that follows the Treasurer's speech. We have just seen the same revolution occur today at the conclusion of the speech of the Leader of the Opposition. It is important to understand that this is a parliamentary debate and not a gathering place for a mutual admiration society. This is a debating chamber where the old Westminster tradition of 'Hear, hear' as an acclamation is more appropriate. Handclapping is totally inappropriate and unacceptable. The Speaker intends to rule firmly on this issue.

It happens to fall to me to explain clearly once again that clapping is considered appropriate only if we have a distinguished guest from an overseas country in our chamber when it is seen as a sign of special welcome and recognition of that person's distinguished position. Acclamations will not be accepted at the conclusion of speeches. I hope that is clear.

Mr CLARK (Box Hill) — One may have thought that in his reply to the budget speech the Leader of the Opposition would put forward an alternative platform — the opposition proposal of what it would do if it were to form the government. Instead it has resorted to two traditional Labor opposition practices.

Firstly, grubbing around in the detail of the budget looking for odd points on which it can focus, question and rant and rave about. One would have thought those are things the Leader of the Opposition would have left to other speakers on his side of the house, but he spent probably two-thirds of his speech grubbing around in that detail. Secondly, the Leader of the Opposition resorted to the usual wild promises. Those of us who look back on the record of this debate and the remarks of the Leader of the Opposition over the last 10 or 15 minutes of his contribution will probably come to the conclusion that the list of promises he has made today will quickly eat up several-fold any potential increased revenue to the state that may come from the commonwealth tax reforms.

The other point the house needs to bear in mind, particularly shadow ministers in spending portfolios, is the habit that past leaders of the opposition have of repudiating those promises at the last minute so that they can maintain the other half of their strategy, of claiming financial responsibility. That certainly occurred last year when the present Leader of the Opposition said in his speech that from then on the only promises that would count would be those that he set out on that occasion. It is easy to make wild claims, but it will be interesting to see whether in a few months' time the Leader of the Opposition repudiates those claims and tries to get some pretence of financial responsibility.

If the Leader of the Opposition and the Labor Party are sincere in trying to demonstrate financial responsibility and hold themselves out as an alternative government, they would lay down in detail how they would implement the commitments made by the Leader of the Opposition, what they would add to and subtract and how those elements would come together. The Leader of the Opposition has not done that and the opposition has not shown itself willing to take on responsibilities such as potential government; instead, it tries to be all things to all people. The opposition makes many wild promises that it can put off to the never-never without ever trying to bring them together into a coherent budget.

The remarks of the Leader of the Opposition are inconsistent. On the one hand, he argues that the budget is an election bribe; on the other hand, he says that the government is holding a war chest in reserve for an election campaign. His allegations of election bribery are not borne out even by commentators who tend to support his side of politics. I refer in particular to the opinion piece written by Mr Tim Colebatch in the *Age* of 5 May in which he states:

> The temptation for a government heading into an election is to focus on blatant vote buying, as the Howard government did last year in pledging big tax cuts for polluting diesel fuel. There is little in this final Stockdale budget that fails the test of good policy. Indeed, some of its big-ticket items will win few votes, but are there solely because they are good long-term policy.

Mr Colebatch makes some points that I take issue with, but he says clearly that the government in this budget is committed to good policy.

The Leader of the Opposition made much of the reference to parameter changes referred to in budget paper no. 2. He referred to $170 million attributable to parameter changes.

The Leader of the Opposition read the footnote to box 1.2 on page 5 of budget paper no. 2 with the implication that any person reading it would not be able to understand what the parameter changes were about. I would have thought that reflects a great deal on the Leader of the Opposition, given that he has now been shadow Treasurer for many years.

Economic parameters change from year to year, and each year the Treasury officers, in their normal diligent and professional manner, reassess their estimates of economic growth, their revenue forecasts and their wage and price expectations and a whole range of budget figures are adjusted on account of those reassessments. That multitude of adjustments has been distilled down to the $170 million figure. I am surprised that the Leader of the Opposition raised the point because I would have thought that figure was completely appropriate and that he and other opposition members who have claim to fiscal expertise would readily appreciate it.

Other strange remarks made by the Leader of the Opposition related to capital expenditure. I came into the house expecting to have to rebut a line of argument by the opposition that the government was spending too much on capital expenditure, because that is the sort of allegation the Leader of the Opposition made in his initial budget response and the sort of allegation being made by some commentators and groups sympathetic to the opposition, such as the Australian Nurses Federation.

Mr Mildenhall interjected.

Mr CLARK — The honourable member for Footscray has interjected with a reference to pork-barrelling. It would seem that the opposition is trying to have its cake and eat it, too. In an ABC news report the Leader of the Opposition was quoted as having said:

> In effect what we have here is a virtual budget, facilities and equipment, but no people to fill these facilities in the future.

Similarly, the Australian Nurses Federation said they were pleased to see an increase in capital works. It seemed to them that the government was happy to spend money on bricks and mortar. Then they went on to talk about funding for nurses. I was expecting that line of approach, but all of a sudden the opposition appears to have reversed its argument and is now saying that the government is not spending enough. Once again, that shows the zigzagging nature of opposition members' response to the budget — they are all over the place trying to find some theme to latch onto, but they are proving incapable of doing so.

The Leader of the Opposition also made allegations about tax relief. He made two main points. Firstly, he referred to the figures in the Commonwealth Grants Commission report that compared Victoria's tax burden relative to the Australian average and to that of New South Wales. He asserted that last year's figures show that Victoria was $220 million above the national average and that this year's figures show that Victoria is $314 million above the national average. The straightforward explanation is that between last year's budget and this year's budget the Commonwealth Grants Commission revised the way it does its calculations, which led to the difference in the figures between last year's budget and this year's budget. For the Leader of the Opposition — who as I said has been

shadow Treasurer for some time — to draw from that the naive conclusion that the government has not in fact reduced taxes, displays his lack of understanding.

I refer the Leader of the Opposition and other honourable members to chart 2.5 on page 26 of budget paper no. 2, which clearly shows that the trend is towards reducing Victorian taxes compared with the national average. Between last year and this year the government adjusted the charts based on the Commonwealth Grants Commission information. The point is inescapable that the trend remains the same — the line moves downwards as the government continues to bring Victorian taxes closer to the Australian average and below the New South Wales average. The point made by the Leader of the Opposition is completely spurious.

Similarly, the Leader of the Opposition has tried to imply that the government has not delivered payroll tax relief because there has been a change to the base in relation to superannuation. He is not alone in making such assertions. Mr Terry McCrann of the *Herald Sun* made similar assertions, but the conclusions drawn by both of them are incorrect. Certainly when superannuation was brought into the base it increased revenue. The fact remains that even taking that into account there has been a substantial reduction in the overall payroll tax burden on Victorian businesses. The gross error of logic displayed by the Leader of the Opposition yesterday, which I do not think Mr McCrann would display, was to sweep up jobs growth into the issue by arguing that because over past years payroll tax receipts have increased the burden has increased. However, a large part of the increased revenue came as a result of more employment, which is something to be welcomed rather than criticised.

It is easy for the Leader of the Opposition to fall back on old tried and true Labor Party practices. His points do not paint a comprehensive alternative vision of the budget. The fact is that the budget continues the tradition of the current government — to state what will be done, and then proceed to do it. In 1992 the government said quite candidly, in effect, 'Victoria is in a mess. We will set about fixing it. We will reduce spending. We will increase taxes. We will privatise so as to reduce debt and, therefore, the interest bill'. On top of that the government undertook to fix the various Labor Party fiddles in relation to such liabilities as the gold loans, the unfunded superannuation liability and the sale and lease-back of rolling stock, which were practices that were terribly detrimental to confidence in Victoria. The government used the reform of the budgetary process as one of the key elements in restoring general economic confidence in Victoria and getting Victoria on the move. That is what the government set out to do in 1992, and has continued to do so in successive budgets so that Victoria has moved forward slowly and steadily, step by step.

The government also said back then that, once the financial affairs were in order and once it had cleaned up the mess its predecessors left it, it would use the benefits gained from the interest savings, the increased buoyancy in the economy and the greater number of jobs and revenue that would flow from that to provide benefits to Victorians by increasing spending on services and reducing taxes. That is what the government said it would do, it is what it has done, and it is what it will continue to do. One only needs to look at the various charts in the budget papers to see that the budget will do just that. The budget provides in real terms for a 12 per cent increase in education spending, a 21 per cent increase in police funding, and a 24 per cent increase in funding for health, social security and welfare spending since 1992. On top of that there will be a cumulative $650 million per annum reduction in taxes. All of those things are delivering exactly the sort of thing the government set out to deliver from the time it came to office.

It is easy to be critical of any budget that any government puts forward. It is the task of the government to draw on all the disparate aspirations, wishes and dreams of various sectors of the community, to reconcile those competing proposals to reality so as to make the ends and the means fit together, and to put forward a comprehensive proposal that achieves a balance. That is what a budget is.

One can criticise a budget from a multiplicity of directions. I will save opposition members the trouble of working out the list of logical categories for themselves by saying that anyone can criticise a budget for too much or too little recurrent expenditure, for too much or too little capital expenditure or for cutting taxes too much or not enough. People can also say, 'You have the wrong priorities and you should be spending money on this rather than that', and can look at value-for-money issues. Public responses to the budget have fitted into various of those categories.

It is argued by some that the government is spending too little in the budget on recurrent outlays, yet the government has made significant increases in recurrent outlays. It has returned all but a very modest surplus of $67 million on a sustainable cash basis in the form of either service improvements or taxation reductions. The government can afford to trim that margin to get the maximum in outlays on services because Victoria is in a sound economic situation and because on a broader

front the Asian economic situation has stabilised compared with last year.

The government has used that money to good effect in two broad ways: firstly, in directing it to meeting current needs; and secondly, in what in one sense can be characterised as investment rather than recurrent outlays, in investing in social capital for the future through education and research. The government has made a big commitment in the budget to building up social and human capital stocks as well as continuing its contributions to physical capital. The figures in the budget show how the surplus is arrived at. It is explained that the bulk of this year's starting point surplus of approximately $6 billion represents privatisation proceeds. The government makes no secret of the fact that it has reaffirmed its commitment to use privatisation proceeds for the reduction of the debt and liabilities. The government will not go back to Labor's habit of borrowing to meet recurrent expenditure. For the time being, the government is also covering capital expenditure out of the surplus.

Mr Colebatch has argued in the *Age* that the government is not spending enough on education. He stated that the 12 per cent real increase in education was not sufficient for two reasons: the number of students has been growing and the size of the Victorian economy has increased since 1991–92.

Mr Mildenhall interjected.

Mr CLARK — The honourable member for Footscray interjects and says it is not the case that student numbers are rising, that they are falling, and he attributes that remark to the Treasurer. Indeed, the Treasurer and I have independently reached the same conclusion — because it is right! I cite as evidence for that figures from the Victorian year book for 1999. The figures show that in 1992 the total number of students in the state was 787 622. The numbers then fell for several years, bottoming out at 770 277 students in 1995, and rising modestly to 781 424 by 1997, which is the latest figure provided.

With respect to Mr Colebatch, I suggest that the number of school students in Victoria has declined. He may have had in mind the significant increase in the number of TAFE students in Victoria as a result of the outstanding work of successive ministers for tertiary education in that area. If that was what he was referring to it cannot bear out his conclusion given the relative sizes of school education and TAFE education in the education budget. There has been growth in the Victorian economy since 1991–92, something of which members on this side of the house are proud. However, the fact that there has been growth in the economy does not mean that equal percentage increases should necessarily be applied in particular areas.

Another line of argument that has been raised is that the increase in Victoria's population reduces the impact of the real increases in expenditure that have been made in various service delivery areas by the government. For the record, the forecast I have for the cumulative population increase between 1992 and 1999 is 5.64 per cent — well below the 12 per cent real increase in education, the 21 per cent increase in the police budget and the 24 per cent increase in health, social security and welfare.

It can always be argued that there are additional unmet needs a budget should meet, but I reject the argument that the government has spent too little on recurrent expenditure. The government has increased that expenditure dramatically. It is interesting and demonstrates how different critics can approach the budget from different directions that some other commentators have criticised the government for spending too much on recurrent expenditure. I refer particularly to Mr Terry McCrann. Different people have different priorities, but at least Mr McCrann is consistent in his commentary in his recognition that it is a policy call. His argument is that there should be greater tax reductions and fewer expenditure increases. Opposition members want to do both — they want to promise massive tax cuts and massive expenditure increases. The responsibility of reconciling those competing demands falls to the government.

I referred earlier to similar criticisms concerning capital expenditure. I reiterate in relation to the line of argument the opposition is now running on capital expenditure, as distinct from the line of argument it was running before today, that the government is constantly reviewing the situation, making adjustments and balancing various considerations. The Leader of the Opposition stated that the government had cut the capital expenditure target from 1¼ per cent of gross state product to 1 per cent. That demonstrates the government's willingness to adjust and review from time to time in accordance with priorities.

Victoria was facing a massive deficit in capital stock as a result of the legacy of its predecessors. The government needed to make up that deficit, and has now done so. Our capital stock has grown and will continue to grow. On top of the budget-sector-funded capital stock there is now also significant private sector contribution to capital stock in the state. The argument that the government is not making adequate provision for capital is thus wrong.

I shall draw these strands of argument together. If honourable members want to argue that the government should be spending more in a particular area, or further reducing taxes, they need to point to where they would make the adjustments. The government has been managing the state's finances as prudently and efficiently as possible. If one wants to spend more on one area, something else has to be adjusted. It is easy to come at a budget from various directions and make a case for doing something different. However, the opposition has failed the crucial test of any party that wants to put itself forward as an alternative government. It has not done the hard work of drawing those strands together and explaining how it would adjust its policy. The opposition's policy is all give and all promises to every group. It tries to please everybody and ends up pleasing virtually nobody because it destroys its credibility and shows its lack of leadership.

By contrast, the government has delivered on what it said it would in 1992, and it continues to do so. The government has restored its physical capital. It is now increasing resources in social and human capital, in particular to take advantage of the enormous potential of the information revolution which we are living through these days. This is opening up Australia in overcoming the tyranny of distance, and is playing into the core strengths of Australian inventiveness and creativity. However, we can only take advantage of this potential if we invest money into building up education and research. That is what the government is doing. At the same time it is increasingly making provision for those in need, to help the least advantaged in our community.

It is all very well for opposition members to walk around with their hearts on their sleeves. If they sincerely want to help people, they must have the capacity to deliver that assistance. They must be able to bring about a strong economy, balance competing needs, set priorities and focus the available resources. They are certainly not doing that. The government also has in mind that any government can spend money only when it can derive that money from the community through revenue. A strong and growing economy is the best way for the government to obtain the resources necessary to help those in need.

The government has been easing the tax burden in successive budgets, particularly in the field of payroll tax. The Treasury estimates that that will contribute to job growth. Victoria has a strong and growing economy as a result of the restored confidence in the government. The government has put the state's finances in order; it has reduced not only the tax burden but also, perhaps more significantly, other charges such as Workcover, energy, port and water levies, and it has got the economy moving. I believe the government has struck the right balance between the competing needs of today and the needs of tomorrow. I commend the budget to the house.

Mr MILDENHALL (Footscray) — I am proud to join the budget debate. However, it is difficult to follow the Leader of the Opposition who made such a comprehensive and detailed presentation. It was interesting to hear the criticisms the honourable member for Box Hill was hurling at the Leader of the Opposition, particularly that he had gone into too much detail. Accusations are often made that there is too much rhetoric and not enough detail. I commend the Leader of the Opposition on both the structure and the detail of his comprehensive presentation. Contrary to the remarks of the honourable member for Box Hill, I suggest it was a presentation of an alternative. The honourable member for Box Hill asked for the alternative vision. It was laid out today in stark contrast to the rubbery figures in the government's budget.

There has been no response to the challenge laid down by the opposition and no matching of the opposition's commitment to have the Auditor-General scrutinise commitments and present a concurrent analysis of the budget documents. The opposition is prepared to undergo a much greater level of scrutiny of its commitments and record than the government. That is particularly apt in the light of this budget which would have to go down as one of the least honest and credible documents presented to the Parliament. Each year there are new wild cards, new adjusting mechanisms, and a new term that suddenly appears in the lexicon of the budget's authors. This year it is the changing economic parameters. Given the government's consistent record of underestimating income and overestimating expenditure, one would have thought that those parameters would have given an upward and not a downward adjustment.

The honourable member for Box Hill suggests the opposition was arguing for an increased level of capital by identifying the $1.4 billion consistent underexpenditure in capital. That does not reflect what the Leader of the Opposition said. The opposition just wants a honest document. It wants estimates compared with actuals. It wants actuals compared with previous years. Consistently the opposition gets the estimates on continually revised estimates. The opposition wants an honest document and a fair and honest effort with some integrity in the estimation process.

The government has been in the business long enough to know the period it takes in this day and age to have

capital on the ground. Techniques for estimating project life cycles and construction schedules are getting more sophisticated and accurate. The ability to bring projects in on time and on budget has never been greater. However, the level of inaccuracy, hopeless forecasting and poor planning by the government must be at an all-time high. How can those figures be so consistently out? How can the government underexpend and underestimate to this level year in and year out?

We are asked to accept either an extraordinary level of incompetence or, as the opposition suspects, the consistent approach of the government, which is to fudge the figures so it can put aside the war chest, the election free-for-all that we are expecting within a matter of weeks.

The honourable member for Box Hill challenged the opposition to take a consistent line about levels of expenditure. My view is that the recurrent outlays are too low. The opposition believes the surplus has been grossly underestimated and that far more funds in Treasury are available for expenditure than the government would have us believe.

The extraordinary claim by the Treasurer on radio the other day that we do not need more teachers because the number of students has fallen — obviously he has not read his own budget, which indicates a steady rise in student numbers in schools over a number of years — has caused the Parliamentary Secretary, Education to look far back into history to find years when there were dips in the number of students.

The key issue is whether, in the context of an increased number of students, additional teachers will be employed in the budget period, and the answer is no; the student-teacher ratios will increase. Of the recurrent commitments in the education budget the only teacher-based commitment is around the flow-on of previously agreed salary rises.

The wet-lettuce-leaf assault on the opposition by the honourable member for Box Hill, as it will be regarded, in no way detracts from the strength of the analysis provided by the Leader of the Opposition and opposition members with regard to the details of this budget.

I have particular concerns about the credibility, honesty and consistency of the budget. Clearly it is set up as a pre-election budget, with its high spending on capital, but it fails to address the real issues affecting the community in Victoria. It treats Victorians as a corporation and not as members of a community. It also sets out to create an image of the government that does not reflect the reality.

To give examples of some indicators, I point to the brake put on the privatisation process. The Treasurer's comments in the budget papers — 'No, we are not going to privatise Workcover or TAC; we are not going to privatise water' — resemble the cry at the last election when the Minister for Education said, 'We are not going to close any more schools; that program has finished' and then, whacko — straight into it and another 60 schools bite the dust in that year. The government consistently lies through its teeth about privatisation and downsizing programs. I see absolutely no reason to believe the undertakings made in the budget papers about privatisation.

I invite honourable members to pick up the first page of the Treasurer's speech and look at the third paragraph. These were the lines that were run out through all the media outlets:

> It is a budget which marks the end of Victoria's era of Labor-induced austerity, and focuses squarely on the opportunities of the future.

Phrases like 'turning point', 'new look', 'social dividends', and 'social advantage' are used to describe — the caring, sharing soft-centred government. One would think none of us kept copies of last year's budget speech, which states on the first page:

> For the first time —

this was 1998 —

> the government's objective of helping to improve the quality of people's lives no longer needs to be subordinated to a financial rescue plan ... This is the first of many social advantage budgets.

Again, year after year we hear, 'We are the kind, friendly government', and year after year the government fails to tackle the hard recurrent issues of restoring Victoria's social capital — the service infrastructure and the people infrastructure.

The Dunolly police station would have to be the quintessential example of this government's approach. Up goes the building; it is renovated, but there is nobody in it! We need people in these buildings to deliver the services. We need a human face. We do not need a new building with a brass plaque.

The reactions from people, some of whom the government might have hoped would give positive responses to the budget, demonstrate that. Gerald Segal, president of the Australian Medical Association, stated, as reported in the *Age* of 5 May:

> The government has yet again failed to acknowledge the desperate situation of public hospitals. While we welcome the increases in capital works spending —

sure, we all want new, up-to-date, modern technology in buildings —

> there is not much point building new hospitals when funding is inadequate. This is a classic *Yes, Minister* move. They are building the hospitals but they won't provide enough money to treat patients.

That is it in a nutshell.

Mr Leigh Hubbard, secretary, Trades Hall Council, stated:

> This is another budget for accountants, not people. The government could have invested another $250 million in health, education and social services. There is an unjustified focus on capital works, even though Victoria spends less on social infrastructure than any other state. The biggest winners are businesses with a payroll tax cut that should have been linked to extra jobs.

The Leader of the Opposition hit on it earlier in his address. Would it not have been a much better idea to link the payroll tax cuts to jobs — provide an up-front incentive for the creation of new jobs? But it takes the opposition and Trades Hall to think of these clever solutions. I am sure it will not be too long, in the avalanche of pork barrelling that has been started in this budget, before we see a large leg of pork that will resemble that initiative as well.

Some other perceptive comments by third parties ought to be recognised by the house, including those by Dimity Fifer, the CEO of the Victorian Council of Social Service.

Certainly VCOSS has produced some excellent analysts and community leaders. During the course of debating the State Trustees (State Owned Company) (Amendment) Bill, I noticed that Cate Redwood is still on the board there. She is obviously valued by the government for her expertise. Dimity Fifer's response to the budget is as follows:

> After seven years' hardship for disadvantaged Victorians —

so she didn't believe the Treasurer's preamble and neither should anybody else —

> VCOSS wanted genuine gains for those who have missed out. The budget contains some modest measures such as top-up legal aid funding, youth employment initiatives and some increases in recurrent health and education funding, but there is too much emphasis on capital spending and business tax breaks. This budget misses the mark.

There are a number of comments along those lines, which are similarly perceptive. The overwhelming theme is that the government, with a record surplus and a great capacity, has missed the mark. The opposition admits that the budget is in good shape — better shape than the government would admit — and it missed a great opportunity to do something about restoring the social infrastructure. Although the accounts are in good shape, the document does not have a good shape.

Sometimes I look for very practical benchmarks in assessing the government's actions. In recent times I have wondered about what assistance can be provided to the young people I see at the rear of my electorate office. Recently Mr Les Twentyman's group, Open Family Australia, has moved in next door to my office and we now have what you might call an informal injecting facility in the car park of my office. On a light day we would probably have 40 or 50 young people shooting up and on a heavy day it might be around 80 or 90 young people. It is a very depressing sight to see them choose some sort of oblivion over the other options that might be available to them in our community.

I think to myself, 'What do we do for these young people in an immediate sense?'. I note — although I have not seen the detail — that there is a minor increase in the availability of treatment programs and some other harm minimisation programs such as needle exchange programs. We certainly have the busiest needle exchange in Melbourne another four doors down from my office, so the availability of that service is not a critical issue. But we need to look at the long-term services that provide young people with hope and with a way of hooking into the mainstream and becoming part of the wider community instead of being its marginalised outcasts.

I hope for steady improvements in those opportunities. In this budget I see the government giving up on retention rates. According to the budget many young people, who are regarded as failures at school, will drop out early, despite the federal government attempting to force them back into school with the common youth allowance initiatives. I would have thought that retention rates would cry out as a social objective, that all stops should be pulled out to try to reach that social objective so that more young people do not drop out of school.

I would have hoped for better access to health services, that our hospitals, apart from getting the buildings, would be able to reduce waiting lists and improve acute care. I would have hoped for some moves to ease the housing crisis in my area. I would have hoped — I guess you wouldn't necessarily see it in a budget — for some law reform changes so that instead of labelling

these young peoples as criminals, we can properly identify them as victims.

Some of the best research I have seen on drug addiction has been prepared by Michael Carr-Gregg and his people at the adolescent health section of the Royal Children's Hospital. They correlate the findings with background features of failure at school, housing and employment issues, and self-esteem.

When I look at a budget, I look for some improvement in those background conditions — better access to education, health, jobs and housing. The budget is a failed opportunity. I do not see the social dividend for those young people at the rear of my office. I am sure the Minister for Youth and Community Services, who is at the table, has a similar concern for young people in Victoria. I hope he would have wanted a more concerted effort towards some social advantages or dividends for these extremely distressed young people.

I have some other concerns about the budget. Despite being awash with money, the government cannot bring itself to reflate even its police services. Paul Mullet, assistant secretary of the Police Association, says:

> Premier Kennett has got it half right and half wrong. Four hundred extra police are not enough. We called for 990 more police, based on a memo which confirmed there are 990 vacancies. The police academy will be chock-a-block for the next two years but should be chock-a-block for the next four. The Premier has missed an opportunity to set the foundations for the future safety of the state.

One of the difficulties we have in Footscray as well is that there has never been sufficient police to subdue the dealing on our streets. I do not like drawing attention to that fact. It does nothing for the identity of the community, but there are chronic shortages of available police, and one would have thought, with the amount of available funding in the state accounts at the moment, that at least the 990 vacancies could have been filled.

I am sure that when the opposition began its campaign to draw attention to the lack of police numbers in Victoria and set 800 as an achievable target, fully costed, the same costings that the Victoria Grants Commission uses — an achievable target — it expected that the government would do the obvious, sensible thing and match that so it would be neutralised and would not become an election issue.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Eastern Freeway: tolls

Mr BRACKS (Leader of the Opposition) — I refer the Premier to his election promise today to introduce tolls on the Eastern Freeway extension to Tullamarine and to tunnel under the Melbourne cemetery in 'the next term of government', and ask: will the Premier admit that under his new tolling plan motorists coming into the city from Ringwood and other eastern suburbs will end up paying a toll at the city end of the Eastern Freeway?

Mr KENNETT (Premier) — I thank the Leader of the Opposition for listening to my regular radio show. I will send him a cheerio next week. I know that he and all honourable members opposite sit listening with ears flapping, enjoying it thoroughly.

What I said this morning about toll roads — the Leader of the Opposition described it as a promise; he is very keen on converting every word I say into a promise — was that the only toll road in this state is the one that links the airport to the eastern and south-eastern suburbs and that is the City Link proposal. City Link is an excellent piece of infrastructure which will substantially add to the amenity of the community. One of the reasons it is there — —

Mr Batchelor interjected.

Mr KENNETT — Do you want to hear the answer or do you just want to keep interrupting?

One of the reasons the government introduced that particular piece of infrastructure was to link the West Gate Bridge, the former South Eastern Freeway — now the Monash Freeway — and the Tullamarine Freeway. Those freeways should have been linked but, because of Victoria's financial position, the government was not in a position to do so. It therefore tendered out to the private sector, which has provided a piece of infrastructure worth $1.7 billion. That is an important factor because it has not only added to Victoria's infrastructure value but it has also provided many jobs during construction, helping Victoria to grow to the highest levels of employment of all time.

I note that the Leader of the Opposition argues that if the opposition had built the City Link, it would have used the money from the 3-cent levy that the government applied to fuel — which would have meant that there would not have been another road built anywhere in Victoria, and in country Victoria in particular.

Mr Bracks — On a point of order, Mr Speaker, the Premier is debating the question. The question was not about the existing City Link tolls; it was about the new toll on the Eastern Freeway extension to Tullamarine that the Premier announced today. The Premier is not answering the question; he is debating it.

The SPEAKER — Order! The Premier's answer is related to road funding and tolls which relate to road funding. I do not uphold the point of order.

Mr KENNETT — That piece of infrastructure is very important. I was then asked whether the government would be applying a toll to the extension of the Eastern Freeway out towards the eastern suburbs and I said no, that we had given an undertaking many years ago to progressively extend that end of the freeway as the money became available, and that is a commitment the government will obviously honour. However, it is true that the government has to recognise as it looks forward — and I understand that the opposition does not look forward — where there are bottlenecks on our roads.

One of the major bottlenecks starting to develop is at the western end of the Eastern Freeway, where cars have to wait for hours to get off the freeway. One of the options for the future that any responsible government would consider is whether it is possible to link the western end of the Eastern Freeway by going underneath the cemetery — I do not think the Leader of the Opposition would want to have an open cut-and-fill job, but he may — and so connect it with the Tullamarine Freeway. Any person with any sense of Melbourne or any sense of responsibility would be prepared to consider that as an option.

Mr Bracks interjected.

Mr KENNETT — Again, any responsible person would look at all the options for providing that new infrastructure, and one of the options is clearly to have that as a new tolling facility, where again — —

Mr Bracks — Yes!

Mr KENNETT — 'Yes!'. Dear, oh dear!

Honourable members interjecting.

Mr KENNETT — Isn't this wonderful news for the Leader of the Opposition? Goodness gracious! It is true that as we plan for the future — and you will see when we — —

Mr Thwaites interjected.

Mr KENNETT — I beg your pardon?

Mr Thwaites — You finally admitted it, after 4 minutes.

The SPEAKER — Order! The Premier will ignore the interjections.

Mr KENNETT — Finally I have admitted it after 4 minutes, the man says. I mentioned it this morning on radio when you were all listening. I do not mind having the Leader of the Opposition as my candidate, but if he is simply going to fire back to me questions that I answered publicly at 9 o'clock this morning, it does not say much for his own investigative work.

The government has no hesitation at all. The Cain and Kirner governments put a lot of money into roads that ran nowhere and that ultimately led to bottlenecks, and the government's job in the past six and a half years has been to uncork those bottlenecks and give people the opportunity to get from point A to point B with minimum difficulty and minimum interruption.

It is true that it makes a great deal of sense to address the bottleneck at the end of the Eastern Freeway over the next 10 years, and that will be looked at as a project. It may be done by government alone. It may be done by the introduction of a toll. The method by which it will be built is yet to be determined. However, the government has never run away from its responsibility to provide the infrastructure necessary and to provide it in a way that future communities do not have to pay for it — that is, you pay for it as you use it.

Honourable members have seen today another abdication of responsibility by the Leader of the Opposition. He takes the easy way out. Labor is a party without vision and its members will continue to prove themselves to be such to the Victorian community.

Retail industry: growth

Mrs PEULICH (Bentleigh) — My question is also directed to the Premier.

Mr Batchelor interjected.

The SPEAKER — Order! The honourable member for Thomastown might be told by the Speaker in a minute, if he is not quiet.

Mrs PEULICH — Will the Premier indicate to the house the outcome of the latest Australian Bureau of Statistics figures for retail trade in Victoria in the March quarter?

Mr KENNETT (Premier) — One of the indicators of the economic condition of the state of Victoria is the figures the Australian Bureau of Statistics puts out on a regular basis for motor vehicle sales, retail sales, inflation, and so on. The ABS has just released the retail March quarter figures, which show yet again that Victorians are incredibly confident of their personal security and that of their families, and that that is leading to quite dramatic increases in retail sales.

Currently Victoria is again leading the country in growth during the same quarter of the previous year with a rate of 8.7 per cent. That is an extraordinary growth rate. When one considers the trend rate of growth, which is often thought to be more reliable because it takes out the peaks and depressions in any set of figures, one sees the percentage rate for the same quarter in the previous year was 8.3 per cent. That can be compared with a trend rate of 2.7 per cent for New South Wales, which has a larger population than in Victoria — one and a bit million more.

Those figures speak volumes about the way members of the Victorian community feel about society, their security and their future. It also represents the results of the partnership I have talked about so regularly involving the government's introduction over the past six years of what it calls a major events strategy for not only sport but also for the arts and industry. The many events held here are ensuring that many more people, and young people in particular, are finding employment as month after month Victoria hosts event after event, all of which add to the critical mass of activity in the state.

For all anyone may wish to criticise any policy of the government the reality is that the government's policies collectively are giving the people of the state an unparalleled level of confidence. The current figures are the best the state has experienced in the period since 1989, which is as far as my records go back. I suspect that if I looked back beyond that I would find they may be the best figures since the late 1960s or early 1970s.

I have said before and I say again today that there is no doubt that, based on the work of the Treasurer and his officers over many years, the government is now delivering to Victorians an environment of opportunity that has not been experienced in Victoria for probably 20 to 25 years. We are clearly on a roll. The real challenge, therefore, is to keep that — —

Mr Batchelor interjected.

Mr KENNETT — Listen to the honourable member for Thomastown. He continually interjects. Members of the public who observe what happens in this house must wonder and ask themselves, 'Why do we come here and watch an opposition that is so irresponsible and so totally unfit to govern?'. They have absolutely — —

Honourable members interjecting.

Mr KENNETT — Let those who sit in judgment of this place look at the Leader of the Opposition and the honourable member for Thomastown. They are irresponsible and — —

The SPEAKER — Order! The Premier, on the question.

Mr KENNETT — They have no vision for the future. They have no commitment or passion for the state. What the government has been able to deliver, as is reflected in the figures, is clearly a new Victoria in which more Victorians than ever before are employed and more Victorians than ever before feel confident of their future. The state is on a roll, and the government intends to keep it that way.

Eastern Freeway: tolls

Mr BRACKS (Leader of the Opposition) — I refer the Premier to the election promise he made today to introduce tolls on the Eastern Freeway extension and to tunnel under the Melbourne cemetery. Will the Premier rule out, under his new tolling plan, any road narrowing or other restrictive traffic measures on Hoddle Street or any other city access roads?

Mr KENNETT (Premier) — This will be a good demonstration of the difference between a political party that is locked in the past without any concept of where the state should be going, and a government that knows how it should provide the infrastructure to improve job opportunities and long-term employment.

As it has done in the past, the government will continue to identify need and address it. It will responsibly look at the alternatives available to it to provide better infrastructure to link the existing freeways that end up in bottlenecks so that the community will be better served. That is what government is about; that is what leadership is about. Unfortunately the ALP and the new Leader of the Opposition do not know the definition of either.

Film and television industry: training

Mr ANDRIGHETTO (Narracan) — Will the Minister For Information Technology and Multimedia inform the house of any steps the government has taken

to improve the prospects of Victoria's film and television industry?

Mr STOCKDALE (Treasurer) — In recent years the Victorian film industry has been going through something of a boom and the television production industry has also been in good shape. However, recently new competition has emerged with the development of studios on the Gold Coast and in Sydney.

The film industry is important to the state. It is a significant employer and contributor of cultural identity; and it is gaining Victoria recognition around the world. For those reasons the government was pleased to be able to take important initiatives to further support the film industry and add to its success by subscribing $12 million over the next four years to two new film investment promotion schemes. They will both be administered by Cinemedia, as are the current schemes. Cinemedia is the successor to Film Victoria. The two new initiatives are the script development fund and the production investment attraction fund.

The recurrent $1 million fund administered by Cinemedia for investment in script development of projects that are primarily designed to obtain production development through the FLIC scheme is an important initiative following recent commonwealth initiatives. The Film Victoria section of Cinemedia will be able to invest in script development for feature films, drama and comedy on television, animation series and documentaries.

The script development fund will encourage the development and production of strong, commercially viable projects in Victoria by Victorians. Film Victoria already invests $570 000 in script development for feature films, television and documentaries. That is the figure from the current year's budget and the new fund will virtually double the support Victoria provides for script development, which is the kernel of the development of the film industry. The state needs to generate high-quality scripts. I compliment the honourable member for Sunshine, who has recently concluded a major deal to have a film made of his latest work. We wish him well with that production. Members of the opposition will be queuing up in advance, as they do not seem to have any other interests.

Honourable members interjecting.

Mr STOCKDALE — Another example of the social justice values of the Labor Party!

Script development is critically important. Victoria's ability to attract and retain good productions is immeasurably enhanced if the script and the screenplay are developed in this state. Supporting our scriptwriters is an important initiative going to the heart of the Victorian film and television industry.

The fund will help to develop new work, new skills and new employment opportunities in the Victorian industry. The Production Investment Attraction Fund (PIAF) will provide a recurrent $2 million per annum and is designed to enable Cinemedia to attract footloose productions to shoot and produce programs in Victoria. Productions will be assessed on the basis of the size of the production budget; the proportion of expenditure within Victoria; the number of Victorians employed; the number of Victorian businesses utilised; and the strength of Victorian creative and physical production components in the intended production.

The benefits are important. We expect increased revenue for the state from production spending; training and skills development; new jobs for Victorians with skills in these industries; and a general raising of the awareness of Victoria and its major attractions and locations.

The SPEAKER — Order! The Treasurer has been speaking for more than 4 minutes.

Mr STOCKDALE — The fund will enhance support for Victoria's script and film production, and comes on top of schemes such as the New Writers Scheme, the Attachment Program and ZOOM — a lecture series targeting emerging film-makers and encouraging them to share industry experiences. These are very important initiatives and I expected bipartisan support for them. It is disappointing to hear the reaction from the opposition to the initiatives.

City Link: e-tags

Mr BATCHELOR (Thomastown) — I refer the Minister for Planning and Local Government to the shambles at the City Link call centre: staff turnover is approaching 20 per cent; there are inordinate delays in processing e-tag applications; false receipt numbers are being issued; and accounts and e-tag credits are being lost. Given this appalling track record, how can motorists have any confidence in the account system being set up for the payment of City Link tolls?

Mr MACLELLAN (Minister for Planning and Local Government) — There are two parts to the question from the honourable member for Thomastown. The first part indicates his confidence in the popularity of the City Link project. The call centre

is being overwhelmed with applications for e-tags. I understood from its recent decisions that the opposition was opposed to e-tags, although the former Labor government announced this project and the tolls. The opposition now wants to rewrite history.

I will draw the honourable member's critique to the attention of the people at Transurban and ask whether they can solve the problems he has highlighted. I am delighted to have his confirmation of the overwhelming popularity of the project.

CFA: growth corridor services

Mr ASHLEY (Bayswater) — Will the Minister for Police and Emergency Services provide the house with an account of initiatives to improve Country Fire Authority services in Melbourne's growth corridors?

Mr W. D. McGRATH (Minister for Police and Emergency Services) — I thank the honourable member for Bayswater for his interest in initiatives undertaken by the Country Fire Authority in the outer corridors of metropolitan Melbourne. The CFA has responsibility for providing fire prevention and suppression services in those areas.

Through its geographical information system the CFA undertook a data analysis of the population trends and brigade locations in relation to the growth corridors. The CFA is dependent for funding on both the state and the insurance industry.

The government, together with Len Foster, chairman of the CFA, can now announce the establishment of five new CFA stations — at Chirnside Park; Caroline Springs; Point Cook; Craigieburn and South Morang — at a cost of $2.81 million. Eight new fire trucks to the value of $1.63 million will be supplied with the stations.

The Country Fire Authority, the Metropolitan Fire Brigade, the Metropolitan Ambulance Service, the Victoria Police and the State Emergency Service, all provide 24-hour services. There will also be 19 new operational personnel at a cost of $1.3 million, which makes an allocation of new resources of $5.7 million.

Recently 27 community support facilitators began working with local communities on fire prevention strategies, setting up bushfire blitz programs. The government has now extended that program with the announcement of 32 new community support facilitator positions to be incorporated into brigades around the state to maintain a strong volunteer component as well as career men and women to make up a fire authority that is the envy of the nation.

This announcement has been positively received by people in Caroline Springs, South Morang and the other places I mentioned. I often travel past the Caroline Springs development, where about 25 000 people are living. The growth of that housing development over the past few months has been extraordinary.

The approach of the CFA is positive and will ensure that it will continue to provide a good emergency service in the event of fire. In addition, the work of the CFA with the local community on fire prevention programs is as beneficial as the fire suppression work it undertakes.

City Link: e-tags

Mr BATCHELOR (Thomastown) — I refer the Minister for Fair Trading to the deliberate issuing of false receipts by the City Link call centre because of an administrative shambles. Given that the Office of Fair Trading has been alerted to this fact, what action will the minister take to stop this mass illegal activity?

Mrs WADE (Minister for Fair Trading) — The honourable member for Thomastown has made serious allegations about the issuing of false documents. If he makes available the evidence he has, I shall take up the matter.

Tertiary education: rural telecommunications

Mr PATERSON (South Barwon) — Will the Minister for Tertiary Education and Training inform the house of the steps the government has taken to upgrade communications and information technology in regional TAFE institutions to ensure they meet the needs of rural communities?

Mr HONEYWOOD (Minister for Tertiary Education and Training) — The house is aware of the enormous strides that have been taken in telecommunications technology, be it email, the Internet, microwave communication technology or videoconferencing. Few honourable members may realise that residents of regional Victoria stand to gain far more from advances in telecommunications technology than those in metropolitan Melbourne.

There are two key advantages for regional communities in the initiatives that have been taken in telecommunications technology. The first advantage will benefit, say, 5 students at the Portland campus of South West College of TAFE, 4 students 100 kilometres away at the Hamilton campus and another 7 or 8 students at the Warrnambool campus who want to undertake the same specialised program. Until now those small cohorts have been unable to

obtain the minimum number of students required to get a new course up and running. This initiative will connect the three TAFE campuses via videoconferencing or microwave technology so that 16 or so students from the three campuses can be pooled, thus justifying the establishment of the new TAFE course.

In that context the government will provide an additional $2 million to regional TAFE institutes to ensure we get more of the $94 million I announced yesterday for recurrent programs, in particular apprenticeships, in regional TAFE, and $420 000 will be given to the South West College of TAFE based at Portland, Hamilton and Warrnambool, and another $330 000 will go to the East Gippsland TAFE based in Sale and Bairnsdale.

The honourable member for Morwell will be pleased to hear that a grant of $300 000 will go to the Central Gippsland TAFE to connect the various campuses, and $250 000 will be provided to connect the Echuca campus with the Bendigo campus to ensure that geographically remote students can be linked by technology to kick-start new specialised courses.

The second advantage of the rural TAFE communications initiative amounting to $2 million will provide Internet and email purchasing networks for the same amount charged to metropolitan TAFE students. That will reduce the cost of being connected to the Internet for teachers and students to the Melbourne average. Many of the issues raised with me in regional TAFE campuses concern the cost differential in Internet connections for regional TAFE students.

This government initiative ensures that those geographically isolated students will not be disadvantaged. They will be able to access the 50 000 new apprenticeship places at TAFE and obtain viable job opportunities under the government's $94 million allocation.

APPROPRIATION (1999/2000) BILL

Second reading

Debate resumed.

Mr MILDENHALL (Footscray) — The theme of my contribution before the interruption of the debate was that the budget is dishonest; it has no heart, no compassion and no sympathy, and it treats Victoria as a corporation and not a community. The activities of the Department of Treasury and Finance and the Treasurer through the financial strategy are characterised by subterfuge and conspiracy and the deception of the people of Victoria.

It is clear from the documents that as the privatisation program proceeds another $40 million of continuing funding has been made available despite what the Treasurer said that the unit would be wound up. The privatisation program continues despite the Treasurer's announcement in the budget that water would not be privatised and Workcover would not be sold. The opposition takes that assurance with a grain of salt.

As a result of recent revelations another activity that will proceed apace is the extension of the Eastern Freeway, the tolling proposals and the contracting out of the financial arrangements for what should be a taxpayer-funded freeway infrastructure. The department will no doubt proceed with its assault on superannuation benefits of current and former Victorian public sector employees. It is clear from a number of indications that the Department of Treasury and Finance believes it has debt under control and its next target will be superannuation liabilities. Work is under way to construct the pots of cash to dangle before the eyes of public sector employees to have them commute pensions to cash lump sums. No doubt that will be done with a maximum of spin and the minimum use of honest comparative appraisals with no access to independent investment advice and without the proposed recipients — I would say victims — of that strategy being warned of it.

The fact that the Department of Treasury and Finance is present at a number of industrial relations negotiations that should be carried out by other departments has caused me some concern. I understand that the department is currently involved in enterprise bargaining negotiations at the Melbourne Zoo enforcing stand-down clauses into zookeepers' enterprise bargaining awards which will create the extraordinary imposition of zookeepers who feed animals being stood down in the event that the zoo cannot operate for whatever period. We might even see zoo animals remaining unfed as a result of the heavy hand of the Treasury. Explain that to the — —

An honourable member interjected.

Mr MILDENHALL — It is not only the superannuants, it is the children, too!

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

Mr I. W. SMITH (Polwarth) — Thank you, Mr Acting Speaker, for the opportunity to address you on the budget. I was one of the few members in the

chamber for the contribution of the honourable member for Footscray. He usually drives most people out of the house. I had hoped to commence my speech with a resounding refutation of the important points he was making. He rather threw me, however, by saying halfway through his speech that the budget was in good shape. If he concedes that why should I bother with the rest of what he said? I think no-one in the house did that in any event.

I congratulate the government and particularly the Treasurer and Treasury officers on a magnificent seven years of sound financial management in the state. Although some people may want to quantify the budget by the items in it that particularly appeal to them, to me the best measure of what sound financial management has achieved in Victoria is the number of people voting with their feet. For the first time this decade Victoria now has a net population gain — that is, 25 000. People are actively choosing Victoria as the spot in which they want to live, do business and rear children. That is an encouraging sign, and it comes after years of decay brought about by the poor financial management of the previous Labor government.

Budgets, while a bit boring for most and difficult to understand for many, are nevertheless the real tool of a government. They fashion policies and enable planning to take society into the future. I will confine my remarks on the budget to two areas: an overview of matters of general importance to the state; and the effects of the budget on country areas, country issues and the electorate I represent.

First I will go back a step or two and remind the house that in 1982, when Labor came to power, the state's debts were $11 billion and its liabilities were $6 billion. Ten years later the debts had blown out to $32 billion and there was a similar amount in unfunded liabilities, principally $18 billion in unfunded superannuation liabilities. Through prudent management those debts have been brought down to a very manageable $6.1 billion in 1999, and liabilities are down to $13 billion.

Those figures tell the real story of 10 years of gross financial incompetence, of promising more than could possibly be afforded and of living beyond the state's means. They reveal in sharp contrast the present government's success in bringing the state to a point where people are living within their collective means and the government is able to afford the promises it makes.

I well remember that in June 1992 the former Premier, Ms Kirner, introduced what was known as the June statement — a subterfuge intended to convince the electorate that the state was not broke. That document claimed that the state's assets were $90 billion. When the coalition came to power government members wanted to see a list of those assets, and it will come as no surprise to the honourable member for Footscray that no such list existed.

Since October 1992, $25 billion in state assets have been sold, mainly electricity and gas assets, but also some smaller assets such as the grain handling system. The remaining assets on the list — a list the government has gradually obtained over a seven-year period — show that the state has net assets of approximately $31 billion. Allowing for inflation, the best case scenario is that the June statement of 1992 presented by Ms Kirner overexaggerated the assets of the state by a mere 100 per cent in an attempt to convince the electorate that the state's assets exceeded its liabilities! They did not.

Since coming to government the coalition has pressed on with accrual accounting. That device has made the documentation of budgets more difficult to follow in the short term for some honourable members, but it is the right path to be on. Happily, the government leads all governments around the world in accrual accounting, which is the method for making managers more directly responsible for the day-to-day management of the assets under their control. That should come as no surprise. One wonders why it was not started earlier and why it is not more universal. If my memory serves me correctly, in the United Kingdom the government has started down this track only in the last three or four years, and it will take it 10 years to reach the stage Victoria is at now.

Accrual accounting offers enormous benefits. Traditionally, a state budget has been a cash-management budget. People managing departments and affairs of state were allocated amounts of money, which they spent before the end of the financial year. Often there was a bit of a rush at the end of the financial year, and invariably there were pressures on those people to spend on things of the moment and neglect assets. In many cases they paid little regard to the quantity and condition of the assets for which they often did not feel especially responsible. There can be no greater example of that scenario than the appalling neglect by the previous Labor government of the office buildings right under our noses in Treasury Place. Whenever repairs and maintenance were required on any scale, the previous government simply vacated the buildings, left them vacant or semi-vacant, and rented accommodation downtown, usually at top-of-the-market prices.

One of the very prudent and sensible things the government has done has been to account for all the assets and put in place a management plan that either brings those assets back into economic use or disposes of them, whichever is more appropriate. Under that policy we have seen the refurbishment and redevelopment of Treasury Place. The historic buildings for which the government has an inescapable responsibility have now been refurbished, and the return to taxpayers on the investment in that precinct is approximately 7 to 8 per cent. Honourable members might say that such a rate of return is not a world beater, but for historic buildings that one is stuck with anyway that refurbishment plan dividend is extremely good. I mention that project because it is typical of what is happening around the state. Managers are now forced to take all assets into account and either shed them or look after them.

One of the visions I have always had for the public and for members of Parliament in particular is that somewhere down the track government will embrace an accounting system that enables members of Parliament — and the public — to trace online where expenditure has occurred and what will occur in the following financial year. While that sounds relatively easy, in reality it is a complicated process. However, it should be persevered with because only by such scrutiny and exposure will public sector managers drive the taxpayers' dollar harder to achieve better value for money.

Nothing is more rigorous and energising than challenging why a certain amount of money was spent on a project, how many people were involved and whether it could have been done with fewer people. I see no reason why people in the community should not be able to access through their computers a particular topic of government expenditure and trace that right through to the end result.

Mr Mildenhall interjected.

Mr I. W. SMITH — Taking up the interjection of the honourable member for Footscray about only capital works, it should be for items of recurrent expenditure as well. If the honourable member for Footscray had been more accountable when he was a public servant he probably would have left the service earlier because his inefficiencies would have been exposed!

I now turn to the benefits brought to public sector management through the government's privatisation and contracting-out programs and the purchase of services in a different way from that of the past. A classic example is school cleaners. The contracting-out of school cleaning reduced its cost by half. I admit there were teething problems because some schools did not manage their contracts as well as they do now but those problems were quickly overcome. The government should not fall into the trap of thinking that it must provide all services such as school cleaning because the overheads and on-costs of government far exceed the costs of most private enterprises.

Government management and reporting systems are more odious, time-consuming and stultifying. Only the private sector can provide the sorts of efficiencies in the provision of goods and services that the government needs to purchase on behalf of the people. The government's move towards the contracting out and privatisation of services and the more competitive nature of buying the things that must be purchased ensures that taxpayers receive better value for their money.

That scenario is exemplified also by the benefits of electricity privatisation. The average small business is better off by some $920 a year because of lower electricity charges. After full competition comes into effect at the end of 2001 it is estimated that that will improve even more. Similarly, on average, households are some $130 better off than they would have been under the former state-owned electricity enterprise. A similar position exists with gas. Public transport will soon be completely privatised. From a loss to taxpayers of some $6 million the cost of the service that runs between Melbourne and Warrnambool has been cut by approximately one-third since being privatised and run by West Coast Rail. Anyone who uses that line will tell you that the service is infinitely better and more reliable than it was under government ownership.

An enormous amount of money is spent by government in providing services for private prisons, computer services, road construction and the like. The whole government budget is spent on the acquisition of services, many of which are still provided in-house. Most of those services can be more economically and effectively provided by contracting-out or purchasing by contract. I strongly believe that the government's policy to privatise utilities and to contract out services has been the right and beneficial move not only for taxpayers but for the recipients and beneficiaries of those services.

I turn now to some of the budget highlights. Education is a high priority of the government, as it should be. The sum of $107 million is added to the capital works allocation to bring to $1 billion the amount of capital put over four years into education and bringing schools'

assets up to date. The Kennett government inherited a backlog of some $650 million worth of repairs that should have been done by the former Labor government. Those repairs have been caught up with and completed.

Although the common perception is that the government has made many cuts to education, the reality is that the education budget and all other budgets were cut for only the first two years when the government needed to take drastic action to repair the diabolical financial difficulties left to it. Will anyone ever forget the $1.3 billion in short-term borrowings by the former government that was not even declared? Allowing for inflation over the past couple of years the government has spent some 27 per cent more than was spent by the former Labor government on education in 1992.

A similar position exists in health and welfare where 24 per cent is now being spent over and above inflation and more than was spent in 1992, the last year of the Labor government. I am pleased that places for 50 000 new apprentices will be made available. Many service industries, basic practical industries and value-adding industries exist in country areas, and apprenticeships and trade training play an important role in keeping farms and the wheels of industry turning. It has been a problem to find sufficient skilled people to carry out all the tasks needed to be undertaken in country areas.

In my remaining remarks I will concentrate on the sort of deal country people might expect from a budget and the sort of deal they get in this budget. Most country people have a perception that they are getting a raw deal and that everything is happening in Melbourne. Melbourne seems to be all the go: peak hour at each end of the day is now 2 hours; new facilities are being built and many events have taken place. Because country people are excited about those things they have formed the view that they are missing out.

Country people should not feel like that. Although they constitute only 28 per cent of the state's population, they have received and continue to receive from this government 34 per cent of its recurrent budget. They also receive 36 per cent of its capital budget, yet country people pay only about 15 per cent of the state's tax revenue. That situation is not hard to understand because obviously less payroll tax — a large item of the state's income — is paid in country areas where businesses are generally smaller. Also, less stamp duty is paid in country areas because a house in a country town is worth less than its equivalent standard house in the city; therefore, less stamp duty is paid when the country house is sold. I suggest to country people that those figures should prove they get a particularly good deal.

Country people should also remember the sorts of services that have been brought to them, and their cost. I have already mentioned the benefits of electricity privatisation. Municipal restructuring has brought significant benefits to country people. Having returned to elected councillors, most country municipalities have increased their rates, but at least country people have the benefit of inflation. Their rates are between 15 and 20 per cent lower than their rates prior to the amalgamation of municipalities. That is an important fixed-cost ingredient for rural people.

In my electorate the news for most people is good. Because of the amalgamation of water authorities the water charge for a Colac resident will have dropped by 26 per cent; in Apollo Bay by 36 per cent; and in Lorne by 41 per cent. Those reductions in fixed costs to households and individuals have been of profound benefit.

This budget has infused $118 million into the upgrade of the Melbourne–Geelong Road. I have no doubt that that infusion of funds will be of enormous benefit in servicing my electorate. Nobody would dispute how dangerous and crowded the Melbourne–Geelong Road has become. The road badly needs a third lane in each direction and the subsequent treatment of bottlenecks at either end to enable goods and services to be transported to and from their source of supply and consumption.

I shall detail a few of the benefits that have flowed to the Polwarth electorate. My electorate has nine one-man police stations, which are all staffed and open for business. A new police station is being built at Lismore, another is being completed at Birregurra, and a new station to be built at Lorne is part of a $1.6 million emergency services complex there, the construction of which will start soon. A new fire station has been built at Barrabool, another at Inverleigh, and on Saturday the first sod will be turned for a new fire station to be built at Colac. Also, a number of smaller fire stations have been built in more remote areas of my electorate.

Health services are important for country people. A new, major and extremely good community health care facility is now located at Apollo Bay. This budget funds a new hospital, aged care services and a community health service centre at Lorne. The planning for a promised new hospital at Colac is continuing, and new health and community service facilities that are proving to be enormously beneficial, particularly in the

prevention of ill health, have been built at Lismore, Beeac and Birregurra.

I also briefly mention the establishment of the Corangamite Catchment Management Authority in Colac. Honourable members may appreciate that in my electorate of Polwarth early settlement graziers moved from Geelong and set out for the open grass plains of the Western District: in the north was forestry, and in the Otway Ranges, to the south, was also forestry. As a result of poor land use and forestry practices land degradation and denudation are causing a decline in the natural productivity of the land — not the artificial productivity boosted by fertilisers — of about 1 per cent a year. That decline has been exacerbated because the soil is mainly of basalt origin and, as the name suggests, any run-off into the aquifers or on the surface is saline in nature and causes further degradation downstream. The Corangamite Catchment Management Authority was established to help redress those problems. It has begun to redress the land degradation, and I believe in time its efforts in that regard will be incredibly successful.

I comment also on another major initiative that touches on most rural electorates — that is, the establishment of International Fibre Centre Ltd in Geelong. That vision of the Premier, now opened, will benefit Victoria in its training of people to value-add wool, our most impressive natural product. In the past 10 years or so wool production has been a depressing industry for those involved in it, and it may remain so for quite some time, but the notion of training people to value-add Victoria's extremely good woollen produce is to be commended. I know it will add heart to an otherwise depressed wool industry sector.

I direct the attention of the house to the wide range of funds now available through tourism and, more particularly, sport and state development grants. There is not a community within the Polwarth electorate that has not benefited, whether it be the upgrade of the public halls at Skipton, Shelford, Linton, Dereel and Cape Clear or the upgrade of the facilities at the Lismore and Beeac golf clubs and the Cressy Bowling Club — and I could go on and on.

On dozens of relatively minor projects the Minister for Rural Development joins with the local municipality and community in coming to grips with what otherwise would be redundant or declining assets. The government has upgraded community facilities so the community can enjoy using them to retain and enhance the important social structure so much valued by rural people. The receipt of those grants has put great heart into all the small centres in my electorate.

Another small but significant example of a grant initiative in my electorate was the $6000 provided to the Pomborneit Cricket Club, which fields three teams. That grant has allowed the club to complete construction of its clubrooms and to afford the watering of its cricket pitch. The club was most grateful for that grant.

Finally, I turn to the growing importance of tourism to my electorate. My electorate has the largest number of tourists per annum of any region — 2.8 million visitor days and 2.6 million visitor nights. It is an important source of employment for young people and an important and growing industry in the Polwarth electorate. The infrastructure along the Great Ocean Road is being systematically upgraded and that has spawned a large number of small business operators who are providing bed-and-breakfast accommodation to cater for the growing demands in the tourist industry.

This is a most responsible budget. It delivers on all the promises the government made when it came to power. I hope the government continues with its good work, and I commend the budget to the house.

Ms KOSKY (Altona) — The Treasurer said this was a turning-point budget. Last year he said exactly the same thing, so it may mean Victoria has turned 360 degrees. If this is the budget that was to return a social dividend, the one that we have long awaited and suffered for greatly, the wait and suffering have been for very little return. The budget provides little, particularly on jobs. There are no additional teachers or nurses. Although the opposition welcomes the Treasurer's commitment of 400 extra police, everyone knows that more are needed — as was originally promised.

Employment should be the cornerstone of any government's social fairness policy, because it is absolutely critical to the quality of life of individuals and their families. The government's approach suggests that jobs will trickle down and that with the right basics and climate more jobs will miraculously appear. Sadly that does not happen to the extent that is needed in order to deal with Victoria's unemployment situation, particularly the situation of uneven employment.

The job of a government is to both create and sustain jobs. Many jobs have been lost from Victoria this year alone with the loss of companies such as Yakka, Dorf, Colonial and the cement works in Geelong, and the list goes on. However, in some cases the companies have moved to other states. The government is not good at sustaining employment opportunities in Victoria. There is a recycling of jobs: when jobs are lost a few

short-term or part-time jobs are created. However, sustainable employment situations are needed so that people can manage their lives well and share in the prosperity. Some Victorians are doing well and there are others who are struggling. That needs to be changed; the benefits need to be shared between all Victorians, not enjoyed by only a few.

Most honourable members would understand that maintaining skill levels and investing in reskilling is important for Victoria's future. High skill levels are necessary to meet the changing needs of technology and new industries, and to ensure that existing businesses can continue to grow. Education and training is one of the best investments a community can make, and by reskilling the future health of not just the economy but, through a flow-on of social benefits, the health of the community can be assured.

Honourable members heard the Minister for Tertiary Education and Training trumpet the $94 million that is being provided for training. I welcome that. However, I have major concerns about the figures provided. The minister said that those positions will create 50 000 extra TAFE apprenticeships over 4 years. If that is the case his promise is massively underfunded, because based on the government's figures it provides an average funding of only $1876 per place, which is not sufficient to provide meaningful training. It will provide short-term placements but will not address the shortages that exist in trade areas where people need to train for between two and four years. The promised funding is not enough to provide even lunch money for one year for those apprentices, let alone provide quality training. It is not good enough to tick off the training box and say that another person has gone through. It is important that training occurs in those areas where jobs and additional skills are required.

Some of the figures that come directly from the government point to a 7 per cent drop in traditional apprenticeships, not traineeships, since 1993–94. That is the most recent data on which the government can be judged. The figure represents areas such as the metal industries, the electrical industry, the vehicle trades, food, agriculture, hairdressing and horticulture. The skill shortages in those traditional areas match up with the areas in which there has been a reduction in the number of apprenticeships. The government is not responding to the skill shortages and is not taking any action to properly fund the problem areas. The provision of less than $1900 per place is not sufficient to ensure that skill shortages are addressed and trade apprenticeship areas are properly funded.

It might be hoped that the government would lead the way in public sector apprenticeships, but the records indicate otherwise. The government is providing an appalling example to Victorian employers. The September 1998 figures from the National Centre for Vocational and Education Research show that the total number of state-government employed people in training in various states in that year were as follows: Victoria 40, New South Wales 1040, Queensland 2500, Western Australia 580, and Northern Territory 170. Victoria could manage only 40 new public sector apprenticeships!

Part of the reason for the low Victorian figure is the fact that the state no longer has a public sector electricity industry and that the Victorian government puts some public sector apprentices through group training programs. However, the figure of 40 cannot be explained away on that basis. It is an appalling example for the government to set Victorian industry. It is no wonder industry is not taking up all the funding opportunities that are available. Unfortunately Victoria is slipping behind in the training and skilling of its work force.

What is happening with TAFE institutes goes some way to explaining why Victoria is dropping further behind. I will talk about the benchmarks that the government brags about setting. Funding per student contact hour in Victoria is $4.74 — less than $5! — compared with the Australian average of $7.04. That means the government places a lower value than the national average on the cost of student hours and that has an impact on the type of training students get.

Spending on TAFE in Victoria is 78 per cent of the Australian average per head of population. Average expenditure on TAFE across Australia increased by 17.2 per cent from 1992–93 to 1996–97, and at the same time it dropped in Victoria by 0.2 per cent. So whilst the rest of Australia has been improving, Victoria has been decreasing the amount of money it spends on the provision of TAFE. TAFE in Victoria has the lowest percentage of state-government sourced revenue of any state — 45.4 per cent compared with the national average of 56 per cent. Under this government the TAFE situation is at crisis point.

I noted that during question time the Minister for Tertiary Education and Training referred to additional money that will go via technology training to a number of campuses. It is interesting that two of those campuses have really struggled financially because of the reduction in funding provided by the government. While it is expecting TAFE institutes to put through more students, the government is providing less

money — that is, the government is expecting TAFE colleges to do more with less money. That is what the government describes as benchmarking. I call it ripping the heart out of the training system in Victoria, and that is what people at TAFE colleges will tell you.

If members of this house visited TAFE colleges they would know that the TAFE colleges are struggling to make ends meet because the government is cutting more and more into the money provided for training. The initiative of $96 million for 50 000 places that was announced is further evidence of that. It is peanuts! But the government is still expecting TAFE colleges to do a lot with a very small amount of money.

The government announced in its budget an amount of $23 million for capital investment in TAFE colleges. That will be welcomed by the TAFE colleges because many of them need major upgrading. I hope that it is not used a pork-barrelling exercise, with the money going only into TAFE colleges in marginal seats but that it will be an opportunity to improve facilities in areas where they are most needed.

The minister referred to higher employer customer satisfaction. I suggest to the minister that the questionnaires provided are a bit of a joke. Employers will respond positively because if they do not the government will not give them additional money; they will be punished for giving realistic feedback. It is in their best interests to respond positively so that they get a positive response in future. Let us not fool ourselves about that. The minister can say that there has been a great improvement but when one looks at the reduction in numbers at TAFE institutes, higher employer customer satisfaction does not mean a lot.

In 1999 TAFE institutes face a real cut of 7 per cent, made up of a 1.5 per cent government productivity provision, the Victorian share of the commonwealth $20 million benchmarking efficiency requirement, and the transfer of $8 million from profile course funding to 1999 PETP tender. Funding is being moved away from the TAFE institutes and most of it will go to private TAFE providers. The 7 per cent cut to TAFE institutes is made up also of the requirement for institutes to deliver growth in the number of new apprenticeships without a corresponding increase in funding. The approach is all about delivering more for less.

An increasing amount of TAFE is being put out to tender which is driving the TAFE dollar down. The government may say that is fantastic but when one travels around the state and talks with different training providers they say that they have had to put in tenders at a low cost because if they did not do so they would not get any funding. They are very concerned about being able to provide services at ridiculously low prices. In the current incredibly competitive environment, companies, private providers, TAFE institutes, and adult and community education organisations are basically outbidding each other and so destroying the soul of the training system because at a certain point it will break. The result will be either very low quality service or — as I suspect — a lot of organisations will go under. A number of TAFE institutes are struggling at the moment just to keep their doors open because TAFE providers are required to do more with less money.

Regional institutes are also facing an additional burden under the removal of the regional funding differential. There used to be acknowledgment that it cost more to deliver TAFE training services in rural areas, with smaller institutes and smaller class sizes because of smaller population numbers as well as the additional travel and communication costs. It was acknowledged also that a regional funding differential was needed.

Anyone listening to the honourable member for Polwarth will realise that the government does not have a major commitment to country Victoria. The current view is that country Victorians should not get additional money in recognition of the need for equity across the state but should only get back what they put in. I was disappointed with his presentation because he did not acknowledge that rural Victoria actually needs additional funds in order to get access to the same range of services enjoyed by people in metropolitan areas.

The government has withdrawn the regional funding differential for regional institutes and without it they are finding it extremely hard to cope and to provide the sorts of services they are expected to provide on very limited funding. Some institutes train many people who are on unemployment benefits or who are health care card holders. They do not get the same amount of money from those individuals as they would from people who are working and can pay the full fees, so the institutes are seriously disadvantaged by the removal of the regional funding differential.

Regional Victoria in general is seriously disadvantaged by the removal of the regional funding differential. The government is doing nothing to ensure that people in country Victoria have access to the same sorts of training and skills as people in metropolitan areas. A particular issue in country Victoria is that there has been a significant drop in traditional apprenticeships. It is very noticeable in country areas because it has always been a bit more difficult to get trade people to do particular work, just because there are fewer people

in country areas. The substantial drop in the number of people undertaking traditional apprenticeships is having a real impact on the people of Victoria.

Before mentioning what Labor would do differently in that area, I will talk about a local initiative. I put on record my pleasure on hearing about the amount allocated in the budget for the Princes Freeway. I hope the federal government will match that money because Victoria does not want a half-baked response to the difficulties of the Princes Freeway. There should be a solid response to improving traffic flow on the freeway.

Mrs Henderson interjected.

Ms KOSKY — I have acknowledged that I am pleased with the allocation. I have also previously mentioned in the house a particular concern in my electorate. Twelve properties are located so close to the Princes Freeway that they share side fences with it. When the freeway was originally built, proximity to it was probably not such an important issue, but with increased traffic volume, the opening of the Western Ring Road, and B-doubles and B-triples frequently travelling the freeway, people living in those properties are experiencing major problems. They cannot stand in their backyards and have a conversation. They cannot open their windows because the noise level is so high. They have to keep their windows shut year round, which is intolerable in summer.

I put on record my hope that the situation of the people living in those 12 properties can be alleviated. There are a number of ways that could be done. At the moment there is only a wooden noise attenuation fence which also acts as a side fence for the properties. The size of the fence has been increased, but it blocks out light. A concrete sound barrier along that section of the Princes Freeway is required: freeways on the other side of the city have such concrete barriers.

Perhaps the government could consider purchasing some of the properties so the owners can have a significantly improved life. It is difficult for them to sell their properties: no-one wants to buy them because of the noise level. These property owners have lived in the area for a long time — probably since the freeway went through — but they now find their position intolerable. Residents can wake up in the morning to find a blown tyre from a truck on the roof. That has happened on a number of occasions and can be dangerous. Such proximity to the freeway is certainly bad for the health of those people. I put on record my hope that part of the $100 million allocated in the budget to the upgrading of the Princes Freeway could be used to assist those people.

What would Labor do about training and jobs? This morning the Leader of the Opposition spoke about what Labor would do about jobs and training. Labor would target infrastructure allocation to drive job growth and over time rebuild Victoria's declining social infrastructure base. As mentioned, Labor would make a commitment to providing additional resourcing in education and reducing class sizes in particular, additional resourcing in health and additional police. That would have an immediate impact on the jobs situation.

Labor will set growth targets using a whole-of-government approach. Labor will establish a system in cabinet whereby all project initiatives will be assessed against growth target criteria. That is designed to stimulate private sector employment opportunities.

Labor will commit to new employment targets, ensuring in our first term of office that Victoria's adult and youth unemployment rates will be consistently below the national average, and a JobsNow package will be implemented and funded by the number of senior public servant executives being cut back to match the 1992 ratio. A significant part of the JobsNow package will relate to traineeships and apprenticeships, particularly in trade areas, where there are significant skill shortages.

Labor wants to focus on young Victorians. Young Victorians now without experience in the work force remain without experience in the work force. That is evident in long-term unemployment statistics. Once young people are out of work for a period, they find it difficult to get back into the system. If they cannot get back in, we lose them. The consequences of losing young people from the work force are evident in the high suicide, drug and crime rates not only in Victoria but across Australia. It is extremely important that we link with young people and ensure they have a future via the job market.

Another initiative already announced will see the linking of secondary schools and TAFE colleges to provide more vocational options in school curricula for young people who do not want to go on to university at that stage. That initiative will link young people with some of both traditional and newer skills areas as developed through traineeships in an effort to keep them in education, acknowledging that the VCE does not cater for all young people and ensuring they do not drop out early and go on to the dole queues. If young people are kept in the system they are linked with opportunities for apprenticeships and traineeships.

I have spoken with a number of people in trade areas. They tell me that many young people do not necessarily want to go into those areas because the VCE does not encourage them to do so. They say young people have a view that the work in some of the traditional apprenticeship areas is dirty and not what they want to do. Many of the resources in secondary schools also are not appropriate for young people if they want to further their education and improve their skills in more vocational areas.

Labor plans to link secondary schools and TAFE colleges at the upper end of the school system to provide additional opportunity and ensure skill shortages are addressed. TAFE will be used to give older retrenched workers the opportunity to retrain and learn new skills to enable them to start new careers. That is a major problem for people who have been in the work force for some time but find themselves unemployed and are not sure how to get back into the work force. Under Labor TAFE institutes will provide aptitude testing and retraining for all Victorians who have lost their jobs and want to undertake retraining.

Labor will end the closure of regional TAFE colleges and give them a more secure funding base. Labor has announced $4.2 million will be invested in regional colleges by increasing per capita regional funding differentials to take into account the additional on-costs faced by regional TAFE colleges. That is a major issue in rural Victoria, as it simply costs more per student to provide quality education and training in rural areas.

In summing up, I am disappointed the budget does not address the issue of jobs in a significant way and relies on the private sector to come to the party in jobs creation without setting the example.

I hope there will be more emphasis on social equity throughout Victoria rather than relying on the trickle-down effect. Unfortunately, social equity will come about only through the return of a Labor government which will ensure sound financial management and the equal spread of services and resources throughout Victoria, rather than just allocating them to the Melbourne central business district.

Mr SPRY (Bellarine) — I have pleasure in contributing to this debate and, like other honourable members, I will take the opportunity to make specific remarks about certain issues. The debate on this landmark budget allows honourable members to reflect on the directions Victorians face in the next millennium.

The government has put behind it the austerity it faced in framing budgets during the past seven years following the period of Labor mismanagement of the state in the 1980s and early 1990s. It looks forward to a time of prosperity and optimism and to the things it can do for Victoria instead of having to continue to maintain recovery policies.

No-one would disagree that to date the response by the opposition to the budget has been predicably disappointing. It was apparent to honourable members on this side of the chamber that the shadow Minister For Finance lacked an understanding of the objectives of public accounting reform, despite the fact that he attended a breakfast this morning organised by the Public Accounts and Estimates Committee during which the secretary of the Department of Treasury and Finance, Ian Little, reiterated the objectives of public accounting reform. Mr Little said that those objectives were to introduce elements of transparency, accountability and, above all, better mechanisms for budget management.

That policy contrasts with the former Labor administration. The then Treasurer insisted on a cash accounting procedure which, from time to time, merely gave a snapshot of the cash position of the state and allowed opportunities to manipulate the figures. During the dying days of the former Labor administration the figures were manipulated.

The honourable member for Polwarth drew attention to one aspect of that in his contribution when he said that the then Premier, the Honourable Joan Kirner, announced that the state's assets amounted to some $90 billion. The honourable member for Polwarth contrasted that response to that of the Public Accounts and Estimates Committee report that indicated an asset figure of $32 billion. It is difficult to imagine from whence the former Premier got the figure of $90 billion. I suggest it further indicates the lack of credibility the Labor government had during its dying days.

It is obvious from the response of the Leader of the Opposition to the budget speech that he is grasping at straws when criticising what is essentially a responsible budget. The Leader of the Opposition acknowledged that there were some good things in the budget — and I was pleased to hear that — and he referred to the allocation for the Geelong Road improvement works. The honourable member for Geelong North is smiling. I have no doubt that he will refer to that allocation in his contribution to the debate.

The Leader of the Opposition made the extraordinary comment that the government was neglecting services. I do not know whether he was comatose when making those remarks, but a glance of budget paper no 1 would indicate to the Leader of the Opposition the government's commitment to delivering services. Under the heading, 'Delivering government services', pages 6 and 7 of budget paper no. 1 set out the service delivery improvements of recent years in health, education and law and order.

The government now spends substantially more — in real terms, not nominal terms — than was spent by the Labor government in 1991–92. Spending on education in this budget will increase by a further 6 per cent. The government is now spending 12 per cent more on education, allowing for inflation, than was spent in 1991–92. Spending on health and welfare will increase by another 4 per cent. The government is now spending 24 per cent more on health and welfare, again allowing for inflation, than was spent in 1991–92. Police funding will rise by a further 4 per cent. The government is spending approximately 21 per cent more on police than was spent in 1991–92. One wonders about the fuss the Police Association made about police numbers and how much the campaign was driven by a desire to get more funding for the force.

I have given a brief snapshot of the government's commitment to deliver services in this budget. I remind honourable members that the ability to deliver services is made possible by good, sound, responsible, accountable, transparent financial management, the thing that Victorians have come to expect of the Kennett government. That has not happened by chance. It reflects the determination of the government to effect the recovery so urgently needed following the years of Labor government administration. Victoria is now the fastest growing economy in Australia and employment is now at record levels. At page 3 of budget paper no 1 the Treasurer said in effect that even in the darkest days of late 1992 the Kennett government still envisaged an economy that had a potential to be the strongest in Australia. After six and a half years of the coalition administration that vision is now a reality. Victoria's net debt of $32 billion in 1992–93 has fallen to $6.1 billion.

Mr Cameron interjected.

Mr SPRY — The honourable member for Bendigo West says, by interjection, that it should be zero. That would be the ideal situation. A Labor government could never achieve that. If the former Labor administration had continued managing the state in the same way as it had done so up until 1992 it would be difficult to find the numbers to describe Victoria's net debt. The government has re-established Victoria's AAA credit rating with Moody's Investors Service. The government has reduced the interest on that amount in net terms by more than $800 million every year. That has given the government the opportunity — —

Mrs Henderson interjected.

Mr SPRY — The minister's interjection is exactly what I was about to say — it has allowed the government to allocate that hitherto profligate amount of money on funding additional services for Victorians who badly need them. The Labor Party could not object to that.

Earlier in the debate much was said about the government's commitment to improving infrastructure. Obviously, no modern economy can flourish without sufficient infrastructure — I refer to physical infrastructure as opposed to what I describe as social infrastructure, such as health, education and welfare. A sufficient physical infrastructure encourages the establishment of businesses in Victoria and the government is proud of its record in ensuring that industry is attracted to Victoria.

One of the matters mentioned earlier by some members, including the shadow Minister for Employment, Tertiary Education and Training, and which is applauded on both sides of the house, is the government's commitment to allocate $118.5 million to upgrade the Geelong Road. I refer to a speech I made during the grievance debate on 30 April 1997 when the issue was in its infancy. Even in those days my Liberal Party colleagues in Geelong and I recognised the need to address it as a matter of urgency. That recognition came on the heels of the findings of the National Institute of Economic and Industry Research (NIEIR) in its review of the Princes Highway and its economic impact study of October 1995. I refer to one of the points I made in 1997 because it is worth recycling:

> The Port Phillip zone is becoming increasingly important in both national and world terms, and its place on the Asia-Pacific rim is of vital significance to the world's economy.

That view is shared by my colleagues in Geelong, senior councillors at the City of Greater Geelong and Mr Ross Mellor, the chairman and coordinator of the Habitat Trust. That organisation also shares that vision for the south-west sector of the metropolitan region of the Greater Port Phillip Bay region. One of the most significant pieces of infrastructure that needed to be addressed was the upgrade of the Geelong Road. Even in April 1997 the traffic flow along the

Geelong–Melbourne road was in the vicinity of 30 000 vehicles a day at the southern end of the highway and rising to some 70 000 between the Werribee-Hoppers Crossing area and Melbourne. The honourable member for Geelong North has also made that point. The NIEIR study revealed that Princes Highway West between Werribee and Geelong has one of the worst crash records in Victoria — it is 10 times the state average. In addition, every year the highway carries about 6 million tonnes of interregional freight in transport vehicles that are constantly increasing in size and capacity.

Drawing from the remarks I made in 1997, it is clear that the government's commitment to allocate $118.5 million to upgrade the Princes Highway in the ensuing financial year is well and truly justified, and some might say overdue. The government hopes the federal government will recognise its responsibility to Victoria, acknowledge that the road is of national importance and see fit to follow Victoria's lead by matching the funding to enable the completion of the upgrade.

In drawing attention to the fact that the Geelong Road provides direct access to the Geelong region, I also draw to the attention of the house the fact that after transport enters Geelong other problems arise because Latrobe Terrace, which runs through the city, is only a dual carriageway. Some imaginative thought must be given to how in the future vast commuter, tourism and freight links will be made with the western regions of Victoria. The question of whether a bypass should extend around the west or east of Geelong is contentious. It will take some imaginative planning by authorities to determine exactly where the bypass should be constructed.

In my 1992 maiden speech I drew attention to the fact that if in due course the authorities selected an eastern bypass around Geelong — and I am not suggesting for a moment that it should be on the agenda right now but perhaps it may be in some 20 to 50 years — it would be able to link up with five or six major roads, including the Portarlington Road to the northern section of the Bellarine Peninsula; the Bellarine Highway, which leads to Queenscliff and links with the passenger ferry across Port Phillip Bay; the Barwon Heads Road; the Torquay Road; the Anglesea Road; and the Princes Highway. Clearly some tremendous advantages would be gained if an eastern bypass were constructed in the future. If that is the plan for linking the western districts and the surf coast on the Bellarine Peninsula to the Melbourne–Geelong artery, serious consideration should be given to putting some reservation on the area to indicate that intention to planners, developers and others who wish to move into the area.

On the point of road infrastructure, on Tuesday the Minister for Planning and Local Government mentioned a recent review entitled *Towns in Time*, which states that the fastest-growing town in the Barwon region is a town in my electorate, Clifton Springs.

The *Towns in Time* report indicated that the annual population increase in Clifton Springs over the past 15 years was 7.6 per cent per annum, which is a total increase of 4420 people. The report also mentioned that a large proportion of that increase in Clifton Springs was in the younger age group. It is that younger age group that the government had the vision to address in the pre-election run-up in 1996. At that time the government authorised a review into the needs of young people on the Bellarine Peninsula. I had the pleasure of chairing that youth services review shortly after the government was re-elected in 1996.

Towns such as Clifton Springs, Drysdale, and perhaps to a lesser extent towns on the other side of the peninsula such as Ocean Grove and Collendina, lacked the infrastructure enjoyed in metropolitan areas of Melbourne and to a lesser extent Geelong. One of the recommendations of the committee was that some infrastructure be developed around the emerging education facilities in what we call the central Bellarine area, or the subregional centre near Drysdale. The youth services review committee recommended to government that a Bellarine arts and recreation facility be constructed to complement the needs of the two schools in that area, Catholic Regional College and the Bellarine Secondary College, and also to provide particularly for the needs of the increasing number of young people populating the eastern end of the Bellarine Peninsula. I was pleased to hear the announcement made last year by the Premier that an application to the Community Support Fund was successful. A facility in that area costing about $1.5 million is about to be commenced as a result of those initiatives.

I turn to the specifics of the budget as they affect the Bellarine Peninsula. There are two major new initiatives to which I draw attention, both in the social infrastructure area of the budget. The first is funding for second-stage extensions to the Ocean Grove Primary School and the second concerns funding for the much needed community health centre extensions in Newcomb. Newcomb is at the suburban end of the Bellarine Peninsula, which is described as the western end of my electorate. The funding is for extensions to the dental service clinic for the people of Newcomb, Whittington and Moolap. The people of that area are

awaiting the completion of the facility with keen anticipation.

Over the past seven years there has been a dramatic improvement in the physical nature of the 13 government schools on the eastern end of the Bellarine Peninsula to the extent that most people who enjoy those facilities, certainly the school councils that help to run them, regard them as some of the best education facilities in Victoria.

Earlier I mentioned the critical mass in educational facilities that is now taking place in the so-called Bellarine sub-regional centre near Drysdale. Not only are the new secondary school and the Catholic regional college now located there but an additional major private school, the Christian College, has made its local headquarters in that area, adding to the number of schools that now cater for the unique needs of the young people on the Bellarine Peninsula.

These are just a couple of social infrastructure initiatives that build on what has undeniably been a great record of achievement on the Bellarine Peninsula over the past seven years. Others include the construction of the Surfside Primary School at Ocean Grove, which commenced in 1994; the aforementioned Bellarine Secondary College at Drysdale at a cost of $12 million, which commenced in 1997, and the Ocean Grove Primary School, the second stage of which I mentioned previously.

In the health services area, the $3.3 million community health centre project at Newcomb is also worth mentioning. Although it is not specifically in the Bellarine electorate, because it is the major acute health service in Geelong I also mention the $20 million redevelopment of the well respected Geelong Hospital that has just taken place.

In dealing with physical infrastructure that residents on the Bellarine Peninsula have enjoyed over the past six or seven years I direct attention to the improvements and upgrades that have been made to the Bellarine highways. These included a duplication of the highway from the Wallington Road turn-off to Grubb Road.

Currently under discussion also and the subject of community consultation is the proposed $3 million upgrade to the Queenscliff harbour. It is interesting to note that $2 million of that upgrade money has been included in this year's state budget. The draft proposal is attracting a lot of attention and is of particular interest to the people of Queenscliff who have been invited to comment on it. I hope significant comment will be made on the proposal in the near future and that it will lead to a greatly improved harbour facility in Queenscliff.

Improvements to the Bellarine Peninsula road system are being carried out in conjunction with the improvements to the public transport system.

In a broader sense, it is also worth mentioning improvements to technology in schools. In the future private sector investment will provide more opportunities for the people of the Bellarine Peninsula. One in particular that I have mentioned in the press in the past couple of days is aquaculture. My electorate is largely surrounded by water. Therefore, I am conscious of the opportunities that its 70 or 80 kilometres of coastline could provide in the area, not only for tourism but also for industry — opportunities that in turn might provide employment. Aquaculture has exercised my mind for some time. Last week I attended the World Aquaculture society conference in Darling Harbour, Sydney, and while there I reflected on the enormous number of future opportunities for aquaculture to contribute to Victoria's drive to produce something in the order of $12 billion of rural export products by 2010.

Aquaculture in and around the Bellarine Peninsula is an opportunity that should not be missed. It is an industry in which many people are seeking to invest.

Debate adjourned on motion of Mr CAMERON (Bendigo West).

Debate adjourned until next day.

SHRINE OF REMEMBRANCE (AMENDMENT) BILL

Committed.

Committee

Clauses 1 to 7 agreed to.

Clause 8

Mr COOPER (Minister for Transport) — On behalf of the Minister for Conservation and Land Management, I move:

1. Clause 8, lines 23 and 24, omit paragraph (a) and insert —

"(a) a person nominated by the Minister, who has been engaged in service or duty as an officer or a member of the naval, military or air forces, who shall be chairperson; and".

2. Clause 8, page 6, lines 10 to 18, omit paragraph (e) and insert —

"(e) 4 persons nominated by the Minister who have between them experience and knowledge of administration, business, finance, marketing or public relations.".

Amendments agreed to; amended clause agreed to; clauses 9 to 14 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

RAIL CORPORATIONS AND TRANSPORT ACTS (AMENDMENT) BILL

Second reading

Mr COOPER (Minister for Transport) — I move:

That this bill be now read a second time.

This bill supports and facilitates the government's program of public transport reform. One of the bill's principal purposes is to create a new statutory rail corporation called the Spencer Street Station Authority. The authority will be responsible for management of the Spencer Street Station precinct, which presently forms the west-end precinct of the Docklands area.

The bill generally provides for finetuning of the provisions relating to the franchise arrangements and the operating arrangements for private operators of tram and train services, as well as clarifying the provisions for enforcement of transport-related offences. The bill also amends the provisions relating to the administrative arrangements for private bus contracts and extends the enforcement provisions to private bus operators. Finally, the bill provides for two technical amendments to the toll provisions of the Melbourne City Link Act.

More particularly, the cross-ownership provisions relating to franchises are modified to account for a situation where there are two or more legal entities signing the different agreements which comprise the arrangements in respect of a single franchise business. The cross-ownership rules will encourage competition and ensure that the operators of two tram and two metropolitan train businesses are separately owned, but will allow for different corporate structures within each business.

Similar amendments are made in respect to the provisions in the Rail Corporations Act which validate certain clauses in agreements and the statutory transfer mechanism in that act. The amendments extend those provisions to private-operator ownership structures when the entity which purchases rolling stock from the state is a separate legal entity from the franchisee while still being part of the same business structure.

To ensure that activities essential to the running of the public transport network — for example, powering up trains and running trams in and out of depots — are able to continue, the bill proposes that noise emitted by trains, trams and light rail vehicles travelling on rail or tram tracks, or when entering or leaving sidings, yards, depots or workshops or powering up or shutting down inside sidings, yards, depots or workshops is deemed not to constitute a nuisance and is exempt from the Environment Protection Act 1970 and the Local Government Act 1989 and regulations.

These provisions preserve the existing situation with respect to noise emissions from the public transport system. The ongoing performance of operators in this respect will be closely monitored by the Director of Public Transport. The director will have power under the franchise agreement to require franchise operators to comply with his reasonable requests to minimise noise emissions in sidings, yards, depots or workshops. Noise emitted from such facilities will also be governed by the Environment Protection Authority in line with its current guidelines. The Environment Protection Authority was consulted on the issue of noise from public transport operations and is satisfied with the arrangements being put in place.

There have been a number of changes made to the enforcement arrangements relating to ticket offences. To ensure that enforcement powers are not misused, bus operators wishing to use statutory enforcement powers will, like franchisees, be required to have accredited management systems for authorised officers. In the event of a misuse of authority, penalties will apply and the Secretary of the Department of Infrastructure will, among other powers, have the power to revoke an authorisation.

The expansion of enforcement provisions to cover bus operators will provide uniformity of enforcement powers across all forms of public transport. The enforcement and collection of fines will be retained by the state.

Under the amended provisions the secretary will have greater powers to grant authorisations and to impose

conditions on authorisations. Provision is made for heavy penalties for the breach of such conditions.

To ensure continuity of enforcement of ticket offences, the bill inserts transitional provisions which will last for 12 months so that authorised officers with enforcement authority who are currently employed by the Public Transport Corporation will continue to be authorised when they transfer to a private operator. Persons given temporary authority by the secretary will be required to meet at least the current standards and requirements, and will carry identity cards. The system of temporary authorities will only last for 12 months.

Franchisees will be given powers to deal with lost property, based on the powers which the PTC had in relation to lost property under the transport (Public Transport Corporation) Regulations 1994. These powers are necessary because the large volume of lost property in the public transport system makes it impracticable for the police to deal with it. The proceeds of the sale of lost property, after deduction of costs, will be dealt with in accordance with the Unclaimed Moneys Act.

The power of the secretary to enter into service contracts with bus operators under part 3 of the Public Transport Competition Act 1995 is extended to the Director of Public Transport.

A consequential amendment is the statement contained in clause 37 of the bill, that it is the intention of section 36(1A) of the Public Transport Competition Act, proposed to be inserted by clause 36 of the bill, to alter or vary section 85 of the Constitution Act 1975. In the same way as the Public Transport Competition Act already limits the liability of the secretary with respect to the private bus contract arrangements under the act, this amendment extends the limitation of the Supreme Court jurisdiction to the Director of Public Transport when he exercises those contracting powers instead of the secretary. The limitation of jurisdiction provision covers the director if he makes a decision to enter or not to enter or renew a bus contract or decides to vary, suspend or cancel a bus contract.

I wish to make a statement under section 85(5) of the Constitution Act of the reasons for altering or varying that section. Proposed new section 36(1A) of the Public Transport Competition Act is intended to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent the Supreme Court from awarding compensation in relation to an act described in that section.

The proposed new section relates to actions taken by the Director of Public Transport in relation to bus contracts. It prevents claims for compensation when the director is acting in the course of his duties under the Public Transport Competition Act relating to bus contracts. The usual duration of bus contracts is 10 years, and the legislative protection in the act requiring lengthy notice to operators to vary, suspend or cancel contracts together with the process of contract negotiation, are more than adequate to protect the interests of bus companies and provide a fair mechanism for implementing necessary contractual change. Further, the provisions of new section 36(1A) as proposed to be inserted by clause 36 of the bill will ensure finality in the bus contract process so that continued service to the public can be assured.

The proposed legislation will establish the Spencer Street Station Authority. The authority will be a rail corporation with similar powers to the other rail corporations established under the act. Its main functions will be to act as landlord and to oversee the management and development — including redevelopment — of the Spencer Street station precinct for transport purposes. The precinct area is defined in the bill.

The authority will be responsible for the current and future transport requirements in the precinct. It is anticipated that the authority will enter into arrangements with other public sector bodies, in particular the Docklands Authority, in relation to the development of the Spencer Street station precinct. The authority will manage the interface between Docklands and the precinct to ensure the compatibility of the precinct development with the development at Docklands, and will take into account the commercial commitments at Docklands. The bill provides for land to be allocated to the authority, and it is anticipated that ownership of the Victorian rail track land within the precinct will be allocated to the authority.

Machinery amendments are proposed to the rail access provisions in the Rail Corporations Act 1996 to extend the definition of a person who operates rail or tram infrastructure to an agent or contractor of the operator. The access regime is also amended to allow either the operator or the person seeking access to apply for a determination from the Regulator-General.

In addition, the bill makes two machinery amendments to the Melbourne City Link Act 1995 dealing with enforcement action against toll evaders. These changes will clarify provisions already in place.

The first amendment clarifies that the limit of one infringement notice per vehicle per day will not prevent the redirection of infringement notices from a vehicle owner to the actual driver in the same way as for other traffic camera offences. The second amendment ensures that persons authorised by Transurban can report toll evaders to the Police Traffic Camera Office on behalf of Transurban.

Overall, the amendments proposed by this bill further demonstrate the government's commitment to improving public transport in Victoria, and will ensure that the privately franchised public transport system will operate effectively and efficiently.

In particular, these provisions will ensure that the private operators are able to take steps to minimise fare evasion, which constitutes an unacceptable burden on the community. The provisions will facilitate the opportunities for the government to minimise the subsidy paid for public transport and to obtain the best possible result from privately run operations. In addition, the creation of the Spencer Street Station Authority will ensure that the interests of public transport users will be given a high priority in the Spencer Street station precinct, which will be developed as a major transport hub for the city of Melbourne.

I commend the bill to the house.

Debate adjourned on motion of Mr BATCHELOR (Thomastown)

Debate adjourned until Thursday, 20 May.

AUSTRALIA ACTS (REQUEST) BILL

Second reading

Mrs HENDERSON (Minister for Housing) — I move:

That this bill be now read a second time.

If the proposed Constitution Alteration (Establishment of Republic) Bill 1999 of the commonwealth is passed by the electors at the referendum due to be held in November, each state will need to give consideration to whether it should sever its links with the Crown.

Unlike some other states, Victoria will not need to hold a state referendum to sever its links with the Crown. However, in order for the states to adopt republican constitutional arrangements, it is widely held by constitutional commentators that section 7 of the Australia Acts needs to be amended.

Section 7 provides that "Her Majesty's representative in each state shall be the Governor". It is generally thought that section 7 requires the continuance of monarchical arrangements for the states, although this point is disputed by some commentators.

The interests of both the states and the commonwealth will be best served by ensuring that, if the republic referendum is passed, there will be no unnecessary legal barrier to any state severing its links with the Crown. Consequently, it is desirable to amend section 7.

Under section 15 of the Australia Acts, those acts and the Statute of Westminster 1931 of the United Kingdom can be amended by the commonwealth Parliament if it is authorised to do so by a request of each state Parliament, under subsection 15(1).

The commonwealth and some commentators take the view that subsection 15(3), which preserves the efficacy of powers conferred on the commonwealth Parliament at a referendum, provides an alternative method of amending the Australia Acts. However, there is significant legal doubt about this.

Moreover, all the states are agreed that it is constitutionally inappropriate to use subsection 15(3) to amend section 7. The Australia Acts primarily deal with state constitutional arrangements. To preserve the constitutional independence of the states an alteration to the commonwealth constitution should not be used to change state constitutional arrangements.

This bill therefore requests the commonwealth Parliament, under subsection 15(1) of the Australia Acts, to amend section 7 so that section 7 will not prevent a state from severing its links with the Crown.

The bill is based on a model endorsed by the Solicitor-General of each state and territory and the commonwealth. The bill envisages two additional subsections in section 7. The proposed subsection 7(6) will allow the Parliament of a state to make a law providing that the first five subsections of section 7 do not apply to the state. Subsection 7(7) will provide that, when such a law comes into effect, those subsections will cease to apply to the state.

Timing

The commonwealth wishes to ensure that arrangements are in place prior to the referendum for the amendment of section 7. To ensure that no one state can prevent another state from severing its links with the Crown, the commonwealth has included in the exposure draft of its republic bill a provision authorising amendment of

section 7. The commonwealth considers that because of the practical difficulty of procuring passage of legislation in each state under subsection 15(1) before August — when the Senate is expected to pass the republic bill — it is necessary to include a subsection 15(3) provision in the republic bill.

To overcome timing problems created by the necessity to pass the bill prior to the holding of the referendum, clause 2 of the bill provides that the act will only come into force if the commonwealth republic bill is passed by the electors in the form in which it is approved by the commonwealth Parliament. If the referendum fails, the act will have no operation.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Debate adjourned until Thursday, 20 May.

FOOD (AMENDMENT) BILL

Second reading

Dr NAPTHINE (Minister for Youth and Community Services) — I move:

That this bill be now read a second time.

In 1997, the government introduced a package of reforms to the Food Act 1984. These reforms were designed to establish a single, integrated framework involving all levels of government and which applies to all stages of the preparation and processing of food from the farm through to the consumer enhancing the safety of food for all Victorians. Victoria's safe food strategy and the legislation that underpins it is at the forefront of national and international food regulatory reform. It ensures food regulation and management arrangements focus on the prevention of food hazards and recognise that the production of safe food lies in the practices and processes of the food business.

The amendment to the Food Act 1984 that I am introducing today will clarify this goal by removing a clause in the act which has been interpreted to place a greater burden on local government than was intended to occur.

Clause 19C(3), in its current form, requires the council to be satisfied as to the adequacy of the food safety program prior to its registering the food business. It has been more broadly interpreted to place on local government an obligation to also validate the adequacy of a plan to, in its practice, deliver safe food. In effect, this transfers responsibility for the performance of the food safety program from business to local government.

The proposed amendment to the Food Act will provide necessary clarity in operational arrangements without compromising the aim of the safe food strategy. Through this amendment, the responsibility for safe food production will clearly belong solely to the food business and the preventative practices it has in place. It will improve the administrative processes within local government by removing an implied legal responsibility which impedes their role as independent regulator. It will not, however, remove or diminish their important public health role in remaining vigilant to threats to community health posed by unsafe business practices.

The repeal of section 19C(3) will not have an impact on the requirement for proprietors of food premises to have an adequate food safety program in place or the registration procedures required under the act as those requirements can be found in other parts of the act.

Section 38A will continue to require lodgment of a food safety program with the registration authority at the time of registration. Section 39 requires local government to ensure that the food safety program complies with the relevant requirements of a food safety program.

I commend the bill to the house.

Debate adjourned on motion of Mr THWAITES (Albert Park).

Dr NAPTHINE (Minister for Youth and Community Services) — I move:

That the debate be adjourned for two weeks.

Mr THWAITES (Albert Park) — I move:

That the word 'two' be omitted with the view of inserting in place thereof the word 'six'.

The bill may not be very large but it will have a very significant effect. The food industry must have adequate time to consult with the government and the department over the changes proposed in the bill. The government also needs time to get its food legislation right, for a change!

The bill is an admission of defeat. Adequate consultation is needed because many businesses will now be faced with another major change in food regulations, and once again without any consultation. The Restaurant and Catering Association of Victoria has not been properly consulted, nor have restaurants

all over Melbourne and restaurants and food businesses in country Victoria — unless they were lucky enough to be at the meeting attended by the honourable member for Swan Hill recently where he let the cat out of the bag, much to the consternation, disbelief and discomfort of the representative of the department who was there at the time.

Food businesses have had to cope with change every year as a result of the government's bungling of food regulation in Victoria. In 1994 it completely deregulated food. Following a major problem with food safety and poisoning the government introduced a bureaucratic system involving too much red tape and imposing on the system private food auditors as well as council auditors, all of whom were doing the same thing.

The bill purports to be a minor piece of legislation. The second-reading speech states that the bill is being introduced because the original act was being interpreted in a way that placed a greater burden on local government than was intended. That is quite false. When the previous bill was introduced the department and the then minister clearly stated that councils would need to approve the food safety plan. As a result of that requirement councils had to put on extra staff and many councils advised that they needed to increase their food registration fees by up to 300 per cent. Small businesses around Victoria now have to pay increased food registration fees of up to $600, whereas last year they were paying only about $120.

The ACTING SPEAKER (Mr Jasper) — Order! The Deputy Leader of the Opposition will deal directly with the question of time.

Mr THWAITES — A small business needs time, Mr Acting Speaker, to approach the government and speak to the department to ensure that this ridiculous bill is amended and brought back in a form that the food industry can live with. The food industry has not been consulted about the legislation.

An honourable member interjected.

Mr THWAITES — That is what they are telling me. For the past two weeks I have been on the phone with people all over the state who say they have been ignored by the government on food. They are sick and tired of having to cope with changes in food regulations and of having to pay extra fees. If fees are now going up again as a result of the bill, surely six weeks can be allowed to get it right.

As early as 1994, when the original changes were made, the opposition said that it was necessary to consult with the people in the field: the food operators and councils, the people who know what they are doing with food legislation; and the Australia New Zealand Food Authority, the body responsible at the national level for food regulation. Instead the government repeated its tendency to introduce legislation that does not work, which is why it now has to do a backflip and introduce amending legislation.

The bill is an embarrassing admission of defeat for the government. It admits that the system brought in only 18 months ago is not working. As things stands at present food legislation is being honoured in the breach because only about 30 per cent of class A food premises, which were required to have their food plans approved by 30 March, have had those plans approved. The majority of organisations have been unable to comply. In the same way class B, C and D premises, which will have to comply with the proposed legislation as well as with the original act, deserve time to allow the government to get the legislation right.

However, it is not only a question of getting the legislation right. It is also a question of putting in place an appropriate timetable for implementation of the legislation. To date the government has failed dismally in that area. It has failed not only in the drafting of legislation, but also in the implementation of that legislation. That is what the people in the food industry are saying. The people who will have to cope with the legislation say they have had no consultation about it. That has been implemented.

The measure that has been second read today has been dreamed up by the Minister for Health — —

An honourable member interjected.

Mr THWAITES — Over a hamburger! Instead of discussing it with the Institute of Environmental Health, which is responsible for food inspection, the Municipal Association of Victoria or the Restaurant and Caterers Association the legislation has been dreamed up, drafted, and will now be rammed through.

The fact that the second-reading speech is inconsistent is a good reason to defer debate on the bill for six weeks. The second-reading speech states that the current legislation has been interpreted incorrectly:

> ... to place a greater burden on local government than was intended to occur.

Mr Stockdale — On a point of order, Mr Acting Speaker, nothing could more clearly illustrate the fact that the motion is being abused. The honourable member for Albert Park is putting a substantive

argument about the bill by comparing the terms of the current act with the bill. The house will sit until breakfast time if he is allowed to canvass the merits of the bill rather than confine himself to the narrow issue of time. It is clearly an abuse of his motion.

The ACTING SPEAKER (Mr Jasper) — Order! I uphold the point of order. I ask that the honourable member for Albert Park return to the narrow question of time.

Mr THWAITES — There are four clear reasons why the debate should be adjourned for six weeks. Firstly, unrealistic time lines were established by the current act and the new legislation will not improve that. Secondly, class A businesses were required to lodge and comply with food safety plans by 31 March 1999, yet less than half have complied. Thirdly, the minister has failed to set appropriate qualifications for private food safety auditors.

Dr Napthine — That has nothing to do with the bill.

Mr THWAITES — It has everything to do with the bill. If it is desired to get rid of the council approval process, the private auditor qualification becomes most important. Fourthly, the minister has failed to set the frequency of private food audits. So there is no way the bill should be listed for debate only two weeks from now. The house should not be required to debate yet another change to the bungled principal act until the minister sets the number of times per year private food audits are to be carried out.

Dr NAPTHINE (Minister for Youth and Community Services) — On the question of time, Mr Acting Speaker, the bill is simple. It consists of one significant clause that repeals section 19C(3) of the Food Act. The subsection consists of only six lines, yet the Deputy Leader of the Opposition says he needs six weeks to examine the proposal for its removal. That shows his inefficiency and incompetence. He says he needs more than two weeks to examine a simple bill that removes six lines from an act when the second-reading speech makes it clear that the removal of those lines relates merely to a clarification of the original intent of the principal act.

Mr Thwaites — Rubbish.

Dr NAPTHINE — It is clarification. In addition, the final paragraph of the second-reading speech makes it clear that sections 38 and 39A will continue to provide the necessary protections under the act. This simple bill can easily be handled and debated two weeks from today. It is an absolute joke for the opposition to suggest it needs six weeks to deal with a bill that removes six lines from an act, particularly when their removal is to clarify issues rather than to make any substantive change to the fundamental implementation of the act.

Mr BRUMBY (Broadmeadows) — On the question of time, Mr Acting Speaker, I support the amendment moved by the Deputy Leader of the Opposition. As the shadow minister responsible for primary industry I know that the largest industry in Victoria is the food industry. It is worth billions of dollars to the Victorian economy. It is our largest single export industry, particularly for processed dairy produce. The quality and safety of food during the production, manufacturing and sale processes is vital to the reputation of those primary industries.

The Minister for Youth and Community Services has said the bill is not important and does not warrant consideration for six weeks by business and agricultural interests and the general public. That is nonsense. His comments were an insult to primary producers, small business and the food industry in general.

The change is more than just a one-line amendment to the act. It removes the role of local councils in approving food plans. The regulatory impact on small and medium businesses and on charitable and voluntary organisations will be enormous. Everything said by the Deputy Leader of the Opposition was spot on.

I have contributed to debates on the food industry in this place on four occasions since 1994. I remember when the government first amended the Food Act in 1994. I remember warning the government of what that would mean for the food industry. A reading of *Hansard* will show that I said there should have been more time for consideration of that legislation. As usual, I was right. Two years later, we came back — —

The ACTING SPEAKER (Mr Jasper) — Order! I draw the honourable member for Broadmeadows back to the question of time.

Mr BRUMBY — I have just used the word 'time' three times, Mr Acting Speaker, and I am drawing the analogy that if there had been more time in 1994 when the legislation was first amended we would not need more time now. More time is needed now because it was mucked up in 1994, in 1996 and in 1997 — and it is back here now because the legislation still is not right.

It is not the opposition that needs more time. It understands the impact of the bill and what it will do to small business and local government. People out in the real world of the manufacturing environment and small

businesses that deal in the food industry would not have a clue about the proposed changes to the legislation. They want time. They do not want just a week or two weeks; they want six weeks of consultation so they can understand both the effect of the changes on their cost structures and whether the legislation will work. If that amount of time were granted those people would have the opportunity of putting a view on the legislation to the government through the minister.

This debate is not about the detail. It is about time, and getting the legislation right — about fixing it up. It is about listening to the people who know about the food industry instead of just ramming the legislation through Parliament. If only two weeks are allowed I have absolutely no doubt that within a year the new Labor government will be forced to introduce amending legislation to fix up the mess that has been created by the rabble opposite.

The problem can be overcome if the minister is prepared to take time and listen. The legislation can still be passed this year. I urge the minister to put the bill out for consultation for six weeks, to listen to people in the food industry, associated organisations and local government bodies, and to make sure that this time the legislation will work and guarantee food safety without the requirement for a huge regulatory burden on small business and food producers.

I can only appeal to the government in my normal reasoned, balanced and bipartisan way to listen to the opposition's comments. It is too important to muck up.

Mr E. R. SMITH (Glen Waverley) — The bill on which the opposition wants more time for consultation contains 13 words, or 50 letters. On that basis they will be able to consider two words a week. The opposition is stalling for time. There is no way in the world that it could not do in two weeks what it says it can do in six. No great benefit will accrue to the food industry through an extension of time. The bill deals with the role of local government. It is a simple and easy bill to understand.

The opposition is playing for time. If the honourable member for Broadmeadows put the deputy leader up to this nonsense, no wonder he is no longer the Leader of the Opposition. The nonsense Labor members go on with will ensure they will stay in opposition forever.

Mr BAKER (Sunshine) — It has been standard custom and practice in the Westminster system since its beginnings for adequate time to be given to members of Parliament to consult with representatives of the community who will be affected by bills.

It has been said the bill contains just 50 little words. However, as the honourable member for Broadmeadows said, those 50 little words carry great weight and import for the industry in Victoria with the biggest flow-on to second and third-round consequences — multiplier effects on a scale that are barely matched by any other industry. Time is needed for consultation with all the second and third-round industries that are affected.

I am amazed that the Minister for Youth and Community Services can be so flippant as to suggest that the bill is just 50 little words and therefore just a minor change to an act of this consequence. Honourable members need time to consider the full ramifications of those 50 little words, because what is at stake here, as the Deputy Leader of the Opposition pointed out, is the policing and the entire reputation of the Victorian food industry, from A to Z — from farm to table. There could not be a better argument for providing a reasonable amount of time for consideration of those words.

I can see no reason to rush the legislation through. It could wait, even beyond getting the upcoming Liberal Party preselections out of the way. That would give honourable members the intervening period to talk to and get the reaction of people in the food industry in the broad and the restaurant industry in particular. Surely it is not too much to ask for a little bit of time to consider those matters, especially when one thinks about the recent outbreaks of salmonella food poisoning to which our community has been subjected and the consequences of the lack of policing that has had a ripple effect that has spread through the whole community? The reputation of Victoria's and Melbourne's high-class restaurant industry is at stake. Time is needed to consider the ramifications of the proposals and to talk to the people involved in the industry.

Surely the Minister for Youth and Community Services and the Treasurer would be aware that in recent times the ramifications of the lack of inspection in some areas of Melbourne of prepared food that has been found to have directly caused food poisoning outbreaks are really serious and have resulted in significant legal action. To suggest that honourable members should have only two weeks, which amounts to a few working days — and for some honourable members opposite very few working days — —

Honourable members interjecting.

Mr BAKER — Well, it's on time and time is precious.

An honourable member interjected.

Mr BAKER — You won't get to go around the troughs tonight if you give any more cheek!

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Sunshine will address the Chair on the narrow question of time.

Mr BAKER — That is exactly my point, Mr Acting Speaker. Thank you for your guidance. It is imperative that such a serious matter that changes the whole nature of the policing of health standards in as few as 50 words — you could make a song out of that — —

Mr Jenkins — You could make a film out of that!

Mr BAKER — Would you like me to? Honourable members need time. We need to follow the traditions, customs and practice of the house that have been trampled and trodden on by the government in the most abominable and despicable way. This is another straw on the camel's back; it is another example of the diminution of the responsibilities of the house. Surely the government can find the time and should be prepared to provide the time for discussion of changes to a major area of law.

I join previous opposition speakers in urging that the government recant on its position and make further time available for due and proper process and decent and serious consideration of this gravely important matter.

Mr KILGOUR (Shepparton) — I move:

That the question be now put.

The ACTING SPEAKER (Mr Jasper) — Order! I have listened with a great deal of interest to the comments made on the question of time, and I accept the motion moved by the honourable member for Shepparton that the question be now put.

House divided on omission (members in favour vote no):

Ayes, 49

Andrighetto, Mr	McNamara, Mr
Ashley, Mr	Maughan, Mr
Burke, Ms	Napthine, Dr
Clark, Mr	Paterson, Mr
Coleman, Mr	Perrin, Mr
Cooper, Mr	Perton, Mr
Dixon, Mr (*Teller*)	Peulich, Mrs
Doyle, Mr	Phillips, Mr
Elder, Mr	Plowman, Mr A. F.
Elliott, Mrs	Reynolds, Mr
Finn, Mr	Richardson, Mr
Henderson, Mrs	Rowe, Mr
Honeywood, Mr	Shardey, Mrs
Jenkins, Mr	Smith, Mr E. R. (*Teller*)
John, Mr	Smith, Mr I. W.
Kennett, Mr	Spry, Mr
Kilgour, Mr (*Teller*)	Steggall, Mr
Lean, Mr	Stockdale, Mr
Leigh, Mr	Tehan, Mrs
Lupton, Mr	Thompson, Mr
McArthur, Mr	Traynor, Mr
McCall, Ms	Treasure, Mr
McGill, Mrs	Wade, Mrs
McGrath, Mr W. D.	Wells, Mr
McLellan, Mr	

Noes, 27

Andrianopoulos, Mr	Hulls, Mr
Baker, Mr	Kosky, Ms
Batchelor, Mr	Langdon, Mr (*Teller*)
Bracks, Mr	Leighton, Mr
Brumby, Mr	Lim, Mr (*Teller*)
Cameron, Mr	Loney, Mr
Campbell, Ms	Maddigan, Mrs
Carli, Mr	Mildenhall, Mr
Cunningham, Mr	Pandazopoulos, Mr
Davies, Ms	Robinson, Mr (*Teller*)
Delahunty, Ms	Seitz, Mr
Gillett, Ms	Thwaites, Mr
Haermeyer, Mr	Wilson, Mrs
Hamilton, Mr	

Amendment negatived.

Motion agreed to and debate adjourned until Thursday, 20 May.

COMMONWEALTH PLACES (MIRROR TAXES ADMINISTRATION) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The purpose of the bill is to implement arrangements agreed between Victoria and the commonwealth to ensure the continuation of appropriate taxation arrangements in respect of commonwealth places in Victoria. These include airports and office buildings acquired by the commonwealth for a public purpose. The federal Treasurer announced details of this scheme in a press release on 6 October 1997.

The need for the scheme arose from the 1996 decision of the High Court in *Allders International v. Commissioner of State Revenue (Vic)* that stamp duty on a shop lease at Tullamarine airport was invalid, due to the commonwealth's exclusive power under section 52(i) of the constitution to make laws with respect to commonwealth places. Section 52(i) provides that the commonwealth has exclusive power to legislate with respect to all places acquired by the

commonwealth for public purposes — that is, commonwealth places. The court determined that the effect of section 52(i) is that any state law, including a taxation law, that can be characterised as a law with respect to a commonwealth place is, to that extent, inapplicable in commonwealth places in the state.

The decision has important ramifications for state revenue as, in addition to stamp duty on leases of the type considered in the Allders case, it is possible that other taxes imposed by states might similarly be placed at risk to the extent that the taxes affect persons, property or things done at commonwealth places. The court's decision also opens up the possibility of potential tax havens being created at commonwealth places.

At the request of the states, the commonwealth in April 1998 enacted a package of legislation to give effect to a scheme to protect the state's revenue. The package includes the Commonwealth Places (Mirror Taxes) Act 1998 — from here on referred to as the commonwealth act — which applies state laws concerning stamp duties, payroll tax, financial institutions duty and debits tax to commonwealth places in the state, to the extent to which the state taxing laws might be placed at risk because of section 52(i).

The effect of the commonwealth act is that the state taxing laws are applied and operate in commonwealth places as laws of the commonwealth. The state taxing laws as so applied are referred to as the applied laws. Victoria will obtain the benefit of the commonwealth act only after an arrangement is entered into, as referred to in the commonwealth act, between the Governor-General and the Governor. The arrangement, in turn, cannot be entered into until this bill is enacted.

When such an arrangement has been entered into, the applied laws are deemed, by section 6 of the commonwealth act, to have always applied in commonwealth places in Victoria, but not so as to require payment of any amount due for payment prior to 6 October 1997. Where the operation of the state taxing law is likely to be excluded because of section 52(i), the corresponding applied laws will apply. The commonwealth has also enacted the windfall gains legislation, which attempts to protect states against refund claims for periods prior to 6 October 1997 by imposing a 100 per cent tax on such claims.

It is intended that from a taxpayer's perspective the operation of these new arrangements is to be as seamless as possible. That is, the combined liability of a taxpayer under both the state taxing law and the corresponding applied law relating to commonwealth places is intended to be as close as possible to the taxpayer's liability under the state law if the state law applied to all places in Victoria, including commonwealth places. In particular, there is intended to be no double taxation and taxpayers should not be able to obtain two exemption thresholds, concessions or exemptions. To avoid taxpayers having to apportion their payments between Victoria and the commonwealth, appropriate arrangements will be made for estimates to occur. Further, administrative requirements will not be replicated for the state jurisdiction and the commonwealth place. In these ways, taxpayer compliance costs under the new legislation will be minimised.

The commonwealth act enables the making of Treasurer's notices by the relevant state Treasurer to modify the applied laws to provide for any adjustments that may be required where a taxpayer has a liability under both a state taxing law and the corresponding applied law. The State Revenue Office will collect the commonwealth taxes imposed under the applied laws and credit the taxes collected to the commonwealth, which will then return an equivalent amount to the state in the form of a statutory payment provided for under the commonwealth act.

This bill complements the provisions of the commonwealth act and seeks to put in place the necessary legislative support for the proposed administrative arrangements to ensure that the applied laws imposed by the commonwealth in respect of commonwealth places in Victoria can be administered in the seamless manner intended.

At a broad level, the bill provides for:

an arrangement to be entered into by the state Governor with the Governor-General to provide for the administration of the commonwealth applied laws by state authorities;

empowerment of state authorities to exercise or perform all necessary powers and functions for the commonwealth when administering the commonwealth applied laws;

the situation where a place becomes a commonwealth place or ceases to be a commonwealth place;

other validation and saving provisions; and

amendments to particular state taxing laws to enable them to operate seamlessly in conjunction with the applied laws.

I emphasise that this bill imposes no additional tax burden on the people of Victoria. It merely protects the level of revenue that the state received prior to the High Court's Allders decision. Similar legislation in relation to this scheme has already been enacted by New South Wales and passed by the Tasmanian Parliament, and has been introduced into the Western Australian Parliament. It is expected that all other states will shortly do likewise and that all states will have their legislation in place by 1 July 1999.

I commend the bill to the house.

Debate adjourned on motion of Mr MILDENHALL (Footscray).

Debate adjourned until Thursday, 20 May.

STATE TAXATION ACTS (AMENDMENT) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The purpose of the bill is to make amendments to the Debits Tax Act 1990, the Financial Institutions Duty Act 1982, the Pay-roll Tax Act 1971, the Stamps Act 1958, the Taxation Administration Act 1997, the Taxation (Interest on Overpayments) Act 1986, the Gaming Machine Control Act 1991 and the Tattersall Consultations Act 1958.

This bill contains a number of measures that fit into the following broad categories of giving effect to a budget initiative: providing exemptions; protecting state revenue; and increasing the efficiency of tax administration.

I will now address specific amendments in detail. The bill makes amendments to the Debits Tax Act 1990 to ensure that all financial institutions which issue cheques will pay debits tax. Recent amendments to commonwealth legislation have expanded the range of financial institutions which can issue cheques, a right previously exercised only by banks. Without the amendments, banks would be placed at a competitive disadvantage to other financial institutions.

The bill makes an amendment to the Financial Institutions Duty Act 1982 and a similar amendment to the Pay-roll Tax Act 1971. At present, tertiary educational institutions are excluded in these acts from the exemptions provided to charitable bodies. Amendments are required to maintain the integrity of this position and as a revenue protection measure. Specifically, the amendments will deny the exemption to a company which is wholly owned or controlled by a tertiary educational institution and provides, promotes or supports the tertiary educational activities of the institution.

A further amendment to the Pay-roll Tax Act 1971 lowers the rate of tax to 5.75 per cent from 1 July 1999. Honourable members will recall the initiative contained in the budget speech to the house which provides payroll tax relief for Victorian businesses in 1999–2000 of $97 million in a full year. From 1 July 1999, Victoria's payroll tax rate will be reduced from 6 per cent to 5.75 per cent. This follows the 1997–98 rate reduction from 7 per cent to 6.25 per cent and the 1998–99 reduction from 6.25 per cent to 6 per cent. The full year savings to Victorian businesses of these three cuts in payroll tax amount to over $300 million.

Victoria is the first state to provide three successive reductions in the payroll tax rate. The reduction announced in this budget means that the rate of payroll tax in Victoria will be lower than at any time since July 1984. Over an 18-month to two-year period, the lower payroll tax rate is expected to yield a sustained increase in GSP of about $100 million per annum in 1999–2000 prices and an accompanying increase of almost 2000 jobs. Over the longer term — five years or more — this estimated gain to GSP rises to $385 million per annum in 1999–2000 prices, generating more than 5400 jobs for Victorians. The long-term employment effect in Victoria from the three consecutive payroll tax reductions is estimated to be an additional 18 000 jobs. Prior to July 1997, Victoria's payroll tax rate was among the highest in Australia. From 1 July this year, its basic payroll tax rate will be the lowest of any state or territory, with the exception of Queensland and Western Australia.

The final amendment to the Pay-roll Tax Act 1971 ensures that tax paid to an authorised employment agent by its client can be recovered. The employment agency provisions recently introduced into the act provide that an employment agent may be authorised as an approved agent for the purposes of collecting payroll tax from its clients. The provisions protect the client of an employment agency from further liability under the act if the client pays its payroll tax to an employment agent who is an approved agent.

An unintended consequence of the provisions occurs where the client pays the tax to a group member who operates as an employment agent providing workers to the group. If the employment agent fails to pay the tax, it is arguable that the commissioner is unable to recover

the tax from the client unless the contract between the client and the employment agent can be shown to have the effect of reducing or avoiding liability. Accordingly, it is proposed to amend the provisions to ensure the commissioner may recover the tax from the approved agent, the client or any group members in these circumstances.

The bill contains a number of amendments to the Stamps Act 1958. It introduces exemptions from stamp duty for those documents and asset transfers required as a result of recent changes to the Corporations Law by the Managed Investment Act 1998 of the commonwealth. These amendments have been made following industry consultation and in conjunction with similar changes in other states. They were previously announced publicly and apply from 1 July 1998.

The bill also introduces new provisions imposing duty on the transfer of assets arising from the voluntary merger of financial institutions. These changes are necessary as a result of the transfer of supervisory responsibilities from the states to the commonwealth under the Financial Sector Reform (Victoria) Bill 1999. These measures will ensure that voluntary transfers of assets as a result of the merger of financial institutions attract duty, unless the merger meets criteria established in guidelines approved by the Treasurer of Victoria.

The act currently has provisions to bring to duty the transfer of a beneficial interest in real property and marketable securities through the use of trusts. A recent court judgment has shown that these provisions require strengthening. These amendments will ensure that ad valorem stamp duty will apply whenever a beneficial interest in real property or a marketable security is transferred and the parties do not execute a registrable transfer.

Where there is a dispute about the value of real property the commissioner currently obtains a valuation of the property from the Valuer-General at no cost to the taxpayer. New provisions will enable the commissioner to recover the cost of valuations where the valuation by the Valuer-General exceeds the value provided by the taxpayer by a margin of at least 15 per cent. These measures will provide administrative efficiency by ensuring that realistic valuations are provided in the first instance and counter unsupported objections.

Amendments to the penalty and assessment sections of the motor vehicle duty provisions are also required to maintain the current regime. The act provides an exemption from duty for transfers of marketable securities that represent a buyback by the issuing company, except those that are part of certain schemes to minimise stamp duty. A recent court judgment has restricted the commissioner's ability to apply duty in such circumstances and an amendment is required to restore the original intention of the exemption and ensure that the exclusion is not utilised to minimise stamp duty. The bill also contains a number of technical amendments to the Stamps Act 1958.

The bill also amends the Taxation Administration Act 1997 and the Taxation (Interest on Overpayments) Act 1986 to alter the methods for establishing the rates of interest payable on all refunds of state taxes and the interest charged on underpayments of payroll tax, financial institutions duty and debits tax. For both acts, new base rates for interest paid and interest charged will be set at the commencement of each financial year by reference to recent yields for commonwealth Treasury notes. These amendments are efficiency measures to ensure that interest rates applied in tax administration are current, readily available to taxpayers, and consistent across state taxes.

Finally, the bill amends the Gaming Machine Control Act 1991 and the Tattersall Consultations Act 1958. These acts govern the operation of gaming machines and conduct of lotteries by Tattersalls in Victoria. The amendments to the acts simplify the collection of revenue from these two activities. The two-tiered system of an activity-based tax rate, coupled with a profit tax for lotteries and a licence fee for gaming machines, is replaced with single activity-based tax rates for both products.

The changes will simplify the taxation arrangements pertaining to Tattersalls, while ensuring the state continues to receive the same amount of revenue as before. The amendments, to take effect on 1 July 1999, will provide government with greater certainty in estimating the revenue due to it from the activities of Tattersalls. In addition, the state derives an extra benefit through the earlier timing of payment of this revenue.

I commend the bill to the house.

Debate adjourned on motion of Mr MILDENHALL (Footscray).

Debate adjourned until Thursday, 20 May.

ELECTRICITY INDUSTRY ACTS (FURTHER AMENDMENT) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The bill makes amendments to two acts governing the electricity industry: the Electricity Industry Act 1993 and the Electricity Safety Act 1998. It also amends the Gas Industry (Amendment) Act 1998.

Electricity Industry Act 1993

The bill contains a number of amendments to the Electricity Industry Act 1993 designed to enhance the effective operation of powers to protect the security of the electricity system and ensure electricity safety.

The Electricity Industry Act 1993 presently contains comprehensive provision for the response to and management of emergencies. Similar provisions are contained in the Gas Industry Act 1994. They enabled the successful response to the recent gas emergency caused by the explosion and fire at the Longford gas processing plant.

However, the government has examined the legislation governing the electricity industry in the light of that emergency. It has established that a number of amendments to the Electricity Industry Act 1993 are desirable to enhance the effective operation of powers to protect the security of the electricity system and ensure electricity safety.

To that end the bill includes the following:

(1) amendment of part 3A of the Electricity Industry Act. Part 3A contains the electricity supply emergency provisions. The amendments update to whom directions may be given by the minister under part 3A, clarify the directions he may give, provide for amendment and revocation of directions, amend the offence and immunity provisions contained in the part and provide for enforcement powers;

(2) introduction of a new part 3AA which provides for infringement notices in any case where a direction under part 3A has been contravened.

Additionally, penalties for misuse of electricity in emergency situations are to be substantially increased by this bill. Fines for individuals will increase to $10 000 and for corporations they will increase to $1 million. The government believes that misuse of electricity in emergencies is something which cannot be too strongly condemned. The severity and duration of emergency situations can easily be exacerbated if directions given to cease or curtail use of electricity are ignored. People and corporations who, in an emergency, put their own self-interest ahead of the good of the greater community must expect a substantial penalty.

The bill also amends provisions for transfer of property from the State Electricity Commission of Victoria and makes other miscellaneous amendments.

Electricity Safety Act 1998

The bill amends the Electricity Safety Act 1998 to extend the powers of enforcement officers of the Office of the Chief Electrical Inspector to include acting under the declared emergency provisions of the Electricity Industry Act 1993, to clarify the directions powers of the Chief Electrical Inspector, and to provide for the reporting of the exercise of those directions powers.

The Office of the Chief Electrical Inspector and its enforcement officers have a central role in ensuring the security of the electrical system and electrical safety. This includes a significant enforcement role. The government believes the office, as an independent authority already active in the oversight of electricity industry operations, is well placed to exercise this important role where supply emergencies are declared.

Gas Industry (Amendment) Act 1998

The bill amends the Gas Industry (Amendment) Act 1998 to provide that Vencorp, as successor to Victorian Power Exchange, must comply with the terms and conditions of any licence issued to it.

Section 85 Constitution Act statement

I wish to make a statement pursuant to section 85 of the Constitution Act 1975 of the reasons why that section should be altered or varied by clause 12 of the bill.

Clause 12 inserts a new section 91C into the Electricity Industry Act 1993 stating that it is the intention of section 47G of that act to alter or vary section 85 of the Constitution Act 1975.

Section 47G replaces the existing section 47G which presently provides for immunity from suit for certain persons or bodies exercising a power under part 3A of the Electricity Industry Act 1993. Part 3A contains the electricity supply emergency provisions. The replacement section 47G provides an immunity from suit for any person acting in good faith in the execution of part 3A or any proclamation or direction under that part.

The reason for altering or varying section 85 of the Constitution Act 1975 is to ensure that persons acting under part 3A of the Electricity Industry Act in a declared emergency are immune from suit. These people are acting in the public interest. It is vital that those charged with responsibility for preserving system

security and safety have the confidence to respond to any emergency free from the risk of personal or corporate liability. This immunity provision is founded directly in the public interest and in the need to ensure that the relevant person or corporation and third parties involved have confidence to protect the public interest.

I commend the bill to the house.

Debate adjourned on motion of Mr LONEY (Geelong North).

Debate adjourned until Thursday, 20 May.

GAS INDUSTRY ACTS (FURTHER AMENDMENT) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

This bill principally makes amendments to three acts governing the gas industry: the Gas Industry Act 1994, the Gas Pipelines Access (Victoria) Act 1998 and the Gas Safety Act 1997.

Gas Industry Act 1994

The bill makes two classes of amendment. First, there are amendments designed to enhance the effective operation of powers to protect the security of the gas system and ensure gas safety. Second, there are amendments to the regulatory regime designed to create a competitive market in gas for the benefit of all Victorians.

The Gas Industry Act 1994 presently contains comprehensive provision for the response to and management of gas emergencies. These provisions enabled the successful response to and management of the recent emergency arising from the explosion and fire at the Longford gas processing plant.

However, the government has examined the legislation governing the gas industry in the light of that emergency. It has established that a number of amendments are desirable to enhance the effective operation of powers to protect the security of the gas system and ensure gas safety.

To that end the bill includes the following:

(1) an increase in the penalties for failure to comply with directions given by Vencorp;

(2) provisions for the appointment of inspectors by Vencorp who will be able to investigate breaches of section 16H of the Gas Industry Act 1994. Section 16H empowers Vencorp to give directions in relation to reliability, security of supply and safety of gas;

(3) amendment of part 6A of the Gas Industry Act 1994. Part 6A contains the gas supply emergency provisions. The amendments clarify the directions the minister may give under part 6A, amend the offence provisions under that part and provide for enforcement powers using the Office of Gas Safety and its inspectors;

(4) introduction of a new part 6AA which provides for infringement notices in any case where a direction under part 6A has been contravened.

Both Vencorp and the Office of Gas Safety are independent authorities which played a central role in the successful response to and management of the recent Longford emergency. The government believes both these authorities are well placed to continue to exercise this important role where gas emergencies are declared.

Penalties for misuse of gas in emergency situations are to be substantially increased by this bill. Fines for individuals will increase up to $10 000 and for corporations they will increase up to $1 million. The government believes that misuse of gas in emergencies is something which cannot be too strongly condemned. The severity and duration of emergency situations can easily be exacerbated if directions given to cease or curtail use of gas are ignored. People and corporations who, in an emergency, put their own self-interest ahead of the good of the greater community must expect a substantial penalty.

As I mentioned before, the bill also contains amendments to the regulatory regime applying to gas. Those amendments include:

(1) amendment of the significant producer provisions to make further provision for the procedure of the appeal tribunal and for access to information;

(2) amendment to the definitions of gas transmission system and gas distribution system to provide for the connection and disconnection of equipment and pipelines;

(3) amendment to the statutory authorisation of the Victorian gas industry market and system

operations rules to clarify which rules are authorised and the extent of the authorisation.

In addition there are a number of other miscellaneous amendments for the most part consequential on the sale of gas businesses.

Gas Pipelines Access (Victoria) Act

The bill amends the Gas Pipelines Access (Victoria) Act to clarify the meaning of 'first review' as used in section 24A of that act. Section 24A provides for the transition between the Victorian and national third-party access codes for natural gas pipeline systems.

Gas Safety Act 1997

The bill amends the Gas Safety Act 1997 to extend the powers of Office of Gas Safety inspectors to include acting under the Gas Industry Act 1994, to clarify the directions powers of the Office of Gas Safety and the liability which arises from complying with those directions as well as to provide for reporting of the exercise of directions powers.

In addition the bill contains a number of miscellaneous provisions of a technical or statute-law-revision nature in respect of all three of the above acts and also the Office of the Regulator-General Act 1994.

Section 85 Constitution Act statement

I wish to make a statement pursuant to section 85 of the Constitution Act 1975 of the reasons why that section should be altered or varied by clause 26 of the bill.

Clause 26 inserts a new section 101B(3) into the Gas Industry Act 1994 stating that it is the intention of section 62L of that act, as amended by the Gas Industry Acts (Further Amendment) Act 1999, to alter or vary section 85 of the Constitution Act 1975.

Clause 18 of the bill amends the section 62L of the Gas Industry Act which presently provides for immunity from suit for certain persons or bodies exercising a power under part 6A of the Gas Industry Act 1994. Part 6A contains the gas supply emergency provisions. Section 62L as amended provides an immunity from suit for any person acting in good faith in the execution of part 6A or of any proclamation, direction, prohibition or requisition under that part.

The reason for altering or varying section 85 of the Constitution Act 1975 is to ensure that persons acting under part 6A of the Gas Industry Act in a declared emergency are immune from suit. These people are acting in the public interest. It is vital that those charged with responsibility for preserving system security and safety have the confidence to respond to any emergency free from the risk of personal or corporate liability. This immunity provision is founded directly in the public interest and in the need to ensure that the relevant person or corporation and third parties involved have confidence to protect the public interest.

I commend the bill to the house.

Debate adjourned on motion of Mr LONEY (Geelong North).

Debate adjourned until Thursday, 20 May.

INTERACTIVE GAMING (PLAYER PROTECTION) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The 1990s have seen some revolutionary advances in global telecommunications technology, especially in relation to the enormous growth of the Internet and its importance in our daily lives. We can now purchase via the Internet a huge range of goods and services offered from anywhere in the world, including gambling services.

It is now a fact of life that any Victorian with a personal computer, a modem and a telephone line can access gambling products offered by virtual casinos provided by interstate and overseas operators; and there is very little that any government can do about it.

It is important to emphasise that this bill is not the key to enabling or facilitating interactive gaming. The bill recognises that interactive gaming is already occurring and will continue to occur via the Internet, and that prohibiting the playing of interactive games in the home is not a realistic or practical option.

Instead, this bill aims to protect the interests and entitlements of players of interactive games by giving them the opportunity to deal with well-regulated and licensed firms, as a more secure alternative to dealing with unregulated firms overseas. The legislation does not create any offences for players as these would be totally unenforceable. Instead it employs a carrot rather than a stick approach by giving players an opportunity, if they so desire, to deal with providers who have been subject to probity assessment and who offer games that have been tested to ensure they are fair and not offered

in a misleading manner. The bill also provides players with the assurance that there is a regulator with whom they can lodge complaints in the event they feel aggrieved by anything done by a licensed provider.

The regulation and licensing of interactive gaming service providers will be within a national cooperative scheme, in accordance with the principles of a draft national regulatory model released for public comment in May 1997 after a meeting of state and territory gaming ministers.

Interactive games may be broadly defined as those involving gambling for money or prizes via the Internet or some other telecommunications device, but excluding pre-existing gambling products already regulated under other legislation.

The bill prohibits operating a business or computer server physically located in Victoria enabling the playing of interactive games, and offering or advertising in Victoria the playing of interactive games, unless such activities are either licensed or recognised under the act.

Victoria's strict probity requirements and regulatory standards for the gaming industry will be carried through into this legislation, thus ensuring that:

licensed interactive gaming is conducted honestly;

the management of licensed interactive gaming is free from criminal influence or exploitation; and

licensed interactive games are fair and not misleading.

The bill simplifies and streamlines the licence approval process by providing for a single umbrella licence for each interactive gaming business instead of requiring multiple licences for each business as in other jurisdictions. All other approvals and licensing requirements will become a condition of the umbrella licence.

The bill facilitates the cooperative national scheme by providing for a system of mutual recognition of licensed interactive gaming service providers, products and players together with intergovernmental agreements for cooperative tax-sharing arrangements between the participating jurisdictions.

Under the legislation, each player will be required to be registered by the licensed interactive gaming provider before the player is allowed to bet. The registration process will identify the player and the jurisdiction in which the player is located and will exclude the registration of minors. Interactive gaming providers will be prohibited from permitting betting on credit. Taxation remittance between jurisdictions will be based on the location of the player.

Most importantly, the process of player registration and the level of technology involved with providing interactive gaming allows for a level of player protection not available in other forms of gaming. Licensed providers are required to enable players to exclude themselves and to set limits on the amount the player can bet. A seven-day cooling-off period applies if the player wishes to revoke a self-exclusion or increase his or her betting limit.

Following discussions between the Treasury departments of the possible participating state and territory jurisdictions, the bill provides for a taxation rate of 50 per cent of gaming revenue and a minimum player payout rate of 85 per cent, which will ensure uniformity amongst all participating jurisdictions.

This bill embodies a realistic, responsible and practical approach to the regulation of interactive gaming, and continues the government's work in maintaining the rigorous standards applying to the gaming industry in Victoria.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Debate adjourned until Thursday, 20 May.

PROSTITUTION CONTROL (AMENDMENT) BILL

Second reading

Mrs WADE (Attorney-General) — I move:

That this bill be now read a second time.

The government has recognised that total prohibition of prostitution is ineffective and that there are significant social costs associated with a criminal prostitution industry. It has therefore laid down conditions under which prostitution will be tolerated under the law. The Prostitution Control Act 1994 allows for prostitution services to be legally provided by licensed or exempt brothels or escort agencies, provided that a range of strict licensing and planning conditions are met.

One of the primary functions of the act is to prosecute illegal operators. Unless the provision of commercial sexual services is properly regulated, it can pose significant health risks and risks of violence and

exploitation. Illegal brothels can also serve as a conduit for money laundering and drug trafficking, posing a significant risk of large scale criminal involvement.

Investigations by Victoria Police indicate that there has been a significant increase in the number of unlicensed brothels operating in Victoria over the last twelve months. Conservative estimates put the number of such brothels currently in operation at between 40 and 50, although the actual numbers may be much higher.

Police have been hampered in their efforts to prosecute illegal operators. The principal reason for the lack of successful prosecutions lies in the difficulty of proving intention on the part of the offender. The bill addresses this problem by creating a new reverse onus regulatory offence. Once the physical elements of the offence have been proven, the burden of proof will lie on the accused to show that he or she had an honest and reasonable belief that such services were not being provided. The bill also ensures that police can seek a declaration from the Magistrates Court that premises are an illegal brothel on the same basis as other relevant authorities such as municipal councils.

There continues to be widespread community concern about the proliferation of live sexually explicit entertainment in Melbourne. As a result of this concern, the Prostitution Control Act Advisory Committee, a committee established under the act, was asked to determine whether there was any evidence that performances at tabletop dancing venues can or do lead to acts of prostitution, and to recommend controls. Evidence obtained by the committee suggests that the distinction between tabletop dancing and prostitution is unclear. Establishing a clear separation between live sexually explicit entertainment and the provision of sexual services within the meaning of the Prostitution Control Act 1994 is necessary to achieve the objectives of the Act.

In addition, live sexually explicit entertainment service providers who are providing prostitution-type services but are not required to comply with the act gain an unfair competitive advantage over licensed providers of sexual services.

The bill addresses the concerns raised by the committee by clarifying the definition of sexual services in the act. This ensures that venues which provide entertainment involving actual sexual intercourse between performers, lap dancing and other prostitution-type services are regulated under the act. Performances that involve simulated sexual activities will not be affected.

Operators of tabletop dancing venues who wish to continue to provide lap dancing or similar types of sexually explicit entertainment will be forced to choose between surrendering their liquor licence in favour of a licence under the Prostitution Control Act 1994 or providing entertainment that falls outside the refined definition of sexual services.

The clearer delineation between prostitution and live sexually explicit entertainment will reduce the likelihood of such entertainment functioning as a channel into the prostitution industry and will reduce risks to the health and safety of performers in sexually explicit entertainment venues.

The act currently contains strict controls over advertising by prostitution service providers. However, advertising for other forms of live sexually explicit entertainment, such as telephone sex, is not currently regulated. Such advertising is particularly of concern where it is unsolicited or accessible by children, such as through local newspapers and billboards. This is inconsistent with the objective of minimising the impact of and the demand for such services. The bill amends the Summary Offences Act 1966 to give the Governor in Council power to make regulations dealing with the advertising of live sexually explicit entertainment.

Despite strong licensing and planning controls over prostitution, recent cases have raised concern that unsuitable people can use commercial and legal devices, such as body corporate structures and subleasing arrangements, to become involved in the industry or to obtain an interest in more than one prostitution business. This is inconsistent with the object of ensuring that criminals are not involved in the prostitution industry and creates the potential for the integrity of the regulatory regime to be undermined.

The bill contains a number of provisions to address this concern. The matters able to be considered by the business licensing authority when considering licence applications have been expanded. The Victorian Civil and Administrative Tribunal has been empowered to take disciplinary action against a licensee who allows a person who has committed a disqualifying offence under the act, such as inducing a child to take part in prostitution, to be involved in the operation of a prostitution business.

The bill also prohibits people from having an interest in more than one brothel licence. Limiting concentration of brothel ownership assists in reducing the risk of coercive or exploitative employment practices taking hold in the industry before the licensing system is able

to respond, inhibits the involvement of large-scale criminal involvement in the industry and encourages small owner-operators.

In order to ensure that all relevant law is easily accessible by applicants, licensees and prostitutes, the bill inserts standardised inspectors' powers and safeguard provisions into the act.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Debate adjourned until Thursday, 20 May.

CRIMES (CRIMINAL TRIALS) BILL

Second reading

Mrs WADE (Attorney-General) — I move:

That this bill be now read a second time.

This bill provides the legislative framework for a package of reforms designed to improve criminal trial processes in response to community pressure for a more accountable criminal justice system, while at the same time preserving an accused person's fundamental right to a fair trial. The government has been concerned for some time about unreasonable delays in the presentation of cases and the inefficient conduct of trials. Delays and inefficiencies in criminal trials restrict access to justice and cause hardship to victims, the accused, witnesses, jurors and the general community.

In 1993, the government introduced the Crimes (Criminal Trials) Act containing reforms that are still considered to be the most comprehensive procedural provisions in Australia intended to facilitate criminal trials. Unfortunately, it seems that the legal profession has been reluctant to take advantage of the provisions in the legislation designed to isolate the issues and assist in controlling the trial.

In 1998, after substantial research and consultation about how the trial process could be improved, I established the Criminal Trials Consultative Committee to review criminal trial proceedings in Victoria. The committee was chaired by Justice Murray Kellam and included members of the judiciary and magistracy, senior criminal law practitioners — representing the prosecution and defence perspectives — and representatives of other key stakeholders such as Victoria Legal Aid and Victoria Police.

In addition to the vexed problem of delays in bringing cases to trial, there is evidence that trials themselves are taking longer than necessary. The committee considered several factors contributing to unnecessarily lengthy trials including:

calling witnesses merely to prove formal matters;

calling witnesses to establish issues which are not substantially contested;

unnecessary and prolonged cross-examination of witnesses because the advocate does not know what issues are in dispute;

traditional approaches to the presentation of evidence; and

lengthy voir dire hearings.

I would like to thank the committee members for generously devoting their time and expertise to considering the issues at stake, which in turn greatly assisted the government in forming these proposals. It is acknowledged that there are many competing interests in criminal trials, and many competing views about how those interests should be served, reflected in the lively debate among committee members. The government is confident, however, that the proposals in this bill respond to the current system's problems in a way that balances the competing concerns of those involved in the criminal justice process.

These amendments build upon the best features of the former act and are designed to improve trial procedures by empowering the judiciary to effectively manage cases, enable the issues in dispute to be defined prior to the trial commencing and also to facilitate productive discussions between the parties. The success of the measures will depend on strong judicial leadership. To this end it is proposed to appoint a listing judge to oversee and supervise the case management of criminal trials in the County Court. Among other important roles, the listing judge will actively supervise pretrial disclosure to ensure that it is meaningful and timely.

The bill establishes a substantial pretrial disclosure regime. Under the current system, the defence is not required to reveal anything to the prosecution prior to the trial about the manner in which it will be defending its case and as a consequence the prosecution must be prepared to address every possible issue. Similarly, the judge and jury frequently only become aware of the issues at stake during the course of the trial, increasing the complexity of the task faced by the jury in particular.

Such a system makes it impossible:

to accurately advise the courts how long a trial will take;

to advise various witnesses whether or not they will be required;

to provide the witnesses with certainty as to when, and for how long, they will be required;

to accurately inform those responsible for arranging juries when and if a jury will be needed; and

for the police informant to advise his or her superiors how long he or she will be required in court.

The bill establishes three methods of regulating disclosure, one or other of which will be applied depending whether the case is simple or complex, to address these types of difficulties. The mechanisms may be broadly described as:

use of an optional post-committal conference;

use of a standard exchange of information; and

individual case management.

Each and every criminal trial will be regulated by one or other of these processes.

When an accused is committed for trial, the magistrate will advise the parties that they may request a conference to define the issues in dispute in the trial. This procedure capitalises on the parties' knowledge about the issues in the case at the committal stage. If the parties agree to be bound by the issues disclosed at the conference, this will be recorded in writing and signed by both parties. It is anticipated that the parties will utilise post-committal conferences in simple cases where the issues are understood at this early stage. If the parties opt for a post-committal conference, they will be exempted from further pretrial disclosure — unless further issues arise — and the accused person's cooperation can be taken into account in their favour in sentencing.

Where the parties have not utilised the post-committal conference, information will be exchanged between the parties and the court prior to the trial commencing. The prosecution will provide the defence with a summary of its opening speech outlining how the prosecution will put its case and the facts, matters and circumstances being relied on to support the accused's guilt, 28 days before the listed trial date. The defence will respond by identifying the matters in the prosecution summary with which it takes issue, and the basis on which issue is taken, 14 days before the trial date.

At the same time as forwarding its opening to the court and the defence, the prosecution will serve a notice of pretrial admissions on the defence dealing with evidence that the prosecution considers uncontentious. If the defence agrees, the prosecution will not be required to call witnesses to establish that evidence. This will save valuable court time, prevent inconveniencing witnesses and greatly simplify matters for the jury.

Additionally, the parties will identify whether or not legal issues need to be resolved prior to trial. The legal issues may be explored either by an exchange of written arguments within certain time frames, or orally before the court, depending on the circumstances of the case.

As the court will be kept informed of the parties' disclosure, the court will be able to intervene where necessary to clarify the disclosure made, seek additional information and ensure that the parties properly disclose their case.

The bill makes special provision for those cases which would be better suited to individual case management, rather than the standard case management procedure just described. Cases that are likely to warrant individual attention include those that are lengthy, particularly complex or those in which the parties will not cooperate. The bill enables the court to intervene at any stage prior to trial to improve the management of cases. The judge dealing with a matter prior to trial will have very broad discretion to make directions for individual case management.

These reforms will only work if those involved in the system comply with the requirements and the spirit of the new regime. The supervisory role of the courts will be crucial in ensuring that the parties adhere to their obligations. The bill also provides a range of sanctions that the judge might apply in cases where there has been a failure to adhere to these obligations. The judge will be able to make an award of costs, comment to the jury on a party's failure to comply with the provisions of the act or determine that the accused's failure to comply indicates a lack of remorse and take this into account in sentencing.

I note that sanctions may be applied not only when a party simply does not disclose matters in accordance with his or her obligations but also where he or she inappropriately derogates from that disclosure. Under the bill, the judge is able to take into account a party's conduct at each stage of the proceedings. Where the

parties comply with the requirements of the bill, they will benefit from improved trial date certainty. The accused's cooperation will also be taken into account in sentencing.

To ensure that this bill is effective and continues to meet the needs of all those involved in the criminal justice system, I am establishing a monitoring committee to review and, where necessary, adjust the requirements prescribed by this legislation. The committee will comprise representatives of the principal criminal justice stakeholders and will play an important role in ensuring the success of the new regime.

The bill also contains miscellaneous amendments to the Magistrates' Court Act 1989 and the Evidence Act 1958 to improve the criminal process.

In summary, this bill recognises the public's right to expect efficient, timely and fair court processes. The amendments will improve public confidence in the criminal justice system and will also enable the legal profession to plan their work with greater certainty. Witnesses will benefit from more accurate information about when they will be required to testify and on what issues and proceedings will be shortened and simplified for jurors. Such improvements benefit the whole community and should be enthusiastically embraced.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Debate adjourned until Thursday, 20 May.

ESTATE AGENTS (AMENDMENT) BILL

Second reading

Mrs WADE (Minister for Fair Trading) — I move:

That this bill be now read a second time.

The Estate Agents (Amendment) Bill is a response to developments in estate agency since the last significant amendment of the act in 1994. The bill introduces initiatives to remove unnecessary restrictions, improve the effectiveness of the act, encourage good estate agency practice and provide for appropriate expenditure of public moneys.

The bill removes unnecessary limitations on activities in regard to real estate undertaken by persons who are not licensed estate agents. It will allow any person to compile and present information on dealings with real estate or businesses. As the activity need not require the exercise of estate agency skill, knowledge or professional judgment, clients are not advantaged by the licensing of a person undertaking this activity. The bill removes the unnecessary restriction and brings clients the benefits of greater competition.

The bill also frees retail shopping centre office managers in certain circumstances from the requirement to hold an estate agent's licence. Licensing limits the numbers of potential centre office managers, thus increasing management costs. Further, estate agency expertise is not essential to retail tenancy management.

The bill provides that, where the centre office manager's duties are limited to letting or negotiating the letting of and collecting rents in relation to premises in the retail shopping centre for the owner of the centre, the manager may be either a licensed estate agent or an agent's representative. As the prerequisites for status as an agent's representative are not as onerous as those of becoming a licensed estate agent, this will widen the field of eligible managers, thus reducing management costs, and will allow more people with appropriate skills and experience to manage centre offices. In so doing the amendment benefits both centre owners and tenants.

The bill also streamlines the process by which agents transfer money intended for third parties by allowing an estate agent to pay such money as directed by the person for whom the money is received without first depositing it in the agent's trust account. This eliminates double handling of trust moneys and avoids unrecoverable fees and duties on trust account transactions.

The bill improves the effectiveness of the act by allowing infringement notices to be issued for offences of strict liability under the Estate Agents (General, Accounts and Audit) Regulations. The ability to issue infringement notices will allow the Office of Fair Trading and Business Affairs to implement a cost-effective enforcement program that will ultimately encourage agents to abide by prescribed procedures. Improved compliance will reduce the risk of trust account defalcations and the concomitant demand upon the Estate Agents Guarantee Fund.

The bill aims to encourage good estate agency practice by preventing the retention of benefits relating to outgoings properly belonging to estate agents' clients. A new prohibition in the act will make it clear that an estate agent must not retain for himself or herself the difference between the amount paid by a client for outgoings and the amount paid by the agent for the

outgoings, but rather must pass the difference to the client. The amount paid by the agent is determined after taking into account any rebate, discount or commission in respect of the outgoings. Retention of the benefit will be an offence and render the agent liable to a penalty.

The prohibition is particularly directed at those estate agents involved in volume rebate schemes offered by publishers for advertising who do not pass on the rebates to their vendor clients. Together with the application of the Crimes Act 1958 to prohibit secret commissions or gifts to estate agents, this initiative will encourage greater accountability and transparency in the relationship between estate agents and their clients.

The bill ensures the appropriate expenditure of public moneys by allowing drawings on the Estate Agents Guarantee Fund for three new causes. Costs of the Victorian Civil and Administrative Tribunal's residential tenancies list will be able to be met by the Estate Agents Guarantee Fund, lessening current drawings on the Residential Tenancies Fund and facilitating its future use to pay interest on tenants' bonds.

Money from the Estate Agents Guarantee Fund will also be able to be applied for advice, assistance and information in respect of domestic building services, and for advice, assistance and information in respect of credit contracts under the Consumer Credit (Victoria) Code that relate to the purchase of real estate or of domestic building services.

The powers of inspectors appointed under the Fair Trading Act 1999 to investigate estate agencies are also provided for in the bill. The inspectors' powers are consistent with those applicable to other industries regulated by the Office of Fair Trading and Business Affairs. The initiatives of this bill usher in improvements in estate agency regulation and practice with resultant benefit for both agents and their clients.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Debate adjourned until Thursday, 20 May.

FREEDOM OF INFORMATION (AMENDMENT) BILL

Second reading

Mrs WADE (Attorney-General) — I move:

That this bill be now read a second time.

The Freedom of Information Act 1982 seeks to strike a balance between the public's right to obtain information about the government on the one hand and the need for the protection of the legitimate privacy of governmental officials on the other hand. To this end, the act provides an exemption for documents which contain information which relates to the personal affairs of a person other than the FOI applicant. Naturally, in these circumstances, the document may, subject to another exemption applying, be released with the personal information being deleted.

Currently, the act exempts from release a document if the release would involve an unreasonable disclosure of information relating to the personal affairs of another person. Hence a determination of the release of a questionable document involves a twofold analysis: the agency or minister must determine whether the information in the document relates to the personal affairs of another; and, if it does, whether the release of that information would amount to an unreasonable disclosure.

The act does not define information which relates to the personal affairs of any person. Existing Victorian case law has held that a person's name or other identifying details do amount to personal information and so render a document containing that information exempt — that is, as I have said, releasable with the deletion of that information. In the past, departments have removed personal information from requested documents on this basis.

The recent Victorian Civil and Administrative Tribunal decision of Coulston, however, went against this line of authority. In that case, the tribunal ruled that a hospital roster showing the names of nursing staff on duty on a particular night did not contain the personal information of those nurses and was, as a result, releasable under the act.

As the tribunal ruled that the roster did not contain information which related to the personal affairs of another, it did not need to determine whether the release of the document would amount to an unreasonable disclosure.

Because the applicant in the decision was a convicted murderer, certain alarm was raised by the effect of the decision because it was thought that the safety of the nurses was put at risk by the release of their names to the applicant.

The government seeks always and strenuously to protect its officers and employees from unwarranted

invasion of privacy and threat of harm. Accordingly, it has decided to amend the act so that:

the act makes it clear that a third party's name, address or other identifying information is personal information;

if an agency or minister determines that the document contains personal information, it must delete it from the document prior to releasing it under the act;

an FOI applicant may apply to VCAT to have the document released in full. VCAT will determine whether the release of the personal information would be reasonable in all the circumstances. The third party will be given an opportunity to intervene in the proceedings;

the act will include a safeguard so that a document containing personal information may not be released if to do so would be contrary to the public interest or would endanger the life or physical safety of any person;

the bill seeks to prevent VCAT from holding a hearing where neither the agency or minister nor the third party has any objection to the release of the personal information. The bill will require VCAT to release the document in full where the tribunal:

has received notice from the agency or minister that they do not object to the release of the document in full; and

has not received any notice from the third party that the third party will intervene in the proceedings.

In these circumstances, there will be no need for VCAT to hold a hearing and the applicant will be refunded any application fee paid to VCAT.

These amendments seek to ensure that governmental officers and employees have, in suitable circumstances, their identities protected from disclosure. Such disclosure will only be made if:

it is reasonable in the circumstances;

their life or physical safety is not put at risk; or

neither they nor the agency or minister for whom they work objects to that disclosure.

This amendment will allow for suitable involvement of the third party in the decision as to whether the release would be reasonable or not and thus give them an opportunity to put forward their case against the release.

I commend the bill to the house.

Debate adjourned on motion of Mr HULLS (Niddrie).

Mrs WADE (Attorney-General) — I move:

That the debate be adjourned for two weeks.

Mr HULLS (Niddrie) — I move, as an amendment to the motion:

That the word 'weeks' be omitted with the view of inserting in place thereof the word 'months'.

This is a very important piece of legislation that goes to the heart of freedom of information in Victoria. Although it is a fairly small bill of only nine pages it will have enormous ramifications for freedom of information and requires much consultation.

Victorians showed their grave concern about attacks on democracy in the state at the Mitcham by-election, which was held some time ago. One has to remember that the object of the Freedom of Information Act is to extend as far as possible the right of the community to access information in the possession of government.

Mr McArthur — On a point of order, Mr Acting Speaker, over recent years the honourable member for Niddrie had debated the matter of time regularly and repetitively. He knows full well that the debate is extraordinarily narrow and does not entitle him to go into the background of freedom of information generally or the contents of the bill, but simply to discuss why the debate should be adjourned for a particular time. The honourable member is going way beyond the parameters of the debate and I ask you, Sir, to bring him back to the debate.

Mr HULLS — On the point of order, Mr Acting Speaker, I do not know why the honourable member for Monbulk is so sensitive. It may well be that Lesley Wood — the wife of the actor, John Wood, who plays a main character in the television police drama *Blue Heelers* — is breathing down his neck. In any event, I had only just started. I understand the narrowness of the debate — and I would have thought that freedom of information in this state and disclosure of material in the hands of government is important — and I ask that I be allowed to continue on the question of time.

The ACTING SPEAKER (Mr Jasper) — Order! Whilst I do not uphold the point of order raised by the honourable member for Monbulk, I remind the

honourable member for Niddrie that it is a very narrow debate on time.

Mr HULLS — The opposition needs sufficient time to consult with Victorians about the major changes proposed to be made to the Freedom of Information Act in this state.

An honourable member interjected.

Mr HULLS — I take up the interjection from a person who abused the freedom of information system when he was in opposition and is now sitting smirking like a silly old gorilla and asking whether I have read the legislation. Victorians are entitled to be consulted about proposed major changes. I would have thought the honourable member for Monbulk, who is a member of the Public Accounts and Estimates Committee, would bear in mind that that committee has conducted an inquiry into commercial confidentiality and freedom of information and be aware that no legislation should be passed until that committee has tabled its findings and made its recommendations to the house.

It is outrageous that prior to an election — which is just about to take place — and prior to the Public Accounts and Estimates Committee tabling its report in this place and the house having the opportunity of considering its recommendations, the government is attempting to introduce legislation that will alter the Freedom of Information Act to affect a person's right to access information in the hands of government. The committee's recommendations deal specifically with freedom of information, commercial confidentiality and other matters. It is inappropriate for this place to consider the bill before the house considers the committee's report.

Mr Perton — On a point of relevance, Mr Acting Speaker, it is clear that the honourable member for Niddrie has not even glanced at the bill which is about personal privacy, not commercial confidentiality. Even given the extent to which you, Sir, would permit him to talk about general issues, it is clear that his remarks about commercial confidentiality are beyond the scope of the bill.

Mr HULLS — On the point of order, Mr Acting Speaker, I sometimes wonder whether the honourable member for Doncaster has a hearing problem. If he had been listening to what I said he would have heard me referring to the Public Accounts and Estimates Committee which has conducted an inquiry into both freedom of information and commercial confidentiality matters.

Honourable members interjecting.

Mr HULLS — There are some Noddies around — fair dinkum!

On the point of order, Sir, the honourable member is saying commercial confidentiality is not relevant to the legislation. The legislation deals with freedom of information. Freedom of information concerns personal privacy and commercial confidentiality. Freedom of information legislation is currently the subject of review by the Public Accounts and Estimates Committee, and that raises the question of time. The legislation should not be debated until the Public Accounts and Estimates Committee has handed down its report.

The ACTING SPEAKER (Mr Jasper) — Order! I do not uphold the point of order of the honourable member for Doncaster, but I remind the honourable member for Niddrie that a narrow question is before the house — that is, the question of time.

Mr HULLS — The opposition needs time not just to consult ordinary Victorians but also to consider the report of the Public Accounts and Estimates Committee. Honourable members need to see what the committee recommends regarding freedom of information and whether it recommends these changes ought to take place. I am a member of that committee, as is the honourable member for Monbulk. I have not seen the recommendations.

Mr Perton interjected.

Mr HULLS — Both the honourable member for Doncaster and I agree on one thing: you cannot always believe what you read in the Spy column.

On the question of time, it is absolutely crucial that honourable members be able to consult with Victorians; it is absolutely crucial that we be given time to look at the Public Accounts and Estimates Committee report on freedom of information.

The Attorney-General is attempting to white-ant freedom of information in the state. A conversation regarding freedom of information took place some time ago between the Attorney-General and the Deputy Leader of the Opposition. The Attorney-General admitted that, by rushing legislation into this place, she had mucked up the legislation and was imposing an unintended fee on Victorians. That occurred because she did not consult properly. She came into the house and rushed through the legislation.

Honourable members need time to protect the Attorney-General. She needs as much time as possible. We need to ensure she does not again come into the house and introduce legislation that has unintended

consequences, as has happened before. The Attorney-General admitted that to the Deputy Leader of the Opposition. However, having admitted her mistake and pleaded guilty to the Deputy Leader of the Opposition, she refused to return the bill to the house for amendment; she refused to amend her stuff-up in imposing on Victorians an unintended fee of $170. The opposition is concerned that, unless two months are allowed for consultation on the legislation, the same stuff-up will occur again, with the same unintended consequences.

In conclusion, I emphasise that freedom of information goes to the heart of democracy. It is crucial that legislation that fundamentally changes the Freedom of Information Act not be rammed through the house without appropriate consultation. At least two months are needed to ensure the Attorney-General does not stuff up again. At least two months are needed to ensure the Attorney-General does not again white-ant the legislation, undermining freedom of information through the back door and using the legislation as an excuse to close FOI in this state.

Mrs WADE (Attorney-General) — On the question of time, Mr Acting Speaker, the honourable member for Niddrie has become excited about the legislation. He says it has enormous ramifications. I tend to agree with the honourable member for Doncaster, who said that the honourable member for Niddrie had probably not even read the bill. The bill is, in fact, a minor measure.

Mr Hulls interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Niddrie should listen to the Attorney-General in silence.

Mrs WADE — The honourable member for Niddrie has clearly not read the bill. If he had done so, he would understand that the bill introduces minor amendments to the Freedom of Information Act to ensure the same degree of protection of personal information as was the case before the Coulston matter came before the Victorian Civil and Administrative Tribunal. Prior to the Coulston case the practice in the Department of Justice had been that personal information, including the names and addresses of public sector employees, was deleted from documents prior to release.

Mr Hulls — On a point of order, Mr Acting Speaker, I recall your specific instructions to me regarding my contribution on the question of time — that this is a narrow debate and that one was not allowed to speak about the provisions of the bill itself. The Attorney-General is clearly talking about what is happening in her department and is referring specifically to how the Department of Justice acts under the current legislation. The Attorney-General is not talking on the question of time.

Mrs WADE — On the point of order, Mr Acting Speaker, I was merely responding to the statement of the honourable member for Niddrie that he needed more time because the bill had enormous ramifications. I was explaining to the honourable member that he did not need much time at all because the provisions in the bill were merely restoring the position as it was and which he had never complained about prior to the Coulston case.

The ACTING SPEAKER (Mr Jasper) — Order! I do not uphold the point of order, but I again remind the Attorney-General that this is a narrow debate.

Mrs WADE — I again make the point that this bill makes minor amendments to the principal act and is not related to any future investigation of freedom of information by the Public Accounts and Estimates Committee. It is extremely important that the bill be dealt with expeditiously so that those employed in the public sector, including nurses, teachers and a number of public servants, who can be subject to harassment and who find themselves in danger or in circumstances where their names are inappropriately released, are protected.

Honourable members know through their electorate offices that sometimes people who ask for information do not always ask for it with the best possible motives. It is important that the bill be dealt with expeditiously so that the people I mentioned are protected.

Mr BRUMBY (Broadmeadows) — On the question of time, Mr Acting Speaker, I support the amendment moved by the honourable member for Niddrie. I do so because contrary to what is claimed by the Attorney-General, this bill is not a minor or insignificant piece of legislation. It is another major change to freedom of information legislation and it follows a series of changes made since 1992 to water down, dismantle and remove people's rights under FOI.

This package of changes continues that pattern and trend of government behaviour, which is why this significant legislation needs to be discussed in the community. It should be the subject of wide-ranging, open and honest debate. If the government rushes this legislation through the house in two weeks, as the Attorney-General proposes, interested members of the

community who have a right to know about the provisions and their implications will not be able to give it proper consideration.

Organisations such as the Law Council of Australia and the Public Accounts and Estimates Committee have expressed their concerns about the legislation. As the honourable member for Niddrie said, those organisations need to look at the bill. Lawyers have written letters to newspapers and civil libertarians and politicians have also expressed their concerns about the bill. However, the bill has been introduced late in the day at the end of the week and it will be rushed through in two weeks time.

The argument put by the opposition is implicitly supported by none other than the honourable member for Doncaster. An article that appeared in the *Age* — —

The ACTING SPEAKER (Mr Jasper) — Order! On the question of time.

Mr BRUMBY — The point is on the question of time. In an article that appeared in the *Age* earlier this year the honourable member for Doncaster is reported as having said that:

> ... the time is overdue for a full debate about FOI ...

He said he wants a full debate. You can — —

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Broadmeadows will address the Chair and deal strictly with the issue of time. I also think it would be better if he refrained from bringing other members into the debate.

Mr BRUMBY — The opposition has moved that the debate on the bill be adjourned for two months to allow more time for proper consideration and a detailed review of the proposals. That motion is supported by the honourable member for Doncaster, who is an expert on freedom of information. As an opposition member he used freedom of information processes 1800 times. He supports the current opposition's argument that there should be two months for consultation and debate in the community.

Professor Marcia Neave of the law faculty of Monash University and Bernard Bongiorno — remember him? — have sent letters — —

The ACTING SPEAKER (Mr Jasper) — Order! I remind the honourable member for Broadmeadows that the house is debating the question of time for the adjournment of the debate.

Mr BRUMBY — The point I wish to make, Mr Acting Speaker, is that many people, including Professor Neave and Bernard Bongiorno, want time to consider and be properly consulted on the bill. In a recent article in the *Australian* the chairman of the Australian Press Council is reported as having said:

> ... Jeff Kennett's plan to review — or scrap — freedom of information laws was dangerous and short-sighted ...

The Press Council does not want the bill rushed through because it wants time to analyse it. It does not want the bill pushed through at the end of this sessional period without proper scrutiny and debate.

A principle of the Westminster system is that there should be honest, open and accountable government. The freedom of information legislation, which was first introduced in Victoria in the 1980s by the Cain government with full bipartisan support, is an essential element in the guarantee of honest, open and accountable government. The amendments proposed by the Attorney-General will diminish the right of the general public, members of Parliament, the media and others to properly scrutinise the activities of government. They are relevant to a fundamental and threshold aspect of the checks and balances that keep government honest and accountable.

As suggested by none other than the honourable member for Doncaster, this should not be a partisan but a bipartisan debate. The bill should lie on the table and be made available to the community to consider for two months. There should be wide-ranging consultations, after which the opposition may be in a position to support the proposed amendments. However, I suspect that if the bill is made available for wide-ranging consultation the response from organisations such as the Law Council, the Press Council, barristers, the media, and members of Parliament will be that the bill continues the trend of shutting up or closing down the processes of freedom of information and restricting the opportunities for gaining access to the information that should be available in the public domain.

All the opposition wants is a proper and open debate and full consultation with the community. In that way there can be a proper bipartisan consideration of FOI laws in the state. FOI laws have been used in Victoria to uncover information about credit card abuse, child abuse, Intergraph contracts, and a whole range of matters on which information would not have become publicly available if it were not for those laws. This is a big issue to consider. Governments change. One day again in the future you will be in opposition and will want to use freedom of information laws.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Broadmeadows will address the Chair on the narrow question of time.

Mr BRUMBY — The bill needs to be properly and openly considered. Rushing it through in just two weeks treats Parliament with contempt. It is nothing more than a cover-up and is designed to ensure there is no avenue for the proper scrutiny of credit card abuse in the future. That is what it is about — covering up credit card abuse. The opposition wants time for consultation and that is why it proposes the two-month adjournment of the bill.

Mr PERTON (Doncaster) — What is interesting about this debate is that readers of *Hansard* will not have seen the smiles on the faces of opposition members as they spoke on the question. It has been a good-humoured debate and one can see that the opposition has not been at all serious about it.

The reality is that there will be no difference in the debate whether the adjournment is for two weeks or two months. I agree with the honourable member for Niddrie that it is a very important debate. The balance is the question of personal privacy versus freedom of information. Had opposition members read the bill before engaging in this debate they would have realised that the community will give substantial support for the bill. The debate has occurred already in the community since the release of the nurses' names. Editorials and public commentary have been widespread on the issues contained in the bill.

Last Saturday an article in the *Age* contained a list of the range of people the opposition will quote, whether it is Professor Snell from Tasmania or others. They have already made their comments.

Mr E. R. Smith interjected.

Mr PERTON — As the honourable member for Glen Waverley says, the people who will be quoted by the honourable members for Niddrie and Broadmeadows are those who have already made statements. I could give opposition members the names, addresses and email addresses of the people who are expert in data protection and freedom of information, but the opposition is not serious about that. They are not the people the opposition will go out and consult. It will consult the usual suspects — Moira Rayner, Bernie Bongiorno — —

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member, on the question of time.

Mr PERTON — The people the opposition will speak to are Joan Kirner and John Cain. All the opposition has to do is make the phone calls. The opposition's consultation will take a few hours in the Labor caucus room!

The government is serious about the bill. People have been talking about data protection and the rights of the individual. The rights of the individual will be protected by the proposed legislation. If the opposition looks at the mechanisms contained in the bill, it will see that nothing is shut down. The bill will give citizens the right to have their personal data protected and it provides very efficient mechanisms for doing so. As I indicated, the opposition's arguments will not change whether the bill is debated in two weeks or six months. The amendment proposed by the honourable member for Niddrie should be disposed of by the house.

House divided on omission (members in favour vote no):

Ayes, 47

Andrighetto, Mr	McLellan, Mr
Ashley, Mr	Maclellan, Mr
Burke, Ms	McNamara, Mr
Clark, Mr	Maughan, Mr
Coleman, Mr	Napthine, Dr
Cooper, Mr	Paterson, Mr
Dean, Dr	Perrin, Mr
Dixon, Mr (*Teller*)	Perton, Mr
Doyle, Mr	Peulich, Mrs
Elder, Mr	Phillips, Mr
Elliott, Mrs	Reynolds, Mr
Finn, Mr	Richardson, Mr
Henderson, Mrs	Rowe, Mr
Jenkins, Mr	Shardey, Mrs
John, Mr	Smith, Mr E. R. (*Teller*)
Kennett, Mr	Smith, Mr I. W.
Kilgour, Mr (*Teller*)	Spry, Mr
Lean, Mr	Tehan, Mrs
Leigh, Mr	Thompson, Mr
Lupton, Mr	Traynor, Mr
McArthur, Mr	Treasure, Mr
McCall, Ms	Wade, Mrs
McGill, Mrs	Wells, Mr
McGrath, Mr W. D.	

Noes, 24

Andrianopoulos, Mr	Haermeyer, Mr
Baker, Mr	Hulls, Mr
Batchelor, Mr	Kosky, Ms
Bracks, Mr	Langdon, Mr (*Teller*)
Brumby, Mr	Leighton, Mr
Cameron, Mr	Lim, Mr (*Teller*)
Campbell, Ms	Pandazopoulos, Mr
Carli, Mr	Robinson, Mr (*Teller*)
Cunningham, Mr	Savage, Mr
Davies, Ms	Seitz, Mr
Delahunty, Ms	Thwaites, Mr
Gillett, Ms	Wilson, Mrs

Amendment negatived.

Motion agreed to and debate adjourned until Thursday, 20 May.

Remaining business postponed on motion of Mr W. D. McGRATH (Minister for Police and Emergency Services).

ADJOURNMENT

Mr W. D. McGRATH (Minister for Police and Emergency Services) — I move:

That the house do now adjourn.

Human Services: child-care officer

Ms CAMPBELL (Pascoe Vale) — I raise for the attention of the Minister for Youth and Community Services a matter involving the children's services officers in his department. I ask the minister to investigate how many of those officers have a pecuniary interest in one or more child-care services and, having ascertained the facts, I ask him to prohibit any children's services officer with a pecuniary interest from carrying out compliance checks on the Children's Services Act and regulations.

I have been contacted by the Five Star Child Care Centre's parent committee president, Fiona Hussain, and the proprietor, Georgette Brown, about compliance visits by the children's services officer Michelle Arthur. I am advised that she, a children's services officer with the southern metropolitan region, has a clear conflict of interest as she is an office-holder in a company called Child Care Australia, which operates another child-care centre in Stud Road, Dandenong, approximately five blocks from Five Star. I have obtained statutory declarations and an Australian Securities and Investments Commission search, which provide alarming facts.

When Ms Arthur arrived for a centre inspection on 27 November 1998, Georgette Brown, the proprietor, collapsed and was taken to hospital where lifesaving surgery was performed. As she had collapsed in view of the children, they were hysterical. Staff, although extremely worried, tried to normalise the environment.

Statutory declarations state that even before the ambulance had left, Ms Arthur continued with her inspection. She was asking staff questions about their qualifications, time of commencement, staff numbers, time of lunch, and type of food to be served. Parents and staff at the Five Star Child Care Centre have no objections to inspections, but they cannot accept that a Department of Human Services (DHS) staff member who has a personal interest in a child-care centre a few blocks away should be inspecting a competitor's business.

The Five Star Child Care Centre must never be inspected by Ms Arthur again. Obviously such inspections decide the future of child-care centres, and any centre that is or perceived to be victimised will never trust DHS to objectively assess the conditions in which children are cared for in child-care centres.

Seven letters sent by parents and staff about the issue were fobbed off by the department. A reply was sent without one of those people having been contacted. As I said, I have asked for statutory declarations and an Australian Securities and Investments Commission search. Serious accusations against DHS staff should be thoroughly investigated, and it is a breach of duty for the minister to do otherwise.

Public transport: graffiti

Ms BURKE (Prahran) — I ask the Minister for Housing to refer to the Minister for Transport the matter of graffiti. A number of constituents in my area have complained to my office about graffiti. Graffiti is fairly common on ministry of housing property, but the Minister for Housing seems to have that well and truly under control. It is also fairly common on private and commercial properties, which has been a matter of concern for a number of people, but that is very much a matter for private and commercial property owners to attend to.

I direct the attention of the minister to what happened to a Mrs McCrae of South Yarra when travelling on public transport. Her new dress was soiled and damaged by wet graffiti paint when she sat on a seat in a train. She came to my office to ask what was being done about the graffiti on public transport. While I recognise that the problem with graffiti is almost 100 per cent better than it was in the late 1980s and the first few years of the 1990s, it is still of major concern to this woman.

The Public Transport Corporation has a 24-hour service for graffiti removal, and it certainly does its best. I understand that because of the copycat mentality it is difficult to inform the community about the clean-up service because it may interfere with the management of that process. However, I will give the minister the name and address of Mrs McCrae from South Yarra and ask him to write to her and explain the graffiti clean-up process so that she can tell other members in her community. I also ask the minister to inform Mrs McCrae, if possible, of any assistance the PTC

might be able to offer, even if it is just paying for the dry-cleaning of her dress.

I acknowledge that private and commercial properties are very much affected by graffiti artists, but I would appreciate it if the minister could inform Mrs McCrae of the 24-hour graffiti removal service and any other measures the PTC is taking to ensure that our public transport system is as good as it can be for the community and as clean and easy to use as possible.

City Link: project delays

Mr BATCHELOR (Thomastown) — I ask the Minister for Housing to refer to the Minister for Planning and Local Government in his capacity as the minister in charge of the City Link project the delays in the opening of that project. The western link, which is the first part of the City Link project to be opened, was due to open on 26 April, but it was rescheduled for 29 May.

However, there is no certainty about the May opening date and it looks as though that deadline might not be met. That has been admitted by the Premier and by the chief executive officer of Transurban. The media and industry circles have identified various problems as being to blame for the delays, including the blistering on the Bolte bridge, the chaos down at the City Link call centre and technological glitches with the transponder computer network.

I ask the minister to investigate why the delay has occurred and advise Parliament and the people of Victoria what steps the government intends to take to ensure that the opening of the City Link project does not turn into another fiasco like the Onelink automatic ticketing fiasco. The opposition would like an assurance that the government will do something about the City Link project delays. All through the automatic ticketing process Onelink got away with blue murder. What will the government do about the delays with City Link? Will it let City Link get away with it?

As the minister knows, there are powers available to him through the courts to require an order for specific performance of the state's requirements. The requirements are laid down in the contract; contractual obligations have been written and signed off. Will the government enforce the contractual obligations or will it let City Link get away with it? Will the government fail in its duty to serve the people of Victoria and allow the delays to go on and on? Delays have already occurred with the Onelink contract worth $365 million; now the $2 billion City Link project has been delayed on successive occasions. The opposition wants to know what is going on.

Sunbury Community Health Centre

Mr FINN (Tullamarine) — I ask the Minister for Housing to refer to the Minister for Youth and Community Services concerns raised with me by the chief executive officer of the Sunbury Community Health Centre, Ros Stevens, about its early intervention program. In doing so I recognise the importance the minister has placed on early intervention programs and thank him on behalf of parents of children with disabilities for the added support he has offered, particularly to the Broad Insight agency in my area, an agency that has done and continues to do a magnificent job for children with disabilities and their families.

I am sure honourable members would be aware that the Sunbury Community Health Centre is the best community health centre in Australia. I do not think anybody would argue with that. The centre currently provides a program for 22 children that includes physiotherapy, speech pathology and occupational therapy for children, and counselling and support for both the children and their parents, when required. The program operates with a group format, which has proven to be extremely effective.

The centre currently receives $37 000 from the Department of Human Services and approximately $1000 per child from the commonwealth special education fund. That level of funding allows it to provide therapy sessions weekly for the older children — the group from three to six years of age — but unfortunately only on a fortnightly basis for the younger children — from birth to two years of age — rather than the weekly basis that is essential for continuous improvement. Any additional funding provided to the Sunbury Community Health Centre for its early intervention program would allow the younger children to receive therapy on a weekly basis.

It is extremely important that the centre receive the funding required. It would make a huge difference to not just the immediate lifestyles of the children and their families but also to the long-term lifestyles of the children. It is well known that the earlier children with disabilities are treated for their disabilities the better they will be later in life.

I ask the minister to give urgent and serious consideration to providing more funding for the program at the Sunbury Community Health Centre. It would be a big boost, not just for the centre but also for

the children with disabilities and their families that it helps so effectively.

Planning: Epping quarry

Mr HAERMEYER (Yan Yean) — I ask the Minister for Agriculture and Resources to investigate the application for an extractive industries permit by Mr Tom Love, of 410 Cooper Street, Epping. Mr Love is seeking an extractive industries permit which, if granted, would allow a quarry in Cooper Street to straddle the existing Wallert–Wandon gas pipeline with a buffer zone of only 40 metres in each direction. The pipeline receives gas from the New South Wales–Victoria connection and is the main access point for gas supplies to the northern suburbs from Longford. There will be serious consequences if the gas supply is interrupted.

A 40-metre buffer zone is not appropriate for this type of quarry, particularly in view of the type of blasting required. Mr Love's quarry routinely exceeds the blasting limits, to the extent that many of the blasts have caused shock waves at the nearby Northern Hospital and have been recorded by the seismology department at La Trobe University. There is a danger of interruption to the gas supplies of the northern suburbs and a danger to public safety in the area if this matter goes wrong.

The Minister for Planning and Local Government is holding this application over until after the election because Mr Love is a prominent member of the Liberal Party and a bagman for the Liberal Party in the area. He has pulled some strings. It is an attempt to provide a favour which is going to make Mr Love a rich man.

Mr Finn — On a point of order, Mr Acting Speaker, the standing orders forbid what the honourable member for Yan Yean is attempting to do. He is casting a shadow on the character of the Minister for Planning and Local Government. I ask the honourable member to withdraw and desist.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member cannot ask for a withdrawal on behalf of another member, so the point of order is not upheld.

Mr HAERMEYER — There is a danger that a favour is being done for Mr Love, a significant donor to the Liberal Party. I ask the Minister for Planning and Local Government to investigate the suitability of this application.

The application is not justifiable on planning grounds. It is against the Cooper Street precinct strategy and is nothing but a ploy to enable Mr Love to get compensation for the government's decision on the F2 freeway alignment. It will reap a major windfall for Mr Tom Love. There will be a danger to the community and to gas supplies in the northern suburbs if this application is allowed to go ahead. It will be a travesty of decency if the minister approves this application.

Mrs Peulich — Mr Acting Speaker, I direct your attention to the clock — it was a long minute.

The ACTING SPEAKER (Mr Jasper) — Order! The Clerks have corrected the time.

Disability services: transport allowances

Mr MAUGHAN (Rodney) — The matter I raise with the Minister for Youth and Community Services concerns Stephanie Coldwell, a severely disabled student confined to a wheelchair who lives at Merrigum and is enrolled in year 8 at the Mooroopna Secondary College.

Department of Education transport guidelines provide for students with disabilities and impairments to attend special settings. However, Stephanie does not fit that category. Although she is physically disabled, she is mentally alert and a special setting would be quite inappropriate. In fact, she receives special funding but attends Mooroopna Secondary College.

As Stephanie attends a regular school she is unable to use the bus that travels to the special setting. She has been expressly refused permission to do that by the regional manager because of departmental guidelines. The bus that travels to the Mooroopna Secondary College is not fitted with a lifting device and Stephanie is unable to access it.

In March 1998 the honourable member for Shepparton raised the matter with the Minister for Education who responded by saying that departmental policy relating to student transport prevented access to special setting transport by students attending mainstream schools, and a $700 taxi allowance was available for severely disabled students attending mainstream schools.

Stephanie's parents have been paying for a taxi to transport her to and from the school which is costing them $6000 a year for which they receive a $700 allowance, the net cost to the parents being $5300 a year. The student is not eligible to travel on the special school bus and cannot access the regular school bus. Her needs are being met at the school at which she is a student but there is the problem of cost. I am not

advocating fitting a lifting device to the regular bus, but it is obvious that the government must find a solution.

Stephanie is entitled to an education and a transport allowance. The education and transport ministers say that it is not their responsibility. On that basis I direct the matter to the Minister for Youth and Community Services and appeal to him to convene a meeting between the three ministers to resolve this intractable problem.

Australian Heritage Society

Mr ROBINSON (Mitcham) — I raise with the Attorney-General what I regard as a disgraceful use of important symbols close to the hearts of all Victorians. The inappropriate use of symbolism appeared in a recent brochure published by the Australian Heritage Society. I ask the Attorney-General to investigate the inappropriate use of symbols to ascertain whether any Victorian laws have been breached, and, if not, to refer the matter to the federal government for investigation.

The brochure breaches all existing rules about good taste and respect. I came across the brochure a few days after Anzac Day when it was doing the rounds in Mitcham. It highlights a number of issues on the front page, and on the next few pages divulges material that is typical of the loony fringe groups pushing anti-Asian causes and pro-international conspiracies. Honourable members would be familiar with the rubbish that does the rounds from time to time, but I am concerned that the front page of the brochure has an inappropriate use of the Australian Commonwealth Military Forces badge alongside the heading 'Keep the Faith'. That is a disgraceful use of the ACMF badge. Similarly, there is a disgraceful use of the word 'Anzacs' at the top of the brochure.

I contend that no-one, but no-one, has the right to appropriate such an important symbol for base political ends, and I trust that every member of this house agrees with me. The Australian Heritage Society has every right to act vigorously in any campaign on the future of the monarchy or the country, but it has no right to conduct itself in a way that allows it to masquerade as the defender of the Anzac tradition.

In the debate this morning on Shrine of Remembrance legislation honourable members reflected on the enormous sacrifice of thousands of Victorians who fought and died in the military forces. Those Victorians all served under the same badge. They were of all political views, creeds, cultures and colours. In this day and age it is not permissible for any group, mainstream or fringe, to seek to appropriate that badge and use it for its own narrow and misguided political ends.

I urge the Attorney-General to examine whether misappropriation of a national symbol such as that badge is a breach of Victorian law. If it is not a breach of Victorian law I urge her to refer the matter to the federal government because I feel certain it must breach a law somewhere in Australia.

ALP: Bentleigh candidate

Mrs PEULICH (Bentleigh) — I direct to the attention of the Minister for Police and Emergency Services some irresponsible, even scurrilous, comments reported in the 'In Brief' column of the *Southern Cross* of 5 May. The comments are attributed to the Labor Party candidate for the seat of Bentleigh.

Mr Leigh interjected.

Mrs PEULICH — It may be unparliamentary, but — —

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member will address the Chair.

Mrs PEULICH — I welcome the honourable member's interjection because the published comments are irresponsible. Under the heading 'Labor's crime warning' the item states:

> ... serious crimes, including assault, home invasion and armed robberies, are rising. Police morale is at an all-time low. In East Bentleigh, crimes have increased by 28.77 per cent, he said.

The item goes on to quote the candidate. It states:

> Labor will employ an extra 800 police if it is returned to government later this year.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Mordialloc will get his opportunity in a few minutes.

Mrs PEULICH — I have a proud history of raising issues on wilful damage and graffiti, and also of taking up matters with the Minister for Police and Emergency Services and his predecessor on behalf of my constituents on numerous occasions. I strongly support law and order issues. In particular, I have taken a lively interest in some high-profile crimes that have occurred, including the killing of two policemen in the Bentleigh electorate, the widely reported Good Friday shooting, and the hanging suicide of a person following a violent domestic incident.

I believe the ALP candidate for Bentleigh has distorted reality. Bentleigh is a safe suburb and has the third-highest proportion of people aged over 65 in the state. The candidate is creating unnecessary panic. His action can be seen only as scurrilous and irresponsible. I ask the minister to comment on the accuracy of the comments and reassure the elderly community of their safety. I also ask the minister to indicate what further action the government will take to improve outcomes, which it is always seeking to do.

Together with other government members I welcome the government's introduction of performance indicators for all portfolios across the board.

Melbourne–Geelong road: upgrade

Ms GILLETT (Werribee) — I refer the Premier to planning amendment RL 112 dated 11 September 1997 and direct his attention to his commitment as outlined on 29 October 1998 on radio 3AW that any development on the Princes Freeway should meet national safety guidelines. I refer also to the unanimous resolution of the 128th state council of the Victorian Liberal Party — resolution no. 28 — which required the state government to adopt national safety guidelines for the Princes Freeway, particularly on the distance between service centres and the nearest interchange. I ask the Premier to ensure that the Minister for Planning and Local Government is required to act within those parameters.

The amendment to which I refer seeks approval for the establishment of two service stations, one on either side of the freeway near Avalon Airport. The Premier would be aware that national safety guidelines require that such developments be located at least 2 kilometres from the nearest interchange, as opposed to the requirements that apply to rural highways which require the separation to be only 1 kilometre.

Unless the Premier is able to reaffirm his government's earlier commitment and its acceptance of the resolution of the Liberal Party state conference that the Princes Freeway will be developed in line with national safety guidelines, how can the community believe that he is genuinely seeking the federal government's commitment to declaring the freeway a road of national significance and providing the additional federal funds that are vital for the proper reworking of the Princes Freeway? What is to stop my community and others in Victoria from regarding this government's rhetoric about the freeway as utterly hypocritical?

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Ivanhoe has 30 seconds.

Greensborough–Lower Plenty–Rosanna roads: safety audit

Mr LANGDON (Ivanhoe) — Through the Minister for Housing I ask the Minister for Roads and Ports in another place to release the road safety audit on the reconstruction of Lower Plenty Road between Greensborough Road and Rosanna Road so that residents in the electorates of Ivanhoe and Bundoora can understand what it means. I refer particularly to the overpass which is yet to be included in any work and the absence of which does not allow for the elderly frail or disabled — —

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

Responses

Mr W. D. McGRATH (Minister for Police and Emergency Services) — The honourable member for Bentleigh raised concerns about the exaggerated use of figures and careless use of the truth in a message portrayed in the media. The honourable member for Bentleigh is — —

Mr Batchelor — Nagging.

Mr W. D. McGRATH — The honourable member for Bentleigh constantly brings to my attention her concerns about crime in the Bentleigh electorate. On several occasions she has raised the graffiti problem and this evening she asked whether there has been an increase in crime.

I advise the honourable member that the Bentleigh area is covered by either the Moorabbin or Brighton police station. The Moorabbin police station figures for the period July to March 1997–98 reveal that 3247 incidents of crime were reported. For the same period this year — that is, July to March 1998–99 — 2765 incidents of crime were reported, which is a decrease of some 14 per cent. Without conducting a specific analysis, the figures for the Brighton police station showed a decrease of some 2 per cent in the level of crime reported in Brighton.

Given those figures the police force is obviously providing a safe environment for Bentleigh residents.

Mr Batchelor interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The minister does not require the assistance of the honourable member for Thomastown.

Mr W. D. McGRATH — The honourable member for Bentleigh can assure her elderly constituents that they live in a safe environment. The government is getting a little tired of the scaremongering by the Labor Party in recent months. It has been trying to create a sense of fear in the community. Victoria still has a 20 per cent lower crime rate than the national average. The community should have every confidence in the police, who use sense in patrolling the streets and investigating crime. Victoria Police has the highest crime-solving rate in Australia.

Another plus for the police will be local priority policing under the new regionalisation strategy. The police will continue to work with the community in an even more consultative manner to ensure pockets of crime and certain types of crime will be addressed effectively and efficiently.

The police will continue to enforce Victoria's safe living environment and provide confidence, particularly for the elderly as they go about their lives. I thank the honourable member for Bentleigh for directing her concerns to me. I hope the statistics I have provided will satisfy her that the issues she raised are receiving proper and due attention.

Mrs HENDERSON (Minister for Housing) — The honourable member for Pascoe Vale raised for the attention of the Minister for Youth and Community Services issues about children's services officers. The honourable member made some serious allegations about staff of the Department of Human Services. As all honourable members would be aware, one needs to be wary when one makes such serious allegations. The honourable member should be particularly wary given her responsibility as shadow minister for community services. I hope the honourable member has not overstepped the mark again. I will bring the issue to the attention of the minister.

The honourable member for Prahran asked me to bring to the attention of the Minister for Transport the problem of graffiti in her electorate, particularly in relation to the concerns of a constituent, Mrs McCrae, who says her clothes were damaged by graffiti in a public place. As the honourable member said, in the past couple of years we have seen the most extraordinary improvement in our public railway stations because of the work of the people employed on a 24-hour basis to tackle the graffiti, about which most Victorians have been appalled.

The honourable member asks that the minister write to Mrs McCrae to outline what he is doing to tackle graffiti on Victorian trams and trains. I will certainly direct that matter to the attention of the minister. I thank the honourable member for Prahran for raising such a sensitive issue on behalf of her constituent.

The honourable member for Thomastown directed a matter to the attention of the Minister for Planning and Local Government about City Link and the opening of its western link. I will pass that matter on to the minister.

The honourable member for Tullamarine directed an issue to the attention of the Minister for Youth and Community Services about the Sunbury Community Health Centre and its good early intervention program for children with disabilities. As the honourable member said when he so sensitively raised the issue here, the program has some 22 children who receive a range of services. The centre receives state funds to the tune of $37 000 and $1000 per child from the commonwealth government. The honourable member for Tullamarine, in his usual way of raising such issues that are important to the families of children with disabilities, asked the minister to consider allocating additional funds to allow children now receiving services from the program to have an increased range of services available to them. I will raise the issue with the minister.

The honourable member for Yan Yean raised for the Minister for Agriculture and Resources an issue about a quarry application. Although I am reluctant to do so when responding on the adjournment debate, I feel I must say that once again in the way that is typical of the Labor Party the honourable member for Yan Yean has made appalling and personal comments about a member of the house. It is the norm for the honourable member for Yan Yean to belittle and malign individuals — —

Mr Haermeyer — On a point of order, Mr Acting Speaker, both former Speaker Delzoppo and Deputy Speaker McGrath have previously ruled that it is appropriate for a minister who is representing another minister to respond to an issue raised in the adjournment debate to the extent necessary to show that he or she has understood the matter raised by the member concerned but not to reply on behalf of the minister where the matter raised is outside the portfolio of the minister making the response. I suggest that that approach be continued in respect of the response of the Minister for Housing.

Mrs HENDERSON — On the point of order, Mr Acting Speaker, that is exactly what I am doing. I am responding to the honourable member for Yan Yean on an issue he raised for the Minister for Agriculture

and Resources, and I intend passing it on to the minister rapidly. I am outlining very clearly the issues that were raised by the honourable member for Yan Yean. He spent a good part of his 3 minutes making very personal attacks on an individual. This is part of my response.

The ACTING SPEAKER (Mr Jasper) — Order! Although I recognise the thrust of the comments of the honourable member for Yan Yean on previous rulings, I do not uphold the point of order. The comments of the Minister for Housing related to a particular person who was referred by the honourable member for Yan Yean in his contribution.

Mrs HENDERSON — The issue I will direct to the attention of the Minister for Agriculture and Resources concerns a quarry application, but most of the presentation of the honourable member for Yan Yean was an appalling and questionable attack on an individual, and that causes me a great deal of concern.

The honourable member for Rodney raised for the attention of the Minister for Youth and Community Services an issue concerning a young student in his electorate, Stephanie Coldwell, who has a disability and is confined to a wheelchair. The issue is the transport Stephanie requires to enable her to attend a regular school, Mooroopna High School. She is unable to use the regular bus because it is not fitted with a lifting device. The honourable member for Rodney, in his normal sensitive way, pointed out that although the bus that goes to the special setting school has a lifting device, for a range of reasons Stephanie has not been able to use it. Her family is currently paying taxi fares, and I expect Stephanie would receive a transport allowance. However, the honourable member for Rodney has asked whether the Minister for Youth and Community Services can find a solution to the dilemma Stephanie's family faces in transporting her to school. He has asked that the minister convene a meeting to address this issue. I will pass that on to the minister.

The honourable member for Mitcham raised for the attention of the Attorney-General a brochure that he said is published by the Australian Heritage Society. The honourable member raised some issues about the symbols in that publication that in his view are in poor taste. I will pass that on to the Attorney-General.

The honourable member for Werribee raised for the attention of the Premier planning amendment RL 112, which affects the Princes Freeway, commonly known to us locals as the Geelong–Melbourne road. The issue is about the national safety standards. I am sure that the issue has been brought to the attention of the honourable member for Werribee by correspondence that was circulated to all members of Parliament, and was certainly sent to me on a number of occasions in my capacity as the member for Geelong.

I am aware that the Minister for Roads and Ports in another place has on many occasions written to a number of people on the issue, but I will direct it to the attention of the Premier. Although it is not appropriate to take up the time of the house tonight, I am sure the honourable member for Werribee would join with me and many others in celebrating in a bipartisan way an allocation of $118 million by the state government to upgrade the Geelong–Melbourne road, which is also known as the Princes Freeway.

The honourable member for Ivanhoe raised a matter for the Minister for Roads and Ports in another place but had only a very short time in which to do so — 30 seconds, I believe. It concerned a road safety report for Bundoora. I ask the honourable member to pass the relevant information on to the minister because I was not able from his short address to understand clearly what he required.

Motion agreed to.

House adjourned 7.27 p.m. until Tuesday, 11 May.