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FIFTY-FIFTH PARLIAMENT

FIRST SESSION

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Tuesday, 6 May 2003

The SPEAKER (Hon. Judy Maddigan) took the chair at 2.04 p.m. and read the prayer.

GOVERNOR'S SPEECH

Address-in-reply

The SPEAKER — Order! I would like to advise honourable members that as directed by the house on 5 May 2003 I presented to the Governor the Address of the Legislative Assembly, agreed to on 10 April 2003, in reply to his speech on the opening of Parliament. The Governor was pleased to make the following reply:

> The Speaker and honourable members of the Legislative Assembly:
>
> In the name and on behalf of Her Majesty the Queen I thank you for your expressions of loyalty to Our Most Gracious Sovereign contained in the address you have just presented to me.
>
> I fully rely on your wisdom in deliberating upon the important measures to be brought under your consideration, and I earnestly hope that the results of your labours will be conducive to the advancement and prosperity of this state.

ABSENCE OF MINISTER

The SPEAKER — Order! Prior to question time I should advise the house that the Minister for Manufacturing and Export will not be in the house this week and that questions will be answered on his behalf by the Treasurer.

QUESTIONS WITHOUT NOTICE

Manufacturing: industrial action

Ms ASHER (Brighton) — My question is to the Minister for Manufacturing and Export, and in his obvious absence I direct it to the Treasurer. I wish the minister well in his delegations overseas. I refer the Treasurer to Campaign 2003 and the publicly stated decision of the Amalgamated Metal Workers Union to disrupt manufacturing in this state, and I ask: what steps is the minister taking to stop this disruption to manufacturing production in Victoria?

Mr BRUMBY (Treasurer) — I thank the member for Brighton for her question. Obviously we have a national industrial relations framework in Australia. What we are doing, what the Minister for Manufacturing and Export is doing and what the Minister for Industrial Relations is doing is liaising with all the relevant parties, which include employer groups, trade unions and others, to ensure that through this process the outcomes that are achieved are sensible and that this industry will be an attractive one in which to invest in the future.

We went through a round in 2000, and there were some challenges during that round. There were a lot of statements made at that time suggesting doom and gloom and the end of the world. Since then we have seen record strong employment in the manufacturing sector; we have seen outstanding economic growth in the Victorian economy; and we have seen stronger gross state product growth per head in Victoria than in any other state in Australia. The bottom line of all of this for employers and trade unions is that our future will be best optimised if Victoria is a competitive state and a good place to invest and is generating the jobs we all want to see. As long as all parties understand that message I am sure there will be reasonable outcomes.

Water: Wimmera–Mallee pipeline

Ms LINDELL (Carrum) — My question is to the Premier. Can the Premier advise the house what action the government is taking to reaffirm its commitment to the Wimmera–Mallee pipeline project?

Mr BRACKS (Premier) — I thank the member for Carrum for her question. I can inform the member for Carrum that this government remains fully committed to the Wimmera–Mallee project. The project, which will include a pipeline, is a 10-year project to replace 17 500 kilometres of open urban channels. The system will deliver water to around 9000 service points on the site, it will cover some 2.3 million hectares and it will service some 40 communities. It is already on the record that the construction of such a pipeline will save some 93 000 megalitres of water, which will go directly to farmers and to the environmental flows of the rivers in the area — the Glenelg River and the Wimmera River — and will also bring the population back to the region. We remain firmly and solidly committed to the project.

For this project to be completed it needs the cooperation of the federal government. I remind the house that the cost of the original project was $300 million, of which local organisations and authorities committed to provide half, and they were seeking from each of the jurisdictions some $77 million, to which this government committed. We have committed to our portion to complete this project in full, but the total completion of the project requires the federal government's approval, commitment and funding.

I think we will all in this house be looking with interest — and I am sure the member for Lowan will join us on this side of the house — at the federal budget next week to see if the funding for this project is contained in the budget itself. I hope we can celebrate together if it is in there. But I also hope the opposition parties will put the maximum pressure possible on their federal counterparts to make sure this important and necessary project goes ahead.

To show further support towards this project, I can also inform the house that the government will hold a full community cabinet meeting in Horsham next Monday with the Rural City of Horsham. That will be a useful — —

Mr Delahunty interjected.

Mr BRACKS — Yes, we have got an invitation from the council; the council has done that for us, which we are very pleased about. We will be looking forward to seeing the local member there with us to argue for this project. This is the full cabinet meeting in Horsham, so all of our cabinet will be there. We will be meeting with key groups, including the catchment management authority, water authorities, the council and other key groups as well. This will all be about ensuring that we have proper dialogue with the Wimmera and Horsham communities to make sure we can both reiterate our commitment to secure water supplies in the future and also make sure we have the necessary support from all levels of government to support that task.

Our government remains firmly committed to the Wimmera–Mallee pipeline project. It is an important project to bring back population to the area, to secure agriculture for the region and to restore flows of water to stressed streams. If we get this, it will be a great win for the west of the state. I urge all members to get behind the push to have this in the federal budget, in the knowledge that the state government here in Victoria is unconditionally supporting the project.

Agriculture: genetically modified crops

Mr RYAN (Leader of the National Party) — My question is for the Minister for State and Regional Development. I refer to the minister's previously stated desire to make Victoria a world leader in innovation and new and emerging industries, and I ask: can the minister outline what impact a 12-month moratorium on the commercial release of genetically modified crops would have on that goal?

The SPEAKER — Order! The minister, to respond in relation to state government policy.

Mr Ryan (to Mr Brumby) — No-one else has taken a point of order, mate, so you'll have to answer it!

Mr BRUMBY (Minister for State and Regional Development) — It's a hypothetical question.

The SPEAKER — Order! The minister can answer in relation to Victorian government policy. If it is not a matter of Victorian government policy, it will be a short answer, presumably.

Mr BRUMBY (Minister for State and Regional Development) — I am happy to give a short answer on that. We have had a very strong commitment in this state to the science, innovation and biotechnology industries. If you look at the share of biotech investment we have generated in this state, you will see that — —

Mr Honeywood interjected.

Mr BRUMBY — We've got a Queensland loyalist sitting opposite.

Mr Honeywood interjected.

Mr BRUMBY — If it comes to a choice between Queensland or Victoria we will back Victoria — but you back Queensland.

Mr Honeywood interjected.

Mr BRUMBY — No, you back Queensland.

The SPEAKER — Order! There is too much audible conversation across the chamber.

Mr BRUMBY — I am happy to have my department brief the honourable member for Warrandyte on all the commitments in the biotech strategic plan, including increasing our share of the biotech industry in this state in all of its manifestations, and major projects such as Bio 21, the synchrotron and so on; and of course, as members will hear later this afternoon, the government will be announcing — I am not pre-empting the budget, Premier! — a major new commitment to research in our agriculture and primary industry, which will further foster and encourage growth in the years ahead.

Courts: government initiatives

Ms BARKER (Oakleigh) — My question is to the Attorney-General. Can the Attorney-General advise the house of recent initiatives which demonstrate that the Bracks government is delivering real access to justice to every Victorian?

Mr HULLS (Attorney-General) — I thank the honourable member for her very important question. The opposition has learnt, a little too late, the bitter lesson that a government must nurture a justice system rather than neglect it. It must expand and improve its facilities and access to justice rather than decimate those facilities. It must also deliver justice to every member of the community rather than just a privileged few. The Bracks government is growing the justice system, opening courts instead of closing them, promoting innovative programs to break the cycle of crime, bolstering legal aid and pioneering new court initiatives.

Mr Thompson — Who closed more? The Labor Party. Who closed more courts from 1982 to 1992? The Labor Party.

The SPEAKER — Order! The member for Sandringham will cease interjecting in that manner!

Mr HULLS — Many absent friends of the opposition will say that a court closure in one's electorate is not good for business. Just ask the previous members for Mordialloc, Prahran, Knox and Oakleigh, to name a few.

Mr Doyle — On a point of order, Speaker, on the point of relevance, I think we understand that the Attorney-General is embarking on what can only be described as an irrelevant foray, and I would ask you to bring him back to his own question, which does not include former members of the Liberal, National or Labor parties.

The SPEAKER — Order! I uphold the point of order, and I ask the Attorney-General to return to answering the question.

Mr HULLS — Courts are very important for business, and I am sure that retrospectively those former members would want their courts back. The new members of those electorates, and indeed new members in regional Victoria, would say that Victorians certainly value the commitment of over $60 million for the construction of new courts and the upgrade of existing facilities across the state — for example, last year the government opened the $11.9 million Wodonga courts and police complex and completed the $4.8 million upgrade of the Heidelberg and Preston courts. I know Victorians will certainly welcome the new court complexes at Warrnambool and Mildura as well as the Morwell police and courts complex, which are all in progress at the moment.

But justice is not only about spending money on bricks and mortar. Victorians certainly value the work the government has done to make the administration of justice more relevant and accessible to all Victorians. I recently opened the Koori courts in Shepparton and Broadmeadows, which are divisions of the Magistrates Court and which allow for the presence of an Aboriginal elder or respected person to ensure that a magistrate has access to relevant information about sentencing and to lend gravitas and meaning to the proceedings for indigenous offenders.

The Bracks government does not sign the death warrants of courts. To date it has commenced three brand new, state-of-the-art court complexes around the state and has significantly upgraded five existing facilities. However, this is only part of the story. As I have outlined, the Bracks government has a real vision for justice in this state. The opposition, it seems, is still fumbling in the dark.

Wind farms: Portland project

Mr BAILLIEU (Hawthorn) — My question is to the Minister for Planning and I ask: given the minister, in her role as planning minister, has not visited the site of the Portland wind energy project, can she advise the house on what basis she rejected the recommendations of the government's hand-picked advisory panel in granting planning approval to Pacific Hydro?

Ms DELAHUNTY (Minister for Planning) — It is a question on wind from someone seen by his own side as being full of hot air!

I take this matter very seriously because the government is committed to renewable energy. We took a policy on renewable energy to both the 1999 and 2002 election campaigns and, as we are getting on with the job in every other aspect of government, we are getting on with the job of developing renewable energy sources.

The government received a proposal on the wind energy project by Pacific Hydro. It presented to the panel and to the government a proposal for a number of wind energy generators on certain sites. We asked it to move several of those to improve both the environmental impact and the environmental effects of the proposal, as is the responsibility of government. Pacific Hydro moved seven of those wind energy generators from Cape Bridgewater. As part of the planning approval the government also required that it meet certain manufacturing guidelines.

This is not only about renewable energy, it is also about jobs for Victoria. I wonder what the opposition says. Does it have a policy on wind energy? No. Does it have a policy on more jobs for Victorians? No. Clearly it is

divided. The member for Portland is on the public record as saying that he supports the policy — —

Mr Perton — On a point of order, Speaker, the minister is clearly debating the question, which relates to her rejection of a planning panel appointed by her. I ask you to bring her back to order and ask her to stop debating the question.

The SPEAKER — Order! I uphold the point of order, and I ask the minister to come back to answering the question.

Ms DELAHUNTY — The government has approved this, subject to the planning conditions that I began to outline. This is the government delivering its policy on renewable energy. We are getting on with the job; the opposition is divided.

Bushfires: tourism

Ms McTAGGART (Evelyn) — My question is to the Minister for Tourism. Will the minister please inform the house of the Bracks government's latest efforts to assist the Victorian tourism industry after the recent bushfires compared to the support provided by the federal government?

Mr PANDAZOPOULOS (Minister for Tourism) — This government is very proud of the Victorian tourism industry, which contributes $8.5 billion to the Victorian economy. The government has responded at the appropriate times when there has been a crisis in the industry, as it did with its $2 million recovery package for the bushfire-affected regions in the north-east of Victoria and East Gippsland.

I am pleased to provide to the house a further update on previous comments I have made about additional campaigns from that resource. So far, in promotions for the region we have been able to generate more than $1.8 million in free publicity in the Victorian media and interstate — that is on top of the $2 million in marketing that we have provided. The government has been able to provide funding to support local events and print advertising campaigns and subsidise advertising rates for local tourism operators.

A benchmark for us was the Easter and Anzac Day long weekends, and I can report to the house that it was a bumper period for East Gippsland and the north-east, which shows that the work we are doing as part of our advertising campaigns, together with local tourism operators and local councils, has been working well. We are on target.

I am pleased to be able to inform the house that our next benchmark is the ski season, which is in June on the Queen's Birthday long weekend. I am also pleased to inform the house that as a result of the extra resources we put in as part of our bushfire recovery, we will have the largest ever ski industry campaign we have seen in Victoria — some $1.2 million. That is something that has never been done before. The ski industry in the alpine region is one of the big employers and one of the biggest investors in regional tourism, and there is extra resource and support for it.

The member also asked how that compares with the federal government. I had to report to the industry and the region a few weeks ago that the federal government had rejected our request for additional support. Local councils in Wangaratta, Indigo, Wodonga and Alpine have written to the federal minister expressing their disappointment at the lack of support, despite what was promised by the local member and the federal minister.

I am also very disappointed to have seen that the Prime Minister issued a press release on 30 April saying that he advised the Australian Capital Territory Chief Minister of a half a million dollar assistance package from the federal government for the ACT tourism industry, but there was not 1 cent available for Victoria. That contrasts the way this government responds to issues compared to the federal government. All talk, no action from them — heaps of support from us. The industry will continue to get support from us.

I have written to the members for Benambra and Benalla asking them to put pressure on their federal colleagues. Maybe with their assistance we can get some support from the federal government to back up the support provided by the state government.

Insurance: government assistance

Mr SAVAGE (Mildura) — My question without notice is to the Premier. The unrestrained pressure on public liability and professional indemnity insurance is continuing. In Mildura from 1 July there are likely to be no private obstetric services and diminished general surgery. This could pre-empt the possible closure of the Mildura private hospital and overload the public health system, and I ask: is the government prepared to revisit public liability and professional indemnity over and above proportional liability as announced last week?

Mr BRACKS (Premier) — I thank the member for Mildura for his question. The question went to the point of will the government over and above the announcement of proportional liability examine other matters including professional indemnity and also revisit public liability. I can give an assurance to the

member and the house that we will do exactly that. We will revisit those matters. The government is currently working on those matters and will be in a position to make some announcements on them in the coming months.

Children: Take Two program

Ms ECKSTEIN (Ferntree Gully) — My question is to the Minister for Community Services. Can the minister advise the house of the latest initiatives to help Victorian children in the child protection system who have suffered serious abuse and neglect?

Ms GARBUTT (Minister for Community Services) — I thank the honourable member for her question. This is a government committed to the wellbeing of children. We want to give all Victorian children the best possible start in life, and we have been working very hard at overcoming the years of cuts and neglect of the previous government.

Since coming to office we have boosted funding for family and community support services by over 30 per cent. Now we have embarked on a new child protection strategy — a $60 million strategy over four years. It includes eight family support innovation projects to try to cut down the number of child protection notifications in the long term.

I recently launched a new part of that strategy — a $20 million statewide intensive treatment program called Take Two. The Take Two program is a program for seriously abused children who are clients of the child protection service. The Take Two program will treat around 700 children each year who suffer the most serious abuse and neglect. It will put in place specialist therapeutic and treatment workers — professionals who will work with the child protection workers — to assess and treat vulnerable kids and to try to help them to overcome the trauma and to get on with their lives.

Take Two is very much a partnership project with various agencies who will deliver the program. We will be working with four organisations. They are the Austin Hospital's Child and Adolescent Mental Health Service; Berry Street Victoria; Mindful, which is the Victorian child psychiatry training department; and La Trobe University's Faculty of Health Sciences.

For the first time we will have in this state a number of specialist therapeutic and treatment professionals — 36, in fact — available to help children at risk of suffering major emotional damage. For those children the future is now much brighter.

Research shows that antisocial acts, violence, alcohol abuse and drug taking in the older age groups can be linked directly to problems experienced by negative childhood experiences. With this $20 million initiative we are trying to break the nexus between those negative childhood experiences and their adult lives; we are trying to break the nexus between child abuse and future generations.

The Take Two service will be more coordinated. It will make possible contact between child protection and other services such as mental health services, alcohol and drug services. We are getting on with the job of better protecting Victoria's children and supporting at-risk families, and we are putting in place the services that can turn around a child's life.

Wind farms: Portland project

Mr BAILLIEU (Hawthorn) — My question is to the Minister for Planning. I refer the minister to her advisory panel's examination of the planning application by Pacific Hydro for a wind farm at Portland and to the fact that a member of that panel was Dr Graham Redding. Will the minister confirm that the same Dr Redding is now employed by consultants to Pacific Hydro?

Ms DELAHUNTY (Minister for Planning) — Planning is always about balance. Clearly the member for Hawthorn does not understand the balance between economic development and the pursuit of renewable energy and protecting our environment. When this project was put before the government we appointed a panel. The members of the panel are appointed by Planning Panels Victoria, not by the government. If the member understood his portfolio he would know that the members of the panel are appointed by Planning Panels Victoria to keep them at arm's length of government. Clearly the member for Hawthorn does not understand how the planning system works.

Certainly we required a detailed and intensive environmental effects process to be conducted and, of course, a series of public hearings, which were conducted in the Portland area. I think I heard that the member for South-West Coast was also supportive at those public hearings into this project.

The opposition does not know where it is. Does it support renewable energy, does it support the environment? Clearly it does not. We have also achieved not only a good environmental outcome as a result of the changes that the government made to the siting of some of these wind generators but also, as I mentioned, the detail around the manufacturing — —

Mr Baillieu — On a point of order, Speaker, the minister's response is not at all relevant to the question. I ask you to bring her back to the question.

The SPEAKER — Order! I do not uphold the point of order. I believe the minister is backgrounding the information in relation to the process she went through.

Ms DELAHUNTY — So as part of the planning approval we also sought the meeting of certain manufacturing criteria — that is, manufacturing investment by Keppel Prince and NEG Micron establishing a manufacturing base in Portland, I understand, with some 50 jobs in the short term. Is the opposition interested in jobs in regional Victoria? I do not think so. To conclude, I direct the member to Planning Panels Victoria which appoints the panels.

Mr Baillieu — On a point of order, Speaker, the minister is doing her level best to avoid the question. The response she is giving is not relevant to the question in any way.

The SPEAKER — Order! The Chair cannot direct the minister on how she answers questions. I understand the minister to have concluded her answer.

Prisoners: police cells

Ms BEARD (Kilsyth) — My question is to the Minister for Corrections. Will the minister inform the house of recent action the Bracks government has taken to reduce the number of prisoners held in prison cells?

Mr HAERMEYER (Minister for Corrections) — I thank the member for Kilsyth for her question, and I am in fact more than happy to inform the house that the average daily number of prisoners being held in police cells during — —

Mr Doyle — On a point of order, Speaker, I raise the question of relevance. I want to help the minister. He seems to be referring to police cells, whereas the question was about prison cells. I ask you, Speaker, to keep the minister relevant.

The SPEAKER — Order! As the Minister for Corrections had been speaking for about 30 seconds, the point of order is perhaps a little premature.

Mr HAERMEYER — Speaker, I must say that that point of order is more a comment on the relevance of the Leader of the Opposition than upon the relevance of my answer. But I am happy to inform the house that the average daily number of prisoners in police cells during March 2003 was 109. If the Leader of the Opposition cared to listen for just one moment he might understand the relationship that police cells have to the actual number of beds in our prison system, because the police cells have become the overflow for our prison system.

During the opposition's term in office the number of people in our prison system increased by a net of over 1000, yet the number of net additional beds created was 100. So it stands to reason that the prison system gets to beyond bursting point — and it certainly did. We got to a point where we had in excess of 344 prisoners in our police cells at one particular time. They were people in the prison system who belonged in prison cells but who could not be accommodated in prison cells. This is something members opposite have serious difficulty in understanding.

The figure of 109 over March this year — and we expect a similar number in April — represents a decrease of 55 per cent from March 2002 and is nearly a two-thirds reduction from March 2001. It is also important to note that on 28 March the number was as low as 78, which is the lowest we have had for a long, long time.

Mr Wells — Speaker, the point of order I would like to raise is one of relevance. The question asked was about prisoners in cells; the minister is clearly answering about prisoners in police cells. They are two completely different matters. I ask you to bring him back to the original question, which was about prisoners in cells.

The SPEAKER — Order! That is exactly the same point of order as the Leader of the Opposition raised a moment ago.

Mr Doyle interjected.

The SPEAKER — Order! If the Leader of the Opposition can contain himself, I will continue. The minister is relevant as long as he relates that to the effect it has on the Victorian prison system and prisoners in Victorian prisons. I ask the minister to conclude his answer.

Mr HAERMEYER — Speaker, the question did in fact — —

Honourable members interjecting.

Mr HAERMEYER — What an absolute rabble! No wonder they are so irrelevant to the people of Victoria! No-one will take any notice of you while you continue to be so petty and irrelevant.

The SPEAKER — Order! The house will come to order! I ask the minister to conclude his answer.

Mr HAERMEYER — The question related to cells. What this government has done is to undertake a $334.5 million long-term corrections management strategy which involves expanding our existing prisons, and we have already expanded them by more than 600, yet we had the opposition spokesman out there a couple of weeks ago saying our prisons were beyond bursting point. He had not acknowledged that we were at 127 per cent of design capacity. He had not bothered to notice that we have actually expanded our existing prison capacity by more than 600.

So their design capacity is quite irrelevant. But this is what happens when you relegate the corrections portfolio, an important area of social policy, to the backbench and then to somebody who in five months has not even — —

Honourable members interjecting.

The SPEAKER — Order! Has the minister concluded his answer?

Mr HAERMEYER — We are also building three new prisons, over and above those 600-plus cells that we have created within the existing prison system. That is what is responsible for reducing the number of people in police cells at the moment. We are also committed to a diversion program to ensure that our community corrections program is able to divert low-risk prisoners from the prison system.

As I indicated to the house last week, our crime rate is falling, and that should also help reduce the number of people being held in police cells at this time. I have to say that would not be so if it were still up to the opposition. It is out there complaining that we are not building up some sort of indecent surplus of $1.8 billion dollars, but that is because we are spending it on police and nurses and on things like providing prison beds where they are needed.

The SPEAKER — Order! I remind the minister of the need to be succinct.

Mr HAERMEYER — The numbers in police cells are coming down, and the number of prison beds is expanding. Only last week we opened two new wings. On the day that the spokesman for the opposition went out and complained that the prison system was bursting at the seams, we opened a new 75-bed unit at Barwon prison and a new 34-bed unit at Port Phillip prison.

Honourable members interjecting.

The SPEAKER — Order! I ask opposition members to be quiet. I ask the minister to conclude his answer: he has been speaking for longer than the normal time in answering the question.

Mr HAERMEYER — I will try to wind up now. The role of police is not to be jailers, and police cells were not designed to be anything more than holding cells for a couple of days — they are not designed as prison cells. It needs to be understood that if we are going to reduce numbers in police cells, then we really need to provide the prison beds to accommodate the number of people coming into our prison system. It is one thing to go around talking about tougher sentencing and being tough on crime — —

Mr Ryan — On a point of order on succinctness, Speaker, you have already adverted to it, and I think it is a valid point, which I hereby adopt.

The SPEAKER — Order! I agree entirely. I uphold the point of order, and I ask the minister to conclude his answer now.

Mr HAERMEYER — If you are going to be tough on crime, the correlation is that you need to provide the number of police on the streets and the number of prison beds that are part of all of that. That is something the opposition has some difficulty understanding.

FISHERIES (AMENDMENT) BILL

Introduction and first reading

Mr CAMERON (Minister for Agriculture) introduced a bill to amend the Fisheries Act 1995, the Conservation, Forests and Lands Act 1987, the Surveillance Devices Act 1999 and various other Acts and for other purposes.

Read first time.

ATTORNEY-GENERAL AND SOLICITOR-GENERAL (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Attorney-General and Solicitor-General Act 1972 with respect to the qualifications for appointment to the office of Solicitor-General.

Read first time.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (VOLATILE SUBSTANCES) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Drugs, Poisons and Controlled Substances Act 1981 to provide for search, seizure, apprehension and detention powers in relation to volatile substances and for other purposes.

Read first time.

FAIR TRADING (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Fair Trading Act 1999, to repeal the Small Claims Act 1973, to repeal part IV of the Goods Act 1958, to amend the Business Licensing Authority Act 1998 and other acts and for other purposes.

Read first time.

STATE TAXATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr BRUMBY (Treasurer) introduced a bill to make miscellaneous amendments to the Duties Act 2000 and the Pay-roll Tax Act 1971 and for other purposes.

Read first time.

CORRECTIONS AND SENTENCING ACTS (HOME DETENTION) BILL

Introduction and first reading

Mr HAERMEYER (Minister for Corrections) introduced a bill to amend the Sentencing Act 1991 to empower a court to make a home detention order where it has imposed a sentence of imprisonment and to amend the Corrections Act 1986 to empower the Adult Parole Board to make a home detention order where a prisoner nears the end of a term of imprisonment and for other purposes.

Read first time.

AUSTRALIAN CRIME COMMISSION (STATE PROVISIONS) BILL

Introduction and first reading

Mr HAERMEYER (Minister for Police and Emergency Services) introduced a bill to make provision for the operation of the Australian Crime Commission in Victoria, to repeal the National Crime Authority (State Provisions) Act 1984, to make consequential amendments to various acts and for other purposes.

Read first time.

PETITION

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

Agriculture: genetically modified crops

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 concern for the lack of sufficient and independent research into the negative impacts of the introduction of GM crops, in particular the planned introduction of GM canola, on the Victorian community through potential contamination of surrounding (non-GM) crops.

Your petitioners therefore pray that the Victorian government places a moratorium on the introduction of GM canola into the state of Victoria until such time as there are results from sufficient and independent research that prove to the satisfaction of the Victorian government there are no negative impacts on surrounding crops, or such impacts can reasonably be overcome without detriment to surrounding crops or the Victorian community.

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

By Mr LANGDON (Ivanhoe) (63 signatures)

Laid on table.

CLASSIFICATION GUIDELINES

Films and computer games

Mr HULLS (Attorney-General) — By leave, I move:

That there be presented to this house new combined guidelines for the classification of films and computer games.

Motion agreed to.

Laid on table.

PAPERS

Laid on table by Clerk:

Financial Management Act 1994 — Budget Paper No. 2 — 2003/2004 Budget Statement

Members of Parliament (Register of Interests) Act 1978 — Summary of Primary Returns — April 2003 and Summary of Variations Notified between 1 October 2002 and 30 April 2003 — Ordered to be printed

Retail Leases Act 2003 — Ministerial Determination pursuant to s 5(1)(c)

Statutory Rule under the *Tobacco Act 1987* — SR No 32.

FIREARMS (TRAFFICKING AND HANDGUN CONTROL) BILL

Council's amendments

Returned from Council with message relating to amendments.

Ordered to be considered next day.

ROYAL ASSENT

Message read advising royal assent to:

Business Licensing Legislation (Amendment) Bill
Control of Weapons and Firearms Acts (Search Powers) Bill
Crimes (Property Damage and Computer Offences) Bill
Health Legislation (Research Involving Human Embryos and Prohibition of Human Cloning) Bill
Pay-roll Tax (Maternity and Adoption Leave Exemption) Bill
Sentencing (Amendment) Bill
Terrorism (Commonwealth Powers) Bill

APPROPRIATION (2003/2004) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 2003–04.

Estimates ordered to lie on table.

Introduction and first reading

Mr BRUMBY (Treasurer), pursuant to standing order 169(a), introduced a bill for the appropriation of certain sums out of the consolidated fund for the ordinary annual services of the government for the financial year 2003–04 and for other purposes.

Read first time.

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be now read a second time.

Introduction

Over recent years, Victoria has been enjoying strong and steady economic growth, outperforming the national economy in key areas such as employment and business investment.

Our unemployment rate is at a 13-year low. Business investment is at a record high. Growing numbers of people are moving to the state. And regional Victoria is enjoying an economic and jobs resurgence.

Victoria's economic performance has been remarkable — generating new opportunities and leading to exciting turnarounds in many industries, businesses and communities across the state.

But this year, we face a more challenging environment than we have seen in Victoria for some time.

Continuing global uncertainty, the downturn in international equity markets, the recent bushfires, the impact of public transport privatisation, and one of the worst droughts on record are all affecting economic growth and putting the state's finances under considerable additional pressure.

This 2003–04 budget is delivered against the backdrop of these demanding and challenging circumstances, but it comes with a positive and optimistic outlook for the future: an economy that remains robust and resilient and a financial position that remains strong, stable and secure.

The Bracks government's prudent financial management over the past three years has ensured that Victoria continues to have the buffer of a substantial budget operating surplus in these highly uncertain times.

But more than that — it ensures we have the capacity to continue to invest for the future and get on with the job we were elected to do: rebuilding basic services and investing in vital infrastructure across the state.

Most importantly, it means that when international conditions improve, Victoria will be well placed to capitalise on the turnaround in the global economy.

This 2003–04 budget — the first of the Bracks government's second term in office — secures the

state's finances, while laying down a strong foundation for Victoria's future prosperity.

It builds on the government's strong first-term record of achievements.

It makes the fair and financially responsible decisions that need to be made in this challenging environment.

And it gets on with the job of growing the whole state and creating a more innovative, competitive and globally connected economy.

Delivering our commitments

Speaker, the 2003–04 budget provides funding for each and every one of the 133 recurrent spending commitments made by the government during the last election.

The budget also commences the capital works and asset investment program set out during the election in *Labor's Financial Statement 2002*.

And, despite the additional pressures on the budget, we are meeting our commitments within a framework of financial responsibility and preserving our target of a substantial budget operating surplus of at least $100 million.

Sound financial management in uncertain times

An operating surplus of $245 million is projected for 2003–04, with expected surpluses averaging $391 million per year over the following three years.

Debt remains at manageable and prudent levels.

Long-term borrowings to total assets will decline from 16 per cent in 1999–2000 to just 11.6 per cent in 2006–07.

More broadly, general government net financial liabilities (excluding the Growing Victoria infrastructure reserve assets) are forecast to fall from 8.6 per cent of GSP at June 2002 to 8 per cent by June 2007.

Last October, both Standard and Poor's and Moody's Investors Service affirmed Victoria's AAA credit rating, signalling ongoing international recognition of the government's successful financial management.

The government recently released *Shaping a Prosperous Future*, a major discussion paper from the Department of Treasury and Finance setting out the issues and challenges facing Victoria over the next 40 years.

The paper highlights the fiscal challenges facing both state and federal governments as a result of changing demographics and rising health costs.

Shaping a Prosperous Future underscores the importance of putting the right policies in place to grow the economy and increase productivity, to ensure we do not limit the choices and options facing our children and grandchildren.

Through responsible financial management, long-term planning and a commitment to a strong and dynamic economy, the government is making sure Victoria is well equipped to meet the challenges and seize the opportunities.

Modern, efficient and effective government

A crucial part of that task is delivering modern, efficient and effective government.

The 2003–04 budget continues the government's leadership in its uptake of information and communications technologies (ICT), and finding new, more effective ways to deliver services.

Victoria will become the first Australian state to appoint a chief information officer to drive ICT policy and strategy within government, coordinate ICT investment and explore the innovative use of ICT to improve service delivery.

The budget also funds Australia's first electronic prescribing program in key hospitals and a new $139 million health ICT strategy, which will revolutionise communication between Victorian hospitals — with potentially far-reaching effects on the treatment and management of patients.

The government will also achieve better outcomes from its capital investment program by implementing the Gateway initiative, which will ensure independent reviews and better monitoring of major projects, and develop a multi-year investment strategy across government.

In addition to these initiatives, the government is also undertaking fundamental reform of departmental funding arrangements to better drive productivity growth and achieve improved policy outcomes.

Commencing next year, the government will introduce a new funding system in which departments will no longer receive supplementary funding for changes in costs such as wages. Instead, departments will be required to fully manage all costs within an agreed price for delivering services.

The new system will give departments greater certainty in terms of future revenue levels and provide a strong incentive for departments and stakeholders to achieve productivity gains through wage agreements.

The Department of Treasury and Finance is currently undertaking further work to ensure the new system is ready for inclusion in next year's budget.

This year, the government has also acted to protect the fairness and efficiency of Victoria's revenue base by moving to a policy of automatic indexation of fees and fines set by regulation.

This policy will be implemented over the next two years and will maintain the real value of these fees and fines, avoiding the need for future large adjustments.

In this budget, the government has also reviewed services and programs across all departments to ensure services are properly targeted and that Victorian taxpayers are getting value for money.

The government will achieve $141 million in savings in 2003–04 through greater efficiency in administration, reducing duplication with commonwealth-funded services and the rationalisation of communications and recruitment budgets.

These savings are in addition to the savings already realised through the existing 1.5 per cent productivity dividend arrangements.

The government has also decided to refocus the state's employment, vocational education and training programs, some of which have been in place since 1994.

With a rapidly changing Victorian economy and the unemployment rate at a 13-year low, the government is shifting the focus of these schemes to address specific gaps in the Victorian labour force, target disadvantaged groups and boost the state's skills base.

The government is removing the existing payroll tax exemption for wages paid to apprentices and trainees and replacing it with a new completion bonus scheme, costing $51 million over four years.

This new scheme will pay a bonus to eligible employers when apprentices and trainees complete their courses. It will reward employers who take on trainees and apprentices in good faith, boost the level of completions of traineeships and apprenticeships, and help develop a more skilled Victorian work force.

Other measures in the government's training reform package include $11 million to assist parents retrain and return to work and a new $10 million Jobs for Young People program, creating 1100 new jobs and traineeships in local government.

Growing the whole state

Refocusing our programs to reflect Victoria's changing circumstances is essential to meeting the government's commitment to grow the whole state and build a strong and vibrant Victorian economy.

A strong and vibrant economy

Despite the impact of the drought and the uncertain global economic environment, Victoria is expected to grow by 2.75 per cent in 2002–03.

Growth is expected to increase to 3.75 per cent in 2003–04.

The Victorian labour market recorded strong gains in 2002–03, Victoria's unemployment rate is at a 13-year low and employment across the state has grown by 182 500 people since October 1999.

Victoria is also experiencing a surge in business investment, with per capita business investment exceeding the national average in each of the past four years. Over the past two years, Victoria has attracted 27 per cent of national business investment — a record high.

These levels of investment reflect strong business confidence in Victoria's future growth prospects and in our attractive and competitive business environment.

That confidence is also reflected in the number of Australians moving to Victoria, with Victoria and Queensland the only Australian states to record a net interstate migration gain over the past three years.

Overseas students are also coming to Victoria in growing numbers. Over the past year, the number of fee-paying students at Victorian universities has increased dramatically, generating an estimated $1.2 billion in economic activity for the state.

Strong economic growth, the perception of Victoria as an innovative and competitive economy, and the recognition of Melbourne as an exciting centre for technology, research and design are just some of the reasons for Victoria's growing reputation as an attractive place to live, study, work and invest.

Our challenge now is to build on that reputation to ensure Victoria is in the best position to maximise opportunities when the international economy recovers.

We must redouble our efforts to create new global connections, develop new industries, build our skills base and become even more innovative — and that means continuing to invest in the drivers of growth: education, innovation and infrastructure.

Record investment in infrastructure

Since coming to office, the government has doubled capital works funding and committed more than $5 billion to infrastructure projects.

Infrastructure spending of $2.6 billion in 2004–05 will be the biggest in the state's history.

This significant investment delivers 10.7 per cent growth in real capital stock over the next four years, more than double the rate of population growth — proof that we are keeping ahead of the game and investing for the future.

In this budget, we continue to invest in vital education, health, transport, innovation and environmental infrastructure.

We will renew the Regional Infrastructure Development Fund, providing $180 million over five years to develop and upgrade infrastructure in regional areas.

To date, this fund has leveraged more than $300 million of new investment for projects — large and small — across all parts of country Victoria.

As part of the renewed fund, the government will provide $70 million to extend natural gas to regional communities and $20 million to attract investment to small towns and isolated communities.

We will also continue our investment in Melbourne's growing outer suburbs.

Through our Linking the Suburbs program, we will invest $171 million in new transport initiatives, including a new bypass around Pakenham and $28 million to upgrade major roads in Greensborough, Frankston and Carrum Downs.

We will invest $46 million to further improve Melbourne's bus services and rail system, continue the upgrade of Flinders Street station and extend the state's network of cycle paths.

Over the next four years, an additional $253 million will also become available for improvements to Victoria's roads through the government's decision to increase the base motor vehicle registration fee by $17 from July 2003.

Motor vehicle registration fees have not increased in this state for nearly a decade — and this increase represents just half the total increase in the consumer price index since 1994 and still leaves Victoria with the lowest registration fee in Australia for a standard family car.

For the first time, the revenue raised from this increase will be directly channelled into improving Victoria's roads through the Better Roads Victoria Trust.

As already announced, the government will build the Mitcham–Frankston freeway and fund its construction through tolls.

This was one of the most difficult decisions taken by the government — but it was a decision we had to take in order to build a vital transport link for the people of Melbourne's south-eastern suburbs by 2008, instead of many years later.

There will be no tolls on existing roads and no road closures.

This decision is fair and financially responsible, and it is the right decision for Victoria — because it not only delivers a vital piece of infrastructure, it also frees up our capacity to invest in other, equally vital infrastructure and services.

The delivery of the Mitcham–Frankston freeway, as well as other major road projects, will give Melbourne and Victoria the best road transport network in the nation.

When combined with other transport infrastructure improvements — upgrades to the ports of Melbourne, Geelong and Portland, and fast rail links to the regions, as well as the continued curfew-free operation of Melbourne Airport — Victoria is clearly the standout national performer in road, rail, sea and air transport.

Getting on with the job

Building an innovative and creative state

Speaker, few things are more important to Victoria's future than the drive to become a more innovative economy.

Last October the government released its $310 million Innovation Statement — *Victorians. Bright Ideas.*

Brilliant Future. — and this budget builds on the initiatives included in the statement.

We are investing $50 million in Our Rural Landscape — a major new program to boost science and agriculture — as well as $25 million over four years through the Vicstart program to further drive innovation in Victorian business.

Investment in R and D will be further boosted by an additional $121 million over the next five years to continue the government's program of competitive grants for science, technology and research infrastructure.

The government will contribute $10 million towards the establishment of the centre for stem cells and tissue repair at Monash University to help achieve our goal of making Victoria one of the top five biotech locations in the world.

Another new strategy will develop clusters, initially in regional areas, to build on Victoria's existing strengths in food and agriculture, health, manufacturing, biotechnology and ICT.

The government also continues to invest in Victoria's future as a creative state, providing $138 million to support the Museum of Victoria, the National Gallery of Victoria, the Victorian Arts Centre Trust, the Australian Centre for the Moving Image and community arts programs.

Along with the Yarra arts precinct, these investments reinforce Victoria and Melbourne's place as Australia's creative capital — and will contribute to our growth as an innovative, globally connected state.

Creating innovative and thriving businesses

Speaker, this budget delivers further tax cuts for Victorian business, with the government fully meeting its commitment to reduce payroll tax from 5.35 per cent to 5.25 per cent from 1 July 2003.

This represents a 9 per cent total reduction in the payroll tax rate, part of a massive $1 billion in business tax cuts announced since the Bracks government came to office.

The budget also delivers the government's previously announced commitment to exempt employers from payroll tax on wages paid to workers taking maternity or adoption leave.

Further strategic assistance to Victorian business includes:

$10 million over four years for the community regional industry skills program to assist regional communities tackle skills and labour shortages;

a $35 million package for primary industries, including a biosecurity program to help defend our farms against disease; and

$33 million to vastly improve the state's freight and logistics network, including a new smart freight program and improved linkages to the ports of Geelong and Portland.

Tourism is now one of this state's most dynamic and important industries, employing 150 000 people and contributing an estimated $8.5 billion a year to the Victorian economy.

To encourage further growth in the industry, the government will provide $41 million over four years to promote Victoria as a tourist destination, boost our profile as a host of major events and open up new tourism opportunities in regional areas.

The government is also carefully considering the case for the Melbourne Convention Centre (Plenary Hall), with a final decision to be announced later in the year.

Valuing and investing in lifelong education

Speaker, central to all the government's goals — and one of the most critical drivers of growth in a modern economy — is a world-class education system.

From this government's very first day in office, education has been our number one priority.

Since October 1999 we have invested heavily in building a world-class education system for this state — and we have made great progress in a relatively short time.

Teacher numbers are up. Completion rates are up. Literacy and numeracy standards are up. Computers in schools are up. Class sizes are down.

We have built 16 new schools and 5 replacement schools, and upgraded hundreds of schools and TAFEs across the state.

Commencing in 2003–04, the government will implement a comprehensive new strategy to help meet the government's targets and continue to drive excellence and innovation in education.

We will employ an extra 450 teachers to support specialisation and excellence in our secondary schools

and bring an additional 256 student welfare officers into our primary schools to support students at risk.

We will provide $96 million to support students with disabilities and special needs in government schools.

We will allocate $6 million over four years to improve language education in secondary schools and create eight new centres of language education.

And we will support non-government schools in the greatest need with a $70 million package of assistance.

The budget continues the Bracks government's major building program in education, allocating a further $107 million to build six new schools in growth areas and continue to modernise and upgrade schools across Victoria.

Many challenges still lie ahead, but this government is proud of its 100 per cent commitment to giving Victorians access to the very best education.

High-quality and accessible health services

Alongside education, access to quality health care is one of the most important social and economic foundations for Victorian communities.

The Bracks government is working hard to further improve a health system that was chronically underfunded, poorly maintained and on the brink of collapse when we came to office.

In this budget full provision is made for an $890 million multi-year hospital demand management strategy. As the first stage of this strategy, the budget allocates funding of $464 million over four years to recruit 900 nurses and health care staff and treat an additional 35 000 public patient admissions a year.

We are providing $67 million for new radiotherapy facilities, biomedical equipment and infrastructure upgrades, making sure that Victorians have access to the latest and best technology and treatment.

In Melbourne's growing suburbs, the government is upgrading Werribee Mercy Hospital, expanding the Dandenong Hospital emergency department and commencing planning for the redevelopment of Box Hill Hospital.

In regional Victoria, the government will provide:

$8.5 million for major new facilities at Nhill Hospital;

$37 million to continue the upgrade of regional aged care facilities, give additional support to bush nursing hospitals and improve rural maternity services;

$6 million to boost the numbers of health professionals in rural communities; and

$20 million to reduce elective surgery waiting lists in rural Victoria by an extra 1650 additional patients each year.

The budget also provides $63 million for mental health services, an additional $30 million for new ambulance services and substantial new funding for the home and community care program and public dental health services.

The government will invest $88 million over four years to implement the new Children First program, which includes upgrading maternal and child health centres, building new preschools in growth suburbs and developing innovative approaches to early intervention and the prevention of child abuse.

After years of neglect, the Bracks Government's strong investment in Victoria's health system is starting to bear results.

As in education, many challenges still lie ahead — but we are on track to achieve our goal of ensuring every Victorian receives first-class health care whenever and wherever they need it.

Safe streets, homes and communities

The government also continues to get on with the job of ensuring Victoria remains the safest state in Australia.

Since last July, Victoria's crime rate has fallen by 8.4 per cent — and this budget will help continue that trend by providing an additional $126 million over four years for an additional 600 police.

Since coming to office, the government has built 65 new police facilities across the state and the budget allocates $66 million for a further 16 new and replacement police facilities in regional centres, growing suburbs and small country towns.

All Victorians owe the men and women of our emergency services a debt of gratitude for their work in fighting the recent bushfires.

The 2003–04 budget provides better support for emergency services volunteers and, over the next four years, a further 219 metropolitan and country firefighters will be employed.

The government continues to place a high priority on road safety through its Arrive Alive! strategy, which has helped to drastically reduce the state's road toll.

The 2003–04 budget invests a further $35 million in road safety projects throughout the state over the next two years.

Counter-terrorism

The terrorist attack of 11 September and the Bali bombing have heightened our sense of vulnerability and made us aware of the potential terrorist dangers to Australia and Victoria.

Last November, the government announced a $38 million package to combat terrorism and the budget augments these measures with a further $60 million over five years to boost Victoria's emergency response capacity.

We will create a new emergency services coordination unit, a new chemical, biological and radiological planning response unit and provide additional resources and training for emergency services.

Promoting sustainable development and protecting the environment

As well as being more conscious of security issues, Victorians are also becoming increasingly aware of the importance of protecting and valuing the environment — and the government is showing strong leadership in this area.

We have set long overdue goals in the areas of salinity, waste management, renewable energy, improving the sustainability of our natural resource industries and restoring the health of our rivers and waterways.

We have established the Victorian Water Trust to protect one of our most valuable and scarce resources — and this budget allocates $93 million from the trust to achieve water savings and improve water quality over the next four years.

We are upgrading irrigation systems and water supply in regional areas, improving the health of our rivers and waterways and encouraging water conservation and recycling.

The budget also invests in another valuable resource — our forests, with a $14 million package to phase out logging and woodchipping in the Otway Ranges by 2008 and create a single national park from Anglesea to Cape Otway.

This is a major environmental initiative in one of Victoria's most spectacular regions and it will help secure the long-term future of communities in that region, as well as protect some of Victoria's most important natural assets.

A further $9 million is provided to encourage the expansion of sawlog plantations on private land.

The government is addressing the economic and environmental consequences of the recent bushfires by providing $86 million for a bushfire recovery strategy, which brings forward projects and delivers new initiatives to help communities get back on their feet.

We are funding a new $24 million weed and pest control program and employing an extra 50 park rangers throughout regional Victoria to better maintain national parks and conservation reserves.

The budget also provides $13 million to make Victoria a world leader in greenhouse-friendly strategies, reducing the level of greenhouse gas emissions and increasing the use of green power.

Building and strengthening communities

Speaker, many new initiatives in this budget reflect a key element in the government's second term agenda — the building and strengthening of Victorian communities.

The government has created a new Department for Victorian Communities to work together with communities across the state to tackle problems, create new opportunities and secure their futures.

The new department will oversee a range of community-based initiatives included in this budget to help support families, create job opportunities and improve the delivery and quality of services.

The department will also oversee $72 million in upgrades to community sports and recreation facilities across the state, including a $34 million program to improve sporting facilities in regional communities and under-resourced suburbs.

As part of the government's commitment to ensuring Victorians with disabilities have every opportunity to fully participate in the Victorian community, the budget provides $64 million to improve services for people with disabilities and their families and carers.

An additional $11 million is allocated to continue the redevelopment of Kew Residential Services and

relocate a further 60 residents to new accommodation over the next year.

The budget also includes $89 million over four years to expand Victoria's stock of affordable housing, continue the Neighbourhood Renewal project and tackle youth homelessness.

The government is also allocating $8 million over four years to revitalise Melbourne's middle and outer suburbs and develop eight new transit cities — as outlined in the Melbourne 2030 strategy.

Promoting rights and respecting diversity

Speaker, the government recognises the economic and social value of Victoria's rich cultural mix and is committed to ensuring a tolerant and inclusive society.

The 2003–04 budget increases funding to the Victorian Multicultural Commission's community grants program and Koori maternal health services, and provides $6 million to attract a higher number of skilled migrants to Victoria.

The government is also boosting legal aid funding by $14 million, setting up a new domestic violence division in the Magistrates Court and providing $18 million for the construction of a new court complex in the Moorabbin area.

Preparing for the Commonwealth Games

Finally, Speaker, the 2003–04 budget gears up for the 2006 Commonwealth Games — the largest-ever event to be staged in Victoria.

The government will contribute $474 million in operating costs and $223 million in asset investment for the games — and with $167 million in projects already announced, the budget details a further $56 million worth of projects, including:

$31 million to upgrade key transport infrastructure in Melbourne, including a new pedestrian bridge connecting the MCG to Birrarung Marr and the CBD;

$19 million to construct an athletics track at the MCG; and

$6.5 million to build a state mountain bike facility, replace the Olympic Park athletics track and upgrade the State Netball and Hockey Centre.

Appropriation bill

Speaker, the Appropriation (2003/2004) Bill provides authority to enable government departments to meet their agreed service delivery responsibilities in 2003–04.

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.

Schedule 1 of the bill contains estimates for 2003–04 and provides a comparison with the 2002–03 figures. In line with established practices, the estimates included in schedule 1 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.

The budget has once again been examined by the Auditor-General as required by the standards of financial reporting and transparency established by the government in 2000.

Conclusion

Speaker, the Bracks government is proud of its first-term achievements and of the confidence Victorians have placed in us.

We will honour that confidence and get on with the job of delivering our election commitments, growing the whole state and investing in vital services and infrastructure.

This budget has two fundamental aims: to secure Victoria's economic and financial base in uncertain times and position Victoria to maximise opportunities when growth returns to the global economy.

Victoria is weathering the current circumstances well.

People, projects, capital, ideas and events are coming to our state in record numbers.

And they are coming here because we continue to lead Australia in so many ways — from exciting new major projects to record investment in science and innovation; from massive improvements in our education and health systems to the nation's best transport networks; from our leadership on water, forests and biodiversity through to a competitive and connected business environment.

When the international outlook improves, there is no doubt that Victoria will be a more competitive, engaged and connected economy — first off the mark and best

placed to seize the opportunities emerging from the global recovery.

Make no mistake, these are difficult times — but the government is making the financially responsible decisions that need to be made.

This budget heads Victoria in the right direction.

It makes the right choices for Victoria now — and for the future.

It ensures that Victoria has the confidence and capacity to stay on course and emerge a stronger, fairer and more prosperous state.

Speaker, I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 8 May.

APPROPRIATION (PARLIAMENT 2003/2004) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 2003–04.

Estimates ordered to lie on table.

Introduction and first reading

Mr BRACKS (Premier), pursuant to standing order 169(a), introduced a bill for the appropriation of certain sums out of the consolidated fund for the Parliament in respect of the financial year 2003–04 and for other purposes.

Second reading

Mr BRACKS (Premier) — 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 2003–04 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 2002/2003) Act 2002 have been estimated and included in the budget papers. Prior to 30 June actual unapplied appropriation will be finalised and the 2003–04 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 $82.2 million (clause 3 of the bill) for Parliament in respect of the 2003–04 financial year.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 8 May.

BUSINESS OF THE HOUSE

Program

Mr BATCHELOR (Minister for Transport) — I move:

That, pursuant to sessional order no. 6(2), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 8 May 2003:

Constitution (Water Authorities) Bill

Dandenong Development Board Bill

Regional Infrastructure Development Fund (Amendment) Bill

Safe Drinking Water Bill

Summary Offences (Offensive Behaviour) Bill

Transport (Miscellaneous Amendments) Bill

University Acts (Amendment) Bill

Vocational Education and Training (TAFE Qualifications) Bill

Water (Victorian Water Trust Advisory Council) Bill

The business program this week includes two bills that have already been dealt with by the Council — the University Acts (Amendment) Bill and the Vocational Education and Training (TAFE Qualifications) Bill. The program also includes the Transport (Miscellaneous Amendments) Bill, which was introduced last week and was not dealt with by understanding across the chamber in order for the government to give consideration to amendments that had been circulated by the shadow minister.

In total there is a list of nine bills, but as I indicated, two have come from the upper house, and there are special circumstances surrounding the transport bill. I

foreshadow the government's intention to support those amendments that the member for Polwarth circulated. We will comment on that during that debate.

Together with the commencement of the budget responses, we believe the program is an achievable target for this week. It provides suitable time to debate the bills that have a higher priority, and following indications from across the chamber it also meets the requirements of the budget. As has been indicated, the opposition and the National Party leaders intend to respond to the budget on Thursday morning, and we will accommodate that.

I indicate to honourable members that we are moving towards the end of the current parliamentary sittings. For the benefit of new members, and as a reminder to old members, at the end of a parliamentary sitting Parliament sometimes sits on Fridays or sits an additional week. There has been no decision made on that, and if there is any change to the currently announced arrangements, I will advise the house as soon as practical. But I provide prior warning about the traditions of this place regarding the end of parliamentary sittings.

Mr MAUGHAN (Rodney) — The National Party will not be opposing the government business program, which is achievable. We made good progress last week. I think there was considerable cooperation across the house last week, and we got through a significant amount of legislation. This week is going to be more difficult, obviously, because we have already had the budget speech and we will have the responses from the Leader of the Opposition and the Leader of the National Party.

As the manager of government business indicated, three of these bills have already been dealt with either in the upper house or in this house. That leaves six bills to be debated, and I do not think that is an impossible objective.

Again I express the view that from a country perspective I would like to try to be finished by 4 o'clock on Thursday afternoon, because we all have commitments back in our electorates on the Friday. We make those commitments in good faith, assuming we will be able to get away from Parliament in reasonable time to get home and fulfil them. I hope that, with cooperation, country members are able to get away in reasonable time.

I hear what the manager of government business is saying regarding our coming towards the end of the legislative program and his warning us that there could be some late sittings or sittings on Fridays.

Mr Jasper interjected.

Mr MAUGHAN — I share the view that has been expressed by interjection by the member for Murray Valley.

An Honourable Member — You can't stop him!

Mr MAUGHAN — No, we cannot stop him. Nonetheless, he makes a good point: if we are going to need more time, it makes a lot of sense to sit for an additional week and have the time to properly consider legislation rather than sitting late on the Thursday night or, alternatively, sitting on the Friday when all of us have made commitments that we then have to break.

I put it to the manager of government business that if we are going to have to extend the sitting in any way, from our perspective we would much prefer to have an additional sitting week than have to sit on extended Thursday nights or Fridays. With those comments, we will not be opposing the government business program motion, and we will be doing what we can to facilitate getting through it by 4 o'clock on Thursday afternoon.

Dr NAPTHINE (South-West Coast) — The Liberal Party will not be opposing the government business program, but there are a few points to be made in addition to those made by the honourable member for Rodney.

The business program is a fairly heavy one considering that this is the budget week. We have just received the budget, and there will be budget replies on Thursday morning, which will take up a considerable amount of time. The Leader of the House has said that the university and TAFE-related bills have been debated in the Legislative Council, but is that any reason why they should not be fully debated in this house? I do not accept that, and the Liberal Party does not accept that in any way, shape or form.

We have a system of two houses of Parliament, and we have every right to expect that legislation should be properly debated in both houses. It is a spurious argument by the Leader of the House to say that because a bill has been debated in the other place it does not warrant full and proper debate in this house.

There are a number of very significant bills that need to be dealt with this week. I understand there have been negotiations between the manager of opposition business and the Leader of the Government about getting some of these bills into the committee stage.

That would require cooperation so we can get some issues that are particular to those bills addressed. We would seek the ongoing cooperation of the Leader of the House on that issue.

Finally, I wish to address the issue of sitting on Thursday evenings. As a member of Parliament I am more than happy to sit and be in attendance. I pride myself on being in the house when Parliament is sitting, not like some ministers, who go to the races instead of being here when they are required.

With respect to the government, it made a lot of noise when in opposition about family-friendly hours and sticking to appropriate hours for the sittings of Parliament. In these sittings we have sat on more Thursday nights than not, including sitting for the address-in-reply debate, and now it will be on the budget. If that is to be the norm, the Leader of the House should tell us so we can adjust our diaries accordingly. The Liberal Party is more than happy to come back and sit an extra two, three or four weeks. If the Leader of the House wishes to sit throughout June and July, we will be more than happy to accommodate him.

I endorse the remarks of the honourable member for Rodney, that if more sitting time is required it should be done through sitting more days. The Liberal Party does not oppose the government business program motion.

Mr LANGDON (Ivanhoe) — I support the motion dealing with the government business program. The government has done remarkably well in the past couple of weeks, managing to have every member who wished to speak on a bill actually speak on it. Every member of Parliament who wanted to contribute to the address-in-reply debate had that opportunity.

In doing so we spoke on Thursday afternoons after the guillotine at 4.00 p.m. I can advise the house that to facilitate the budget process in a way that allows many people from all sides of the house to speak on the budget, we shall again be sitting later than 4.00 p.m. on Thursday. We shall be sitting to 10.00 p.m. to hear speeches on the budget. I am pleased that we can accommodate as many people as we do in this house, as I have said before.

We have had family-friendly hours, to pick up the comment from the member for South-West Coast. We have not had exceptionally late nights; we have been going home at about 10.45 or 11.00 every night. We have not been sitting until 2.00 a.m. or 3.00 a.m. Occasionally we have sat late on Thursday, but we enabled everybody in this house who wanted to speak on the address-in-reply to do so, and we will do the same with the budget. I commend the motion to the house.

Mr INGRAM (Gippsland East) — Regarding the government business program, it is my view that there are too many bills on the program for this week, particularly when we will have the debate on the budget on Thursday. I am quite happy to stay back to debate the budget after the guillotine, but I would bring to the attention of the Leader of the House the fact that in most of his presentations during debates on business programs before 1999 he would normally have opposed a business program that had this many bills on it.

There are a number of significant bills on the program, including three water bills, and it is important that Parliament debate that legislation. Last week we had only three or four speakers on most bills. Since we have reduced the speaking time it is appropriate that more members have the opportunity to speak on bills because all legislation passed in this place has an impact on people, business and the community.

This place is about debating legislation, and there are too many bills on the program this week. I know there has been an arrangement under which Independent members get the call fourth after the parties' lead speakers on bills — and I thank all the parties for agreeing to that — but I still wish to put on the record my disapproval of the jamming-up of the business program to the end of the sitting year.

Motion agreed to.

MEMBERS STATEMENTS

Warrnambool Cup Carnival

Mr PANDAZOPOULOS (Minister for Gaming) — Last Thursday I attended the Warrnambool Cup Carnival, which is Australia's largest provincial racing event — a fantastic three-day event, in case the house is not aware of it, and which, for the information of the member for South-West Coast, brings in a $12 million contribution to the state. There was a very large crowd at this year's cup, one of the largest crowds ever. Some suggested that it probably had something to do with the member for South-West Coast not being there, but nonetheless it was a great crowd.

I went along for a particular reason. As members know, Parliament unfortunately tends to be sitting at the time of this great carnival, but the racing club seized the opportunity of this being the first time that the portfolios of Racing and Tourism have been held by the

same minister. The club is applying for hallmark-event status with Tourism Victoria, and its members were very keen that I attend the event. Rather than attending for three days, I thought I would take the day off — but as usual I found that when you are away you are even busier. The day was chock-a-block. I took the opportunity to meet with Flagstaff Hill management and have a look at the new investment there and to talk to Shipwreck Coast Tourism. I sincerely thank the Warrnambool Racing Club for its great effort.

I was disappointed that Whingeing Denis had to have his go. He cannot help himself, and that was certainly not very much supported — —

The ACTING SPEAKER (Mr Savage) — Order! The minister's time has expired.

Mornington Peninsula: black spot funding

Mr COOPER (Mornington) — I want to compliment the senior journalist on the *Mornington Peninsula Leader*, Chris Tatman, for highlighting in the 25 March edition of the newspaper the urgent need for the Bracks government to lift its game in regard to black spot intersections on the Mornington Peninsula. This is an issue that I have raised in this house on many occasions, and the response from the Minister for Transport has been less than reasonable.

In his front-page article in the *Mornington Peninsula Leader* Chris Tatman has demonstrated that Moorooduc Highway is the most dangerous stretch of road on the Mornington Peninsula. In particular he has detailed the appalling casualty accident record at the intersection of Moorooduc Highway and Bentons Road for the four years to 2002. It has the worst casualty record — 24 casualties in all — of any intersection on the Mornington Peninsula.

As many members of the house will know, I have drawn this intersection to the attention of the Minister for Transport many times. Despite this shocking casualty record the government has done nothing at all to address the problem. How many deaths or injuries need to occur to generate action from this government? Urgent work on the intersection of Moorooduc Highway and Bentons Road is needed right now.

Other dangerous intersections that also need urgent action are Moorooduc Highway and Craigie Road; Nepean Highway and Bentons Road; and Moorooduc Highway and Bungower Road. Taking money away from the black spot intersection program to pay for revenue-raising fixed-speed cameras was a disgraceful decision by the government.

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

Public transport: Glen Waverley interchange

Ms MORAND (Mount Waverley) — I recently joined the Parliamentary Secretary for Transport, the honourable member for Brunswick, in launching the $450 000 upgrade to the Glen Waverley transport interchange. This project has greatly improved the station and made it safer and more accessible. The funding for this project is from the Connecting Transport Services program, which is providing $20 million over five years for major design and capital works projects for rail, tram, taxi and bus interchanges across Victoria. This program is all about improving integration of public transport services, making them safer, more accessible and user friendly so that more people will use them.

The safety and security of commuters was a key consideration in the design of the upgraded Glen Waverly transport interchange. Overhead lighting and security cameras were installed, and wheelchair access has been improved. The new ramp and staircase at the station's entrance improve accessibility, and there were improvements to the footpath, additional seating, signage and landscaping.

The project was delivered in partnership with the Department of Infrastructure, the City of Monash, Connex and local bus and taxi operators, so it does seem surprising that a Liberal member for Waverley Province in the other place is criticising the government for spending $450 000 on improving public transport facilities. He must be pretty desperate for media attention to make the kinds of statements he has made in the other place. If commuters have any genuine concerns they should contact my office. I would be very happy to set up a meeting with the Department of Infrastructure to hear their views.

Liquefied petroleum gas: country prices

Mr JASPER (Murray Valley) — The Victorian government should take immediate action to address the high price being charged for bottled gas in country areas, recognising that country gas users do not have access to natural gas for heating and cooling purposes.

The government undertook an investigation into the supply of liquefied petroleum gas (LPG) in Victoria, with a report being tabled in June 2002. While the inquiry was extensive in its investigations and the report recognised the disparity and the high price for bottled gas in country areas, the recommendations seem

vague, with no real government action to rectify the problems.

A constituent in a small country town in my electorate of Murray Valley who uses bottled gas has complained bitterly about the high price and the fact that he has no option to reduce the price by changing to another energy supply. He highlighted the fact that the most recent cost of bottled gas to him was 69.98 cents per litre delivered, compared with around 50 cents a litre at Wangaratta and varying prices around Melbourne that were well under 40 cents a litre.

The justifiable question is: why should country people be penalised by high prices for LPG, particularly for bottled gas, compared with those living in metropolitan Melbourne, who have other energy supply options?

I call on the government to implement a policy to ensure greater transparency with gas pricing and to act to provide some form of equality for country people.

Anzac Day: Healesville

Mr HARDMAN (Seymour) — I rise to congratulate the Healesville Returned and Services League (RSL) on the magnificent Anzac Day ceremony it held on 25 April. The ceremony was held at the cenotaph outside the Healesville Memorial Hall. A large group of people marched in the parade, and they were supported by contingents from the army, the navy and the air force, as well as local emergency service volunteers.

The ceremony was given a real sense of occasion by the navy drum band from HMAS *Cerberus*. I would like to congratulate its president, Greg Latta, and the local RSL, whose members should feel very proud of their great ceremony and the wonderful support that was given to them by the whole of the Healesville community on that day.

I also congratulate the Holmwood Nursing Home in Healesville, which once again held its traditional Anzac Day ceremony either just before or just after Anzac Day. It does that for its residents who would normally not be able to get to an Anzac Day ceremony to remember their loved ones and those who fought for their country.

I was unable to attend all the Anzac Day services in the Seymour electorate, but from newspaper reports all Anzac Day ceremonies across the electorate were very well attended. I congratulate all the RSL clubs and the communities on their dedication to the ceremonies, which recognise an important period of our history and people who are important to our history.

Sandringham College: maintenance

Mr THOMPSON (Sandringham) — Members of this chamber would be aware of the importance of the physical amenities of school infrastructure to the learning programs of schools. Members would also be aware of the hard work undertaken by school council members, parent-teacher association members and staff in the development of good programs for schools to maintain their physical infrastructure, including the gardens and grounds.

Sandringham College has had a long tradition of excellent parent involvement at the school council level at its various campuses. At this stage there are a number of important programs to improve the college and its facilities, and a number of works need to be completed this year. They include restumping the main corridor, rekeying the campus, repairing and repainting the hall windows, recarpeting the library and upgrading the toilets, in addition to a number of other works, which the school will be obliged to fund itself.

The school community is concerned that the funding may not be available. In 2002 some $450 000 for maintenance was allocated, predominantly at one of the three campuses — that being the Sandringham campus. In the current year the school community expects to receive some $350 000 under the physical resources management system, or PRMS, program.

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

Wendouree West community renewal project

Ms OVERINGTON (Ballarat West) — Firstly I would like to congratulate the Treasurer and the Bracks Labor government on once again delivering a balanced and responsible budget, proving that they govern for all of Victoria.

Last Friday I attended a community jobs program (CJP) graduation in Ballarat for the Wendouree West community renewal project. To date there have been 60 CJP graduates, with the project to have 100. I want to congratulate the people who graduated the other day: Adam Conroy, Ashley Sperling, Brad O'Dea, Colin Bilston, Edward Hady, Glenys McDowell, Jason Polgar, Kirsty Jolly, Luke Greenwood, Mark Burnett, Mark Miller, Steven Hanson and Jason Daly. Nine of those graduates have confirmed employment or training beyond the project, with the other 60 graduates from the project having a success rate of 70 per cent in gaining full-time employment.

The project has included the upgrading of 11 department houses involving doing massive amounts of fencing, plastering and painting. The graduates have developed new skills and have enhanced skills they already had. They are a great bunch of people, and I wish them all the best in any future employment.

Disability services: Portland accommodation

Dr NAPTHINE (South-West Coast) — I call on the government to respond quickly and decisively to the urgent need for long-term accommodation for people with intellectual disabilities in the Portland area.

Currently there are at least seven people in urgent need of permanent accommodation in a community residential unit (CRU), but there are no vacancies, and there is little likelihood of vacancies in the current accommodation facilities in the area. We urgently need a new CRU in Portland.

I will use pseudonyms to describe some of the circumstances to the house. Peter, who has been shuffled between respite care in a community residential unit and the local supported residential services, is fundamentally homeless. Jim is in his mid-40s; both his parents are well into their senior years and can no longer cope with his needs. Wendy has very challenging behaviour; she has older parents, and she suffers from multiple disabilities. Rita is living with her ageing parents, who are both unwell and are unable to cope with her increasing needs. Tim has a dual disability and has behavioural challenges which are beyond the ability of his parents to cope, especially as they get older. Julie and Cathy are sisters with ageing parents who do not even have a drivers licence and are unable to look after their needs.

There is urgent need for action by the minister, the government and the Department of Human Services to translate these real needs into action, with a new community residential facility in Portland. These are people with intellectual disabilities who live in the community, belong to that community and need long-term accommodation.

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

Try Youth and Community Services, Latrobe Valley

Mr JENKINS (Morwell) — I rise to speak about Try Youth and Community Services, which has for the past three years operated a community jobs program throughout the Latrobe Valley funded by the Victorian government. The program provides unemployed people in Gippsland with full-time employment for a 16-week period.

In association with the Department of Human Services and the Latrobe City Council, Try employees have worked on the renovation of ministry housing properties and the Lake Narracan restoration and construction project. Projects such as the Lake Narracan restoration and urban renewal not only give people much-needed skills and employment opportunities but also make them feel good about the community in which they live.

The Try urban renewal project has employed over 200 people, of whom 65 per cent have been successful in finding subsequent employment. It has also established seven long-term jobs in the building and construction industry, through Try wood products. The organisation has made-over some 20 properties and delivered some wonderful positive outcomes. The work it has undertaken in public housing has provided inspiration for other home owners in the public housing areas to make similar improvements.

I would like to congratulate Rob Sandall, Tom Rookes, Stuart McCullough and all those at Try and the Latrobe City Council, including Tony Oulton and Peter Robinson, for bringing this program to fruition.

Our Forests, Our Future program

Mr INGRAM (Gippsland East) — I wish to direct the attention of the house to the issue of the Our Forests, Our Future program and payments through OFOF to the timber industry restructure. The particular issue I would like to raise concerns the secondary contractors, not the primary contractors, the sawmills or the sawmill workers, most of whose issues have been addressed. A number of businesses in my electorate have lost substantial parts of their business through the industry restructure. They include cartage hauliers, who cart the sawn timber on the roads, and other firms such as Sum Strait Timbers, a small sawmill which buys cut timber, processes it and on sells it to fencing contractors and others.

We have had a recent example from workers from one sawmill. The sawmill was closed down, but the workers were held in limbo for months without payment of their packages, even though their jobs had ceased because the sawmill was in a contractual arrangement with the government. Although that issue was resolved most of the other businesses and individuals have been told their compensation is not a

high priority. It is essential that the people who have been restructured out of this industry receive the payments that were guaranteed to them when the minister and the Premier made the announcement.

Monash: consultative committees

Mr LIM (Clayton) — I wish to applaud the proposal that Labor councillor, Jeanne Solity, has made to establish local consultative committees in the various wards of Monash City Council. Cr Solity was elected in the March elections of the Wellington ward, which is in my electorate, on a platform stressing the need to improve consultation and develop a less centralised method of formulating council policy, which is heavily dominated by council staff.

The model Jeanne has proposed is based on the highly successful and very popular village committee system, already established in the City of Kingston. The consultative committees will be standing rather than ad hoc committees and for the first time will provide an opportunity for local people to directly participate in the decision-making process.

Monash City Council has had great problems in the past with the community perception that it is very much insensitive to local feeling and that it is a Waverley-centric council. The former council's decision to close the Oakleigh pool and merge the Clayton pool into a new community centre provoked extraordinary community protests and the decisions were reconsidered only after huge controversy.

I wish all the newly elected Labor councillors all the success they deserve. With the introduction of the consultative committees they are committed to making a difference in Monash. The mistake the council in the past made was to engage a business consultant to gauge the reaction — —

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

Hospitals: waiting lists

Mr SMITH (Bass) — The concerns I raise today are in regard to the Bracks government's long hospital waiting lists. I ask what the Minister for Health is doing to try to overcome these waiting lists and to assist our elderly folk to have some sort of reasonable, comfortable life in their twilight years.

I have a 74-year-old constituent, Mr Alfred Coleman, from Phillip Island. In recent years he has had serious problems with his legs. One of his legs was operated on two and a half years ago, and now he needs a similar operation on his other leg. Dandenong Hospital fobbed him off seven times. The last time the stress was so great it caused complications and he spent another nine days in hospital on a drip. The doctor says that his other leg is in need of urgent treatment and he should now be in hospital having that leg operated on, yet when he rang the Dandenong Hospital he was told it had not finished last year's waiting list and it would be a long time before he would even get his name on the waiting list. His problem is serious and his arteries are blocked.

I wonder when this government is going to stop lying to the people about shorter waiting lists and get on with the job of fixing the problem and getting people into the hospitals.

Candlebark Community Nursery, Croydon

Ms BEARD (Kilsyth) — On Saturday I was pleased to perform the official opening of the new site for the Candlebark Community Nursery in Croydon, so appropriately conducted in steady rain. Candlebark was formed in 1994 by a small group of volunteers to promote the use of local tree and plant species through propagation of local vegetation to provide a source of plants indigenous to Croydon and surrounding areas. Each year Candlebark propagates 90 000 to 120 000 trees and plants from seeds gathered locally which are then sold back to local councils, developers and the public.

Candlebark is a self-funded, non-profit, community-based organisation which relies on two paid staff members and a volunteer group to run the nursery operations. It grew to a point where it exceeded the capabilities of its original premises in the grounds of the Village School in North Croydon. This need has produced a most interesting partnership between Candlebark and the Croydon Golf Club. We can only be grateful for the dedication of Candlebark and the vision and community spirit of the Croydon Golf Club for this partnership and wish them every possible success. Of special interest to me is the proposed frog habitat to be developed on the golf course as I fondly remember the proliferation of frogs in my childhood. I congratulate all involved in this outstanding community project and thank Ken Whitney for his warm invitation to this ceremony.

Porepunkah: sewerage scheme

Dr SYKES (Benalla) — I draw the attention of the Minister for Water to the issue of the Porepunkah sewage treatment plant. The Porepunkah sewerage plant working party has put its views rather vigorously to the minister over time and yet interestingly its

ultimate goal of minimising contamination of the environment is shared by North East Water, which is responsible for completing the project.

Whilst the working party prefers a tertiary treatment plant with the return of the treated product to the Ovens River, it is amenable to the North East Water authority's preferred option of the reuse of the water in the Buckland Valley. Debate is about the level of contamination of the environment from leakage from the holding ponds and the appropriateness of sewering Porepunkah whilst claimed leakage and contamination occur from the holding ponds.

Further, there is currently debate regarding the accuracy of North East Water's information, the responsibility for costs incurred in Victorian Civil and Administrative Tribunal hearings and various other issues related to sewering the area. I ask that the minister familiarise himself with the issue and do what is necessary to achieve the shared objective of minimising contamination of the Ovens Valley as soon as possible, and I offer my services to help achieve this outcome.

Trevor Burns

Mr STENSHOLT (Burwood) — I rise to pay tribute today to Trevor 'Doc' Burns, whose funeral was held this morning. Some of what I say comes from the moving tribute at the service by Peter Raymond. No doubt the wake is in full swing at the Ashburton Club rooms and I join all of them there in spirit.

Doc was one of those unsung heroes who used to do all of the ordinary but essential things that have to be done to ensure that clubs and community organisations thrive and work. Doc was a fixture behind the bar for nearly 40 years, just as his wife Eileen of 60 years was at the front of the bar with a glass of champagne in hand.

He was the soul of the clubs at Ashburton: the cricket club and the Ashburton soccer club, and before that the Ashburton YCW footy club. He ran the bars, kept the fridges full, cleaned up the mess, vacuumed the place, cleaned the toilets, carried out the garbage, opened up at the beginning and locked up at the end of the day. He did this every week of the year.

Our thoughts go out to his family: his son, son-in-law and grandkids all play with the local clubs as well. No doubt he is already making his mark upstairs. All of us in Ashburton are pretty sure there is a bar there and he is already behind it, and if there is a raffle upstairs he has already drawn the winning ticket.

Stamp duty: reform

Ms ASHER (Brighton) — I call on the Bracks government to stop profiteering from increased stamp duty revenue. On Friday the Real Estate Institute of Victoria released its latest update on property values, and according to those figures the stamp duty on a median-value house in Brighton is now $45 160; in Brighton East it is $32 860; in Elsternwick it is $36 730; in Elwood it is $39 460; and in Hampton it is $28 960. I emphasise that these are not stamp duties levied on foreshore luxury houses, they are stamp duties levied on median-value houses in those suburbs. This is an outrageous impost on home buyers.

Mr Langdon interjected.

Ms ASHER — I note the lack of sympathy from the member for Ivanhoe. I suggest to him that many of his constituents would feel a similar sense of outrage by the level of stamp duty going up and up and not being adjusted for the increase in property values in Melbourne.

The Bracks Labor government, as we have just seen from the budget papers that have been tabled, has collected $2.1 billion in stamp duty in 2002–03. I call on the government to provide stamp duty relief for my constituents, particularly those in Brighton, Brighton East, Elsternwick, Elwood and Hampton.

Pam Ramadge

Ms McTAGGART (Evelyn) — I wish to draw the attention of the house to Pam Ramadge. Pam Ramadge is an institution at Wandin Yallock Primary School. She has been the school crossing supervisor for the crossing on Beenak Road for 32 years. When Pam first started in this role, the school had a population of approximately 100 students; it has now grown to over 300. Traffic on Beenak Road back then consisted of mainly farm-related vehicles and most students walked quite long distances to school. It is now a very busy road. Pam continues to do an excellent job under increasingly difficult circumstances, and the children at the school who use the crossing have an abiding trust and faith in Pam.

Pam is an asset. Seldom do we see a person with such compassion involved in a community-based job over such a lengthy period of time. She really cares for the area surrounding the crossing. She plants flowers, sweeps the pavement and always has a cheery wave for passers-by. Each year she provides valuable support to the school curriculum through a talk on helpers in the local community. She talks with groups of students

about her role and associated safety issues. Pam has a very caring approach to the students. She is aware of their individual needs, notices when they are not well and takes a special interest in all the students who use the crossing.

The local community is extremely proud of Pam. I, along with the principal, staff and school community of Wandin Yallock Primary School, would like to congratulate her on her marvellous achievements. Well done, Pam!

Gladysdale Apple and Wine Festival

Ms LOBATO (Gembrook) — I was delighted on Sunday to attend the Gladysdale Apple and Wine Festival. Outside in the magnificent autumn sunshine at Gladysdale Primary School, along with my baby, Ashleigh, I was honoured to make the presentations for the award winners of the renowned Battle of the Bands competition. In the true spirit of community there were plenty of encouragement awards for all the children who displayed their various talents of singing, Irish dancing, joke telling and juggling.

I was staggered at the enormous prize-winning pumpkin, stocked up on fresh apples — a bargain at $2 a bag — and enjoyed a cob of sweet corn on a stick. My one-year-old enjoyed the animal farm, coming eye to eye with the rooster, and my five-year-old could not be dragged away from the minigolf that had been set up for the day. Devonshire teas and plenty of fresh cakes and produce from the area were on offer, as well as wine tasting and sales. I was also impressed by the raffle prize on offer: a trailer-load of mulch.

With face painting, spinning wheels, a haunted house and abseiling, children did not miss out while the adults drank and ate. They could also go and pester Tracy Bartram from Fox FM, who was doing her best to stay incognito in the crowd.

Although Gladysdale is a small town, its entire population was out in force, together with many people from surrounding towns and some from further afield. It was a fantastic event for all ages. Congratulations must go to the organisers, the community organisations, the traders and produce vendors, the Gladysdale Primary School, the families and all participants.

Eltham Lacrosse Club

Mr HERBERT (Eltham) — I would like to bring the house's attention to the 40th anniversary of the Eltham Lacrosse Club, one of Victoria's great local sporting clubs. The club began in 1963 when Dr Graham Webb, a teacher at Eltham High School, introduced the game to his students. In 1964 the Eltham Lacrosse Club formed a team that was entered into the Victorian Amateur Lacrosse Association competition. Graham Webb together with Bob Russell and Fred Durham are recognised as the founders of the Eltham Lacrosse Club. Both Bob and Fred can still be seen around the club and have had under-11 sides named after them.

For such a relatively new club it has a very proud and successful history of state and Australian team representation. In fact several members of the Eltham club have recently been chosen to represent Australia in peak international competitions. On Thursday, 8 May, Martin Cobern, Daniel Hall and Tim Fry leave for Canada as part of the Australian box lacrosse team, the indoor form of lacrosse often dubbed as the fastest game on two feet. The club also has two representatives in the Australian under-19 team, Jason Brammall and Jonathan Reedyk, who leave Australia next month to compete in the world under-19 championships to be held in Maryland in the United States of America.

I would like to wish all the players the very best of luck for successful tours. I hope they as individuals and their teams will compete to the best of their ability and perhaps bring a medal home.

Whittlesea Maltese Senior Citizens Club

Ms D'AMBROSIO (Mill Park) — I have pleasure in sharing with the house my recent visit to the Whittlesea Maltese Senior Citizens Club on Friday, 2 May, at the Lalor Senior Citizens Centre. The club boasts a strong membership of 260 and has been serving the needs of the Maltese elderly community since 1991. It has run a very successful safety campaign of encouraging members to participate in a council program to have smoke detectors installed in their homes. It has held health seminars addressed by specialist speakers on subjects such as breast cancer, asthma and arthritis. The members have also shown their generosity by giving donations to worthy organisations such as the Motor Neurone Disease Association.

The club plans many of its activities well in advance, producing a famous yearly calendar of events at the beginning of each year. I thank Carmen Scerri, the president, and Alfred Fabri, the secretary of the club, for their warm hospitality and welcome. Carmen and Fred have been terrific leaders of this club and of the broader Whittlesea community. Their opinions are highly sought after and respected by local agencies, the council and members of Parliament.

On the day of my visit it was a typical weekly meeting of the club. Some members were gathered outside playing bocce and discussing the facets of the game, and other members were playing bingo inside the main hall. Still others were playing pool in another room, while several members were simply having a chat elsewhere.

I was very pleased to be able to join Fred, Carmen and other club members in general conversation and in discussion of current issues over a cup of tea and delicious ricotta pastizzi. Today I wish to officially acknowledge in the Parliament Fred and Carmen's contribution to the community and congratulate the members on making the club a great success.

CATCHMENT AND LAND PROTECTION (AMENDMENT) BILL

Second reading

Ms GARBUTT (Minister for Community Services) — I move:

That this bill be now read a second time.

Victoria's land and water resources are vital assets upon which the wellbeing of current and future Victorians depend. One of the most important challenges for the state is the protection of these resources from pests, such as noxious weeds and pest animals. These pests constitute a major threat to biodiversity and pose significant social and economic threats.

The Catchment and Land Protection Act 1994 (the CALP act) was designed to provide the legislative foundation to manage declared noxious weeds and pest animals in Victoria. All public and private land and water managers are required to take all reasonable steps to control pests on their own land and prevent the spread to other land.

However, there has been continued concern from rural communities that the act requires revision to ensure that land-holders meet their legislative responsibilities. This concern was highlighted in 1998 when the parliamentary Environment and Natural Resources Committee released a report into weeds in Victoria and recommended that the act be amended, as it is 'administratively cumbersome, protracted and may ultimately fail during prosecution'.

The need for a review of the CALP act was also recognised in the *Victorian Pest Management — A Framework for Action*, launched by the previous Minister for the Environment and Conservation in June 2002, which detailed a strategic action to amend the act.

This bill recognises that the inaction of a few to comply with their responsibilities under the CALP act can have a significant impact on their adjoining neighbours and the community in general.

The bill therefore provides for an improved legislative framework for the protection of Victoria's natural and productive resources from declared noxious weeds and pest animals.

In particular, the bill provides for a more streamlined administrative and operational capacity of the CALP act, as well as revising penalties for non-compliance so that they will act as a greater deterrent against breaches of the CALP act and are commensurate with the threat to the adjoining neighbours and the community in general posed by such non-compliance. The bill has also refined the enforcement powers and processes to improve the operational capacity of the act.

The bill provides for simplified arrangements for the preparation of notices relating to the management of land. A single-step approach to issuing a land management notice will replace the current administratively cumbersome arrangements. In addition the bill provides for land management notices to be binding on each subsequent landowner to ensure application of notice conditions to the land irrespective of ownership changes.

This government takes its responsibility to protect our indigenous flora and fauna very seriously and is committed to preventing the spread of noxious weeds or established pest animals. Accordingly this bill proposes to amend section 48A to make it abundantly clear that it is not possible for a person to appeal to the Victorian Civil Appeals Tribunal against a land management notice dealing with noxious weeds and established pest animals.

Noxious weeds are spread in many ways, and the bill provides for strengthened controls to prevent the spread of existing and newly introduced noxious weeds. In particular, the current process for declaration of weeds is protracted. The bill will allow the minister to declare a weed in emergency situations by notice. This will reduce industry, community and government's financial input and enable early intervention and rapid response to the outbreak of weed infestations. Appropriate consultation with industry and the community will occur.

The government is committed to ensuring that sound land management practices are maintained by land

managers. The bill will ensure that enforcement activities are effective, support the majority of landowners and land managers and the community in general, and serve as a deterrent against future breaches of the CALP act.

I commend the bill to the house.

Debate adjourned on motion of Mr BAILLIEU (Hawthorn).

Debate adjourned until Tuesday, 20 May.

DANDENONG DEVELOPMENT BOARD BILL

Second reading

Debate resumed from 9 April; motion of Ms DELAHUNTY (Minister for Planning).

Mr BAILLIEU (Hawthorn) — I rise to speak on the Dandenong Development Board Bill and to advise that the opposition will not be opposing it. The bill is in many respects a classic Labor government bill, and I want to go through a number of points to demonstrate that.

Firstly, it sets up a new layer of bureaucracy; secondly, it seeks to do a job already being done by others; thirdly, it duplicates functions; fourthly, it masquerades as a body having only advisory powers — and there I add 'at this stage'; and fifthly, it involves many of those who are already doing the job it seeks to do. Sixthly, it sucks up the dollars; seventhly, it involves wildly different views about the level of consultation undertaken in its preparation; eighthly, it is a foot in the door for similar boards to be set up in other areas; ninthly, it involves a minister who, there is plenty of evidence to suggest, is not across the detail; and tenthly, it also essentially involves a vote of no-confidence in the government's own people, its own Labor council, on the basis of the faction fighting that goes on there. Finally, I simply describe this as a we-know-better bill, through which the government is seeking to usurp the authority, power and influence of established agencies.

The history of this bill is that it was introduced by the government last year. The second-reading speech was made in what turned out to be the last week of the Parliament before the state election, and with the onset of the election it obviously lapsed. All we can say about that experience is that the government clearly knew what it was doing: it introduced this bill at that time simply as a matter of window-dressing prior to the election; and like many other bills it has vegetated since, and debate on it has only now been resumed.

The bill emerges from decisions made by the government early last year regarding the Dandenong saleyards development, which was announced in March last year as a combined project between the City of Greater Dandenong and the Urban and Regional Land Corporation. At the time it was said to be a $200 million project that would benefit the City of Greater Dandenong. The irony is that many in the council at the time did not know the announcement was being made, but that was probably just a portent of the lack of consultation to come.

The government has made a number of claims that this bill arises from definitive consultation with the City of Greater Dandenong, but the reality is that the council claims it never discussed the bill at any time. The chief executive officer denied at the time that there had ever been discussions about the detail of the bill; and in fact prior to the bill's introduction the council had never passed or considered any motion about the establishment of the Dandenong Development Board.

There is plenty of evidence of that on the record, and I will come back to that in a moment. But the government's response to that at the time was to say, 'Hang on a minute, there have been a lot of meetings with council officers discussing these matters'. Indeed there had been a number of meetings, and the council's then chief executive officer acknowledged that. He would have been unwise not to acknowledge that, because in the bulk of cases he sought and solicited those meetings. The purpose was to find out about this project and the Dandenong Development Board, which, he had also acknowledged, the council had been substantially unaware of. So it is churlish of the government to say that, yes, there were meetings at which there was discussion of the Dandenong Development Board. That is not the case.

In that regard I will put a bit of evidence on the record. The *Dandenong Journal* of 21 October last year reported on a council meeting after the introduction of the bill. The chief executive officer (CEO) was asked at a council meeting:

> Has she —

being the minister —

> lied (about the board being a cooperative effort between the council and the government) …

The chief executive officer, Mr Heine, responded:

> No council officers have been consulted.

He was asked:

> What is this board all about?

And he responded:

> We should write to the minister and ask for an explanation.

After the meeting the chief executive officer told the *Dandenong Journal*:

> The reason could be that this council is so divided that they (the government) can't rely on going to them to discuss the business of the city.

That in itself indicated that there was a problem. In fact the member for Dandenong and Minister for Gaming is quoted in this article as saying:

> Greater Dandenong council is known to have a problem of being unable to reach decisions and to leak decisions of council. We are not taking powers off the council, we are going to work with them collaboratively …

He went on to say that he was not going to allow this to be in the hands of 'councillors who can't get their act together'.

There are a number of other articles which appeared in local papers at the time. One in the *Dandenong Leader* of 21 October 2002 notes that the chief executive officer had told the council again:

> No council officers have been consulted.

In fact, he is quoted as saying in another article that there was zero consultation with council officers.

As I said, in response the government said, 'Hang on, there have been a lot of meetings'. Yes there were a lot of meetings, but I refer again to an edition of the *Dandenong Examiner* around the same date in which the CEO is quoted as saying:

> The majority of those briefings were at our request — we were trying to find out more information about the development board …
>
> Most of the discussions centred around the transit cities proposals, not the Dandenong Development Board.

It goes on to say:

> Mr Heine, the chief executive officer, said that after Premier Steve Bracks's announcement of the board in early March, very little information had been available.
>
> Department of Infrastructure staff have done their best to keep us informed, but they are not in charge; it is all being run by the Department of Premier and Cabinet.

He is quoted further as saying:

> This council was never formally asked for input into the board legislation.

It is clearly an indication that the genesis of this bill is not as benign as we had been led to believe in the various releases from the government.

I want to talk briefly about the provisions in the bill. Essentially the bill sets up a Dandenong Development Board. In its genesis prior to the last election the board was to have eight members; but the bill has been returned with an additional board member, and it is mostly a board of bureaucrats. I shall come back to the composition of the board in detail.

Then it is a question of what powers the board has. The functions are described in clause 6.

I just want to quote a few words from clause 6, including:

> (a) to facilitate …
>
> (b) to encourage …
>
> (c) to recommend …
>
> (d) to encourage …
>
> (e) to promote …
>
> (f) to carry out …

Essentially those functions, seemingly benign though they are, are in all circumstances to do with the objects of the bill, which are described in clause 4:

> (a) to promote Dandenong as a key centre for employment, housing, service delivery and community activity …
>
> (b) to facilitate the economic, cultural and community development of, and employment growth in, Dandenong.

You could not possibly get a wider gamut of functions than those described in the combination of clauses 4 and 6. The powers of the board are described in clause 7, and an interesting power is contained in clause 7(1), which states:

> The Board has power to do all things necessary or convenient to be done for or in connection with, or as incidental to, the performance of its functions.

That is a fairly comprehensive statement, but essentially the board's powers relate, according to the briefing that opposition members had, to an exercise of influence. We were assured at the briefing, prior to the election and subsequently, that no planning power was attached to this board. But the reality is that the board will have a major influence and will become the repository of and a filter for nods, winks and nudges — and that seems to be where planning decisions are going under this

government. We have seen that in a number of instances, and we will come back to that in a bill that is being introduced later.

Under clause 21 the board is required to produce a corporate plan on an annual basis. It is all well and good for a body like this to have a corporate plan, but if you go to clause 21, you see that the minister gets more mentions than the board. In almost every one of the 12 subclauses describing the corporate plan it is a case of its being subject to ministerial approval, control and direction. When it comes to a corporate plan, the board will simply be doing the government's bidding. Clause 8 once again contains a fundamental power, which is the power of ministerial direction. The clause states:

> In the exercise of its powers and performance of its functions, the Board is subject to the direction and control of the Minister.

Effectively this body, which will be a body of major influence, will be controlled by the minister.

That brings me to the composition of the board. Clause 10, headed 'Constitution of the Board', shows that there are to be nine board members, as opposed to the eight members that there were before. From the council only one elected officer is to be a member of the board, and that is the mayor of the City of Greater Dandenong, and then there is the chief executive officer. So two of the nine board members could be said to be members of the council, at least at a senior level, but obviously the mayor will serve on a changing basis. From the government bureaucracy there will be the Secretary of the Department of Sustainability and Environment, the Secretary of the Department of Innovation, Industry and Regional Development and the Secretary of the Department of Infrastructure. There will also be a representative of the Urban and Regional Land Corporation. Interestingly, we already have a bill before us which will see the end of the Urban and Regional Land Corporation. Presumably we will amend this clause to make that representative a member of some new body, which I believe will be called the urban development authority.

The board will also include a chairman, and we understand the chairman has already been appointed. Clause 10(1)(h) states that there will be:

> 2 persons who have business interests in Dandenong —

and they will be appointed by the minister. In a 9-person body, there will be a chairperson appointed by the minister, 2 persons who have business interests in Dandenong and who are appointed by the minister, 3 department secretaries or their nominees, who are subject to direct ministerial control, and a representative of the Urban and Regional Land Corporation, which is subject to direct ministerial control. So of the 9, 7 will be directly subject to ministerial control and only 2 will represent the council.

Should we be concerned about that? There are plenty of reasons for people to be concerned, because there is an imbalance. Obviously the operation and conduct of the board will be watched with care by a lot of parties, not least the City of Greater Dandenong but also the Municipal Association of Victoria and the Victorian Local Governance Association.

There are a number of things that the bill does not cover regarding the capacity and authority of the board. The opposition asked about a number of those things at the briefings, including, 'What obligation is there for the Dandenong Development Board to work with the City of Greater Dandenong?'. The answer we got was that there is no obligation and no requirement in the bill which would require that to be done. Lest anyone imagine that this is an unprecedented thing to insert in a bill, it is not; that sort of required cooperation has gone into acts on a number of occasions.

Interestingly, despite the board having functions and powers, it has no responsibilities as described in the bill. That in itself is an indicator of the potential of this bill to get out of sync with a number of other bodies.

At the first briefing opposition members had last year, we were told that the Dandenong Development Board would not have a definitive role in the saleyards project. Given that the genesis of the board occurred at the time of the announcement and that the board has been linked with that project since, we are told that the role will remain with the Urban and Regional Land Corporation. It will be interesting to see how the relationship goes. It was conceded at the initial briefing that given that there are other transit cities — at the time this was introduced 5 had been announced, and 13 transit cities have now been announced under the government's transit city program — and that this board is simply facilitating the development of a transit city, that being the City of Greater Dandenong, this may be a pilot project. As a pilot project the legislation we have in front of us is a template for other bodies. We need to take account of that in considering what we are doing here.

I note that we elicited from our briefing that there would be no requirement for the body to table reports. At the briefing we were also told that, like the Urban and Regional Land Corporation, the board would not be required to operate on a commercial basis, which

perhaps is another facet making it classic Labor Party legislation.

The reality is that this board duplicates a number of functions and stretches some relationships in the process. Obviously those competing agencies include the local council, the City of Greater Dandenong, for which there is such love among government members. In the sense that this is template legislation we can assume that future development boards of this nature will have local councils as their competing agencies — and I will come back to that in a minute.

Another competing agency is what will be described as the Urban Development Authority, which will be an amalgamation of the Docklands Authority and the Urban and Regional Land Corporation. There will be clashes with smart growth committees under the Melbourne 2030 strategy, and there will be clashes with advisory committees already established around a number of transit cities as these development boards are brought into place.

A number of transit cities have already been identified, and we can expect that the government will introduce development boards in those cases, again to usurp the influence of existing agencies. The transit cities will include Frankston, Footscray, Ringwood, Sydenham and Geelong — and Box Hill is in there as well.

Last year a considerable amount of money, about $1 million, was spent on the upgrade of the transport interchange at the southern end of the Geelong railway station. Despite advice at the time that it was not appropriate, the upgrade went ahead. Only a few weeks after it was completed it was resolved that the transport interchange should be at the northern end of the station, so something like a million dollars was thrown away. If a development board is established around other transit cities — and if there is one in Geelong at some stage, I am sure the City of Greater Geelong will have something to say about it — you would hope that the government would be able to do better than it did around the Geelong station and its transport interchange.

The central message is that this is an indication of a lack of confidence in the local Dandenong council. A further item we elicited from the briefing was that it is the intention of the development board that it be co-located with the Department of Innovation, Industry and Regional Development in Dandenong. As I said before, there was no statement of cooperation with the council required, and it was acknowledged by the bureaucrats at the briefing that the board could go its own way if it wanted to.

We also asked about the resolution of disputes that may arise between the Dandenong Development Board and the council. There is no process in the legislation for the resolution of disputes. When we pressed the point it was indicated to us that the matter would be up to the minister to resolve — so it falls back to ministerial discretionary powers. That is a snapshot of some of the issues.

There is every reason for councils across Victoria to watch this with interest. We have consulted with a number of interested councils and municipal groups, and they are quietly concerned. They are being polite to the government in its ascendancy. Some of them have deep concerns that this may get away in the future and that additional powers may be assigned to these bodies, to the extent that they are pluralised to the detriment of councils.

The irony is that those transit cities are located in Labor municipalities, so it really is an expression of a lack of confidence in those Labor councils. Sending the message that ‘We know better. We do not trust you, even though you are our mates’ is interesting coming from a government that claims to be in the ascendancy.

The message is starting to come home to local government bodies that their powers are being diminished by this government, despite its rhetoric and despite there being a minister who says that under the Melbourne 2030 strategy decisions will be a function of the council’s desires, not the government’s. But that is not the case, as has been indicated by ministerial direction 9 in the Melbourne 2030 strategy, which requires planning authorities, including the councils, the Victorian Civil and Administrative Tribunal and other planning bodies, to comply with the government’s direction.

Under another piece of legislation it is proposed that 17 councils will lose their planning scheme amendment preparation powers, including some of the councils potentially affected by these sorts of development boards. Clearly insufficient resources have been assigned to councils to implement Melbourne 2030. Instead the resources are going to bodies like this.

When it comes to resources the Treasurer has assigned barely $1 million a year at this stage for the Dandenong Development Board; and no doubt a total of $4 million, or $1 million a year for four years, will become a benchmark for similar development boards in the future.

Council resources are already stretched. Proposals under Melbourne 2030, others currently before this

place and still others on the minister's table suggest that councils will be required to do work which will necessitate their disposing of work they have already done. That will not increase their love of the diminution of their powers that this government has undertaken.

The Liberal Party will not be opposing this legislation. We will be watching it carefully to ensure that the Dandenong Development Board does not get carried away with itself in terms of power, that its influence is used carefully and wisely, that disputes with the council are minimised, and that the balance between the powers that should rest with the council and those that should rest with the government is not undermined on a full-time and permanent basis.

I simply say again that we will not be opposing the bill, and we look forward to a thorough debate on the issue.

Mrs POWELL (Shepparton) — This bill joins a number of bills that have been reintroduced into this session because of the early election called by the Bracks government in 2002.

It establishes the Dandenong Development Board, the aim of which is to facilitate the development of Dandenong as a key centre for employment, housing, service delivery and community activity in south-east Melbourne. Its aim is also to facilitate the economic, cultural and community development of and employment growth in Dandenong. As the member for Hawthorn and shadow Minister for Planning said, you would think they would be the sorts of services and authorities that the Dandenong council would provide.

As I said earlier, this bill replaces the Dandenong Development Board Bill 2002, which lapsed when the election was called. On 12 March 2002 the Premier announced that the government would establish the Dandenong Development Board and provide it with $1 million each year for the next four years, and that has been confirmed in the 2002–03 budget. Fourteen months later we are debating a bill to put that board in place. I put on the record the fact that the National Party does not oppose the bill, but it has some concerns about the power of the board, including the powers that the board will take away from the Greater Dandenong City Council, as well as the lack of confidence the government has in the council.

As a result of the briefing on the original bill and the briefing on this bill last Monday, for which I thank the Department of Sustainability and Environment, I can advise the house that the only change in this bill is that the government has included one extra member on the board, who will be the Secretary of the Department of Infrastructure. That will take the number of board members to nine, where formerly it was eight.

There is also a change in the date of commencement from 1 January 2003 to 1 January 2004. I was advised at that briefing that this board will actually be able to influence the government's direction and decisions. I believe it should be able to do that, given that the majority of people on the board will be either appointed or decided by the government.

The constitution of the board, which as I said earlier comprises nine members, is referred to in clause 10. It includes the mayor of the Dandenong council, or his or her nominee. That is the only person on this whole board who will actually represent the concerns of the community, having been elected by them. We will also have the chief executive officer, or their nominee; the Secretary of the Department of Sustainability and Environment, or their nominee; the Secretary of the Department of Innovation, Industry and Regional Development, or their nominee; a newly appointed person, the Secretary of the Department of Infrastructure or their nominee; the chief executive officer of the Urban and Regional Land Corporation, or their nominee; and two people with business interests in Dandenong. But the two people included for their business initiatives will be appointed by the minister, so while they may have business interests in Dandenong they will be very much directed by the minister.

It was interesting to note that the independent chairperson, who has just been appointed, is Mr David Cowlishaw, who does not live in Dandenong. So while he is there to be the chair of the Dandenong Development Board, he does not live in the city. I wonder whether the people of the City of Greater Dandenong are happy having somebody representing them on such a big and important board who does not even live in the municipality.

He has a financial background, so I am sure he will be well suited to oversee the financial aspects of the board. Mr Cowlishaw has been approved by the cabinet; and as I said, most people on the board will be either government appointees or members of the department.

Clause 5 deals with the establishment of the board. Clause 5(2) says:

> The Board —
>
> (a) is a body corporate with perpetual succession …

The one concern I have is that the board may sue or be sued in its corporate name. The clause also says the board:

(d) may acquire, hold and dispose of real and personal property …

I was assured at the briefing that the board will be able to hold land, but it certainly will not be able to acquire land or buy land. So when clause 5(2)(d) states that the board 'may acquire', it does not mean it will be able to actually buy land.

An interim body called the Dandenong Transit City Advisory Committee has been set up, and it already has four staff — the executive officer, two project managers and one office manager. I understand that the advisory committee is located at the state government offices in Dandenong.

As the previous speaker said, I hope the board is able to forge good relationships with the Dandenong council and that they will not really be a long way apart. As they are in separate locations, I hope the strains of communication are not such that they do not tell each other what is happening in the best interests of Dandenong.

In one of its 1999 election promises the Labor government said it would have a hands-off approach to local government. I do not think you could really call this a hands-off approach to local government.

Mr Carli — What was that?

Mrs POWELL — I will read from the Labor Party's election commitments on local government, as printed and authorised by John Lenders. Labor made a number of commitments to local government. There are a number of them, so I will not read them all, but the one that is probably relevant to the bill before us is about ensuring:

> … democratically elected councillors oversee, manage and direct the business and affairs of the municipality and resume responsibility for the performance and accountability of the chief executive officer.

The next one that is fairly important to this piece of legislation says its aim is to:

> Clearly define and protect local government planning powers, and allow fewer areas for unilateral ministerial intervention.

The bill before us makes sure that that will not happen, because in all its aspects the minister is very much directing and guiding this board.

Dandenong is one of nine metropolitan transit cities that were identified in the government's blueprint for its Melbourne 2030 strategy. We were advised at the briefing that the reason Dandenong was prioritised and brought forward as one of the earlier municipalities to become a transit city is that it has had a number of business closures, so unemployment in Dandenong is fairly high.

I have to say that if that is a criterion for bringing forward a transit city or giving some sort of special support for a local community, then I would also urge the government to look at the City of Greater Shepparton.

In the second-reading speech I understand four regional transit cities are referred to — not that I am saying Shepparton should be a transit city, because I would like to make sure Shepparton promotes its own employment and charts its own course and does not have the state government directing it. However, it would be good if the same sorts of initiatives in employment, tourism and infrastructure building that are happening in some of these transit cities could also happen in some of our smaller rural establishments, particularly in Shepparton.

The second-reading speech states that the board is being set up to tackle the economic, social and environmental challenges in Dandenong. But as I said earlier, the government needs to look at the support it can give to Shepparton, which is suffering under the impact of the worst drought on record. Farmers have been paying huge amounts for water and feed, and some of the smaller dairy farms have lost about $130 000. The flow-on effect is now hitting the small businesses that are reliant on agriculture.

In the City of Greater Shepparton we have had quite a number of job losses — the same as in the City of Greater Dandenong. We have had the Yakka factory close, with about 275 jobs being lost, and while the SPC-Ardmona merger was a good initiative, there have been some job losses there. Both factories are operating at a lower level because less fruit is being processed due to the drought. Tatura Milk Industries is reducing its staff numbers because of its smaller milk production as a result of the drought.

Small businesses in the area are putting off staff, and the advice I have received from the Shepparton Chamber of Commerce is that businesses are struggling — not just small businesses that have said they have had to put off staff because they heavily rely on agriculture, but also some established businesses are struggling. Some businesses are down to about 30 to 40 per cent of their normal takings. If circumstances do not improve, many of those businesses will close. The situation will be drastic if we do not receive good rain this winter. I urge the government to look at the plight of the City of Greater Shepparton and make sure that

the economic development of that area is considered for funding, development and economic management.

I now turn to the bill and raise a number of concerns. I have talked about the constitution of the board and my concern that it is made up of four representatives of government departments, two representatives of the council — with only one being elected — and two industry representatives, but those industry representatives are also appointed by the minister.

Clause 15 deals with the procedure of meetings of the board. It states:

> … if voting is equal, the person presiding has a casting, as well as a deliberative, vote.

My concern is that if there is not also a representative there from the Dandenong council and somebody else is chairing that meeting in the chairman's stead, the interests of the Dandenong area would not be looked after. It would be driven by the state government mandate rather than the community mandate. I have a concern that the Dandenong council should always be represented at any of those board meetings to make sure the community's targets are being met.

Clause 18 says:

> The Board may —
>
> (a) establish any committees it considers necessary … particular issues.

This is a case of the board getting involved with the council's roles. The board could be talking to the councillors and finding out the direction that the Dandenong municipality wants to go, but it must do so by making sure it takes note of the councillors of Dandenong, who are the elected representatives of the people, and therefore until they are put out of office they are the voice of the people of Dandenong.

Another of my concerns is clause 20 dealing with the use of department or council staff. This provision says that the board may:

> … enter into an agreement or arrangement with the Council, for the use of the services of any member of Council staff.

We all know that local government has only just enough staff members to cover their present work projects. They are under-resourced. I hope this board does not take away paid workers or officers of the council when they are needed at particular times.

Clause 21(1) concerns the corporate plan provision:

> The Board must prepare a corporate plan for each financial year.

I was wondering how this would integrate with the council's corporate plan. It raises issues, because the board may not want to head in the direction that the council wants to. We talk again about dispute resolutions. If the council is against the direction the board wants to take, is there a process of dispute resolution that can be used so that the councillors, the elected representatives of the community, are the ones who have the last say. I ask what processes are in place to resolve disputes about directions or priorities.

Clause 21(6) states:

> The plan, or any part of the plan —

the corporate plan —

> must not be published or made available except for the purposes of this Act without the prior approval of the Board and the Minister.

There is a requirement on local government to take its corporate plan to the community. My concern is that the board is also required to take its corporate plan to the community to make sure it is moving in such a direction that the community approves. I raise that as an issue. As I said, councils must put their corporate plans to the community, yet I do not think the bill provides that the board is required to put its corporate plan to the community.

Clause 21 further says:

> (9) The Minister may, from time to time, by written notice to the Board, direct the Board to include in, or omit from, a statement of corporate intent, a business plan or a financial statement of a specified kind, any specified matters.
>
> (10) Before giving a direction … the Minister must consult with the Board …

And:

> (11) The Board must comply with a direction under this section.

This is clearly the minister directing the board whereas the Labor government came into office saying it would be a hands-off government and it would allow local government to charter its own course.

Clause 26 is the final part of the bill:

> This Act expires on 30 June 2010.

The National Party has concerns about the lack of confidence of the government in local government and its ability to govern for its own people. It is diminishing the mandate of local government. I hope this is not a blueprint for those other transit cities, where this board

becomes a quasi-municipal council. The people in the electorates would be concerned if they thought the people they had elected to do the job for the three years are to be superseded by a board with a term of four years. That would be of concern to most people, particularly those who support local government. While the National Party does not oppose the bill it has a number of concerns about the relationship between local government and this board.

Mr CARLI (Brunswick) — I am pleased to support the Dandenong Development Board Bill. Just before Easter I spent a day at Dandenong with the four people who have been employed to service the Dandenong Development Board as well as the network of business people, the Urban and Regional Land Corporation (URLC) and a number of the other players who will be part of the board.

It seems that a visit to Dandenong certainly demonstrates why there is a need for the Dandenong Development Board. It is clear that Dandenong has enormous potential. It is the centre of the largest manufacturing area in Victoria and is possibly the largest manufacturing area in the country, with 40 per cent of manufacturing jobs being centred around the south-east part of Melbourne at Dandenong.

The area was substantially hit in the 1990s by substantial economic restructuring, change and job losses. I think of the closure of the Nissan factory, the closure of General Motors at Dandenong and the closure of Heinz. They suffered large job losses. The community got a terrific kick in the guts, but it has come back and there have been significant investments.

It is obvious that there are major issues about existing land uses and urban renewal there. There are significant areas that provide opportunities for urban renewal. I think of the significant area covered by the old saleyards, which the government has identified through the URLC as an area for development. Also across the railway line from the centre of Dandenong is a huge area that will become great for residential development.

There is also great potential for the redevelopment of industrial land. On that day we were talking about the Grenda's bus depot possibly being moved, which would be a great opportunity as it is just across the road from Dandenong station. We could possibly develop a college or institution investment there. There is enormous potential, but one has to acknowledge that in the past attempts have been made to coordinate changes and the revitalisation to make Dandenong into a major city, but it has not happened. It is not defined as a transit city. However, it has enormous potential.

The body that has been set up by the government to provide the organisational arrangements will achieve urban renewal and urban change. It is made up of the City of Greater Dandenong. There is no conflict with that city. The board will include the business community, and government departments and agencies. They are the people we need to advise the minister and departments, to assist the coordination needed to help promote Dandenong and to ensure investments are made in Dandenong.

The board is not a planning body; it does not have planning powers. It is not an entrepreneurial body; it is not there to buy up land to provide development. What it is essentially is a body which is there to advise, to coordinate, to get ideas, to help promote and to seek investment. It is fundamental that the agencies referred to by previous speakers, including the Department of Infrastructure, the Urban and Regional Land Corporation (URLC), the council and private investors, are all involved in this process.

The genesis of the board is the poor development, the poor urban form and to some extent even the poor urban design we have in Dandenong. Dandenong has huge potential as a centre for the south-east, with its enormous amount of manufacturing and employment, and it is also a gateway for Gippsland and its cities. With the fast rail to Gippsland, Dandenong will provide job opportunities for the townships of Moe and Morwell and others in the Latrobe Valley. So the genesis of the board has been the failure in the past to coordinate development and create a structured master plan for the whole thing to ensure that everyone, private and public, had a common vision and knew where investment could occur.

I must say that that is what is being done at the moment: a master plan has been prepared by the City of Greater Dandenong. That should not surprise us, because it is the planning authority, and this board does not take away the right of the council to be the planning authority. There is a growing sense of the need to ensure that both public and private development and investment have to be targeted at that urban plan. That is what makes it so exciting.

Another exciting thing is that the board will expire in 2010. Why? Because it has a limited life and purpose. There is a process now, and a potential. The kick in the guts of the big job losses that the area suffered has to some extent been turned around. There is interest in increased investments in the City of Greater Dandenong, so it is a question of realising that interest in terms of an urban plan that really does build the city and give it its full potential based on the principles of a

transit city, focusing both commercial and government activities in the one centre and building higher densities around the transport nodes — in this case, Dandenong. Dandenong is a significant transport node because not only has it got a railway system, but large numbers of buses are centred there. It is a node for the movement of bus passengers. It is also a fundamental part of the Mitcham–Frankston freeway at the point where the freeway intersects with the Monash Freeway and the Princes Highway. So again there is huge potential for Dandenong to be a real centre of not only manufacturing but also the freight and logistics industry.

It is a very exciting model, but obviously the board will expire in 2010. It is not a template for other transit cities. The member for Hawthorn decided that that was a big problem with the board, that it was being used as a way for the government to spend more money and create more bureaucracy. It is not a template for any other transit city; it is a response to the particular and unique issues of the City of Greater Dandenong. Other transit cities have their own models, largely driven by their council and state government agencies, but Dandenong has a peculiar situation, and the response to that has been to set up the board. In particular, there is no conflict between the board and the Greater Dandenong City Council. The two previous speakers identified that as an area of conflict, but they need not be concerned because the board has no planning function, therefore there can be no conflict between its planning role and the planning role of the City of Greater Dandenong.

The staff have already been employed, as I indicated. I had morning tea with them on the Thursday before Easter at their office at 314 Thomas Street, Dandenong. They are very excited, and they have a good idea of where things are going. The URLC is the developer for the Dandenong saleyards site. That is a huge development, a residential improvement, if you like, to what is now essentially wasteland. It is extraordinary to see this wasteland just across the railway line from the centre of Dandenong. This huge tract of land has enormous potential for medium-density housing and housing of reasonable densities in terms of outer Melbourne.

There are other issues associated with that, which is why these sorts of collaborative models are really important. The saleyards proposal involves integration with the railway station, which in turn involves moving Freight Australia away. Having both a vision for the site and the ability to negotiate and to ensure that those agencies — particularly those that involve industrial uses — that are inappropriate in Dandenong and can be moved are helped to move. That has happened with Freight Australia and may happen with Grenda's bus depot as well. There is a lot of exciting potential, and the board is there to help realise it.

That is what makes it so exciting. It is not about having planning power or hitting councillors on the head or telling people what to do; it is about being a broker, being a facilitator and getting the people together.

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

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until later this day.

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Second reading

Debate resumed from 9 April; motion of Mr HULLS (Attorney-General).

Opposition amendments circulated by Mr McINTOSH (Kew) pursuant to sessional orders.

Mr McINTOSH (Kew) — At first blush this bill appears to be a rather silly, if not trivial, bill dealing with a minor part of a significant social problem that this state faces. Of course we are all aware of the debate we entered into last year about sex tolerance zones. While sex tolerance zones were opposed by the opposition and eventually the government backed down on them, it is worth acknowledging the right honourable member for Richmond's contribution to the debate, and that a member for Monash Province in another place and members from the community and from the police have participated in an Attorney-General's advisory committee to deal with this significant social problem.

The social problem I am speaking about is the issue of street prostitution, which remains an illegal, unlawful and prohibited act in the state of Victoria. The Prostitution Control Act, which was introduced by the former Attorney-General, enabled the provision of legalised brothels in various areas in Victoria in an effort to try to clean up the whole issue of prostitution in Victoria. Regrettably what grew out of that was probably a traditional market response to a demand for the supply of particular goods, and over the ensuing years street prostitution has grown up like Topsy, particularly, as the Attorney-General identified in his second-reading speech, in various areas in St Kilda.

The reason I say that at first blush this may seem to be a silly or rather trivial bill is that it deals only with a peripheral part of the problem — a secondary or collateral problem that has grown up out of street prostitution, particularly in St Kilda. The issue the bill seeks to address is the issue of guttercrawling or sex tourists. To delineate what is being talked about here I indicate that it is not the sex workers, and it is certainly not the clients of the sex workers; it is those people who are attracted by the sex workers, either male or female, and who yell abuse and behave in an offensive and unacceptable manner. I think all in this house would accept that that is something the government ought to do something about. As I said, it is an ancillary aspect to what is an overt market in St Kilda.

One of the recommendations of the advisory committee that the government is relying upon is that there be some mechanism for infringement notices to be applied to guttercrawlers. I have no doubt that that is an appropriate response in this circumstance, but what gives me concern is that, firstly, it is limited to the guttercrawlers, the sex tourists; and secondly, it is limited to a particular geographical area in a designated area defined by the Attorney-General.

I will deal with the first aspect of the problem. In the last two weeks since the introduction of this bill I have had an opportunity of discussing the matter with a range of different people, not only members and former colleagues of mine at the bar, but also solicitors. I have also spoken to members of the police force, to residents, and to a member for Monash Province about this matter.

There is no doubt that a significant problem is created by street prostitution. But rather than dealing with the issue of street prostitution, we are dealing with a collateral or ancillary aspect of that activity. That really leads to alternative conclusions. One is that the government, in the way this bill is to operate — which is, to deal with a peripheral part — is not fair dinkum in dealing with the issue of street prostitution. Having spoken to the member for Richmond, a member for Monash Province and others, I have no doubt that the government, over a long period of time, has demonstrated a desire to deal with the problem. So it could not be the fact that it is not fair dinkum in dealing with the problem.

The alternative conclusion is that this bill will deal with a peripheral part of the problem and declare an area to be, in accordance with the criteria prescribed by the Attorney-General, an area where there is an overt market for street prostitution somewhere in the state of Victoria. It really is a de facto mechanism for introducing sex tolerance zones into the state of Victoria, and the government has been dealing with it by way of stealth and through the back door.

The first and most primary purpose is this. By declaring a particular geographical area to be an area, within the meaning of this bill, where there is overt street prostitution, whether it is in St Kilda, as set out by the Attorney-General, or elsewhere in the state of Victoria — and the Attorney-General is able to make that sort of declaration — the Attorney-General is saying, 'We have failed as a government to deal with a significant social problem'. That problem of street prostitution is there, it will remain, and it has not been touched, because of this government's inability to deal with that social problem.

I am sure the right honourable member for Richmond has discussed the matter with residents down there. They have expressed profound concern about the guttercrawlers, the sex tourists. They also express profound concern about street prostitution and the way it has been conducted openly under the nose of the government, the police, and the rest of the community. I have had one resident describe a situation of leaving on a Friday evening with their young children to go to visit somebody to discover people copulating in the front yard. Those sorts of stories have been replicated by a number of residents I have discussed this matter with in a variety of descriptions of salacious acts.

All of those I have discussed the matter with raised the issue that the fundamental problem is the open sex trade with which this government is not dealing. I understand that with the open sex trade, with which this government is unable to deal, the implementation of mechanisms to deal with that problem creates the ancillary aspect of the market, which is the sex tourists. I understand why the government would be very interested in amending the law to enable the application of penalty infringement notices in this particular circumstance. That is because of the cumbersome process a police officer would have to go through to prosecute such a sex tourist in St Kilda or elsewhere. It would be a turgid and slow process of going through a normal charge and court process which would ultimately lead to either a conviction or an acquittal. The most important thing is — —

An honourable member interjected.

Mr McINTOSH — The member for Richmond is actually a right honourable. The most important thing about this is that the appropriate way of dealing with this cumbersome process is to impose a penalty infringement notice. I do not disagree with that at all.

The police officers I have discussed this matter with will tell you they have been advocating the application of penalty infringement notices for this problem for some considerable time — at least, as far as I am aware, since the setting up of the advisory committee the right honourable member for Richmond was involved in.

The most important thing about what the police were saying is that it was never ever to be confined just to sex tourists. They felt that penalty infringement notices were a major step forward in dealing with not only street prostitutes and street sex workers but also the clients who may be procuring their services. Similarly, not only is dealing with offensive behaviour under the Summary Offences Act a cumbersome process, but dealing with the crime of soliciting or procuring the services of a prostitute in a street under the Prostitution Control Act is also cumbersome.

The police suggest that they should be armed with the ability to issue penalty infringement notices to street sex workers and their clients, while also dealing with the ancillary problem of guttercrawlers and sex tourists. However, this government's response is to totally ignore the fundamental cause of the problem with sex tourists and not deal with the issue of sex workers or clients but rather to just deal with the ancillary aspect.

I have said it before publicly and I will say it again now: if you look at this from the point of view of its being a pure market, you have the supply and demand of a particular service. But as an externality to that you have sex workers who hinder that market. By introducing this legislation the government is removing one of these externalities from the operation of the market to supposedly facilitate it and make it better off. There may be a collateral benefit, which is that it improves the local residents' lot, but only marginally. However, the fundamental problem is that the government is doing nothing about a serious social problem that is occurring down in St Kilda, as defined by the Attorney-General.

A better response to this serious social problem would not be limited to the application of penalty infringement notices. It would certainly require a much more detailed response. The fact that the government is not bringing in a package to deal with it suggests that at some stage in the future it will declare it to be a lawful activity and allow the market to apply in that particular area. There appears to be an unwillingness on the part of the government to enforce the law. We have seen that apply in other areas in Victoria — for example, in industrial relations — and we certainly can see it here. The government is refusing to enforce the law.

The police have asked for the ability to issue penalty infringement notices against sex workers and clients, not just the sex tourists. So what do we get from this government? Nothing. We get utter silence in respect of this matter.

There is also the issue of the government expecting the police to go out there, hide behind bushes and issue penalty infringement notices. In what way? We were briefed by departmental officers about the matter. They said it would require a police officer, not a third party, to make the observation of the unlawful conduct, or offensive behaviour, to which a penalty infringement notice would be applied. However, if the police are down there and observe a prostitute or a client behaving in a way which is already an offence under the Prostitutes Control Act, this legislation still requires adherence to a cumbersome process — that is, a charge, followed by court and conviction or acquittal.

Accordingly, it seems the government is not fair dinkum about dealing with this problem. To a large extent the government has betrayed the citizens of St Kilda and elsewhere by not tackling it. I would have thought the government would have adopted the views of the police and their being able to issue penalty infringement notices not just against the sex tourists but also against the street workers and the clients.

The offence referred to in the bill is constituted essentially by spoken offensive words or gestures from a motor vehicle. If you happen to get out of your motor vehicle and use the same words or the same gestures while walking up and down the street, you go down the path of a summary offences procedure. The offence is defined only in relation to a motor vehicle.

The other aspect of this, and it is one of the complaints that have been made to me about what street workers get up to, is that in certain cases people throw things from a moving vehicle. I have heard instances of ball bearings having been thrown at street workers. That is an appalling proposition.

I would have thought that offensive behaviour would include words, gestures or actions that would enable a person to be dealt with. Of course throwing something from a moving vehicle is a serious offence in any event; but if you want to deal with the problem, the definition should be extended to include actions as well as words and gestures.

While the opposition does not oppose the legislation, one of the amendments I have circulated would remove the process whereby the Attorney-General could declare an area where an overt market of sex workers

and clients is operating. On several occasions he made reference in his second-reading speech to St Kilda and the City of Port Phillip. My view is that by dealing with the problem you may very well move it, and I cannot understand why something would be illegal in one geographical area but not in another.

I will not go down the avenue of having a car halfway across the road — and presumably the whole of a road would be defined as being in a particular geographical area. But it begs the question as to why yelling and gesturing in a motor vehicle would not be an offence attracting a penalty infringement notice if it happened on the wrong side of the declared area but would become an offence if it happened 100 metres down the road on the right side of the declared area? Having to have a declared area seems to me to be ridiculous.

The government, in its consultation with the police, has not been telling the police what to do; but presumably everybody would also be aware that the first priority in dealing with sex tourists by penalty infringement notice would be St Kilda. That does not mean the market may not spring up elsewhere. Why do you have to confine it to a geographical area? There is no apparent reason, on the face of the second-reading speech, why the market should be confined to a declared area? Accordingly the amendments that the opposition has proposed relate to removing the requirement for a declared area.

So offensive behaviour in a motor vehicle by the use of words or gestures should be unlawful right around the entire state, and the application of penalty infringement notices (PINs) should apply in relation to those matters. That is a sensible response to this particular matter, and it should not be confined to a geographical area. The only reason I suspect the government has inserted 'in a declared area' is that it wants sex tolerance zones by stealth. By designating an area government members are basically throwing their hands up and saying, 'We can no longer enforce the law in relation to an overt market. The law is too cumbersome, it is too slow', or whatever, 'and we cannot enforce it'.

What is worse is that the government is not taking the view that it cannot enforce the law, it is taking the view that it simply will not enforce the law. That is the most reprehensible part of this bill: it is effectively declaring that it will not enforce the rule of law in certain designated areas around Victoria.

The most important thing about this is that the government has consistently said in relation to sex tolerance zones that it will not rule them out. This is just the first step in a gradual process that will allow sex tolerance zones in the state of Victoria. Why would you have the application of a penalty infringement notice for a geographical area with an admission that you cannot or will not enforce the law? What is the next step? The next step is decriminalising it in a particular area. And, if you do that, you have your classic sex tolerance zone.

What criteria will the Attorney-General take into account to make that sort of declaration? There was an overwhelming response by the advisory council that such sex tolerance zones should not be in residential areas; they should not be near schools or in areas frequented by children. The problem with the illegal overt market as it currently stands is that it is exactly where it is. It will deal with the ancillary problem of sex tourists by declaring an area where it will not or cannot enforce the law. That inability to enforce the law or desire not to enforce the law in an area that can be right slap-bang in the middle of a residential zone where children play, where there are schools and the like, means that the next step will be, as I said, just to say that it cannot or will not enforce it as a matter of law and it will thereby decriminalise it.

On 14 August 2002 the Deputy Premier, the member for Albert Park, whose electorate also covers St Kilda, said in relation to the government saying that it will not proceed with sex tolerance zones:

> If you are going to move forward in this area —

that is, sex tolerance zones or street prostitution —

> … you have to move forward gradually.

In a press report of 14 August a statement was made by the journalist Gabrielle Kosta indicating that the government and the council had said that they had not given up on the plan. The plan, of course, was sex tolerance zones. As I have said, the response by the Deputy Premier was not to say, 'No, we have given up. We are ruling it out'. What he actually said was, 'You have to go a little bit more slowly. You have to do things by gradual increments'. What better gradual implement than to say, 'Pick an offence like guttercrawling or sex tourism — pick on a minor part of the activity, a problem of significance but one that has only a minor part, a collateral part of the problem, and deal with that by issuing PINs which effectively say, 'We cannot and will not enforce the law'.

The Attorney-General said Labor would pursue its plans for tolerance zones because 'for too long people in St Kilda have been living in an open-air brothel'. I see the honourable member for Richmond sitting there turning his nose up, but I will quote what the Attorney-General said — he can deny it when summing

up. The Attorney-General said Labor would pursue its plans for tolerance zones because 'for too long people in St Kilda have been living in an open-air brothel'.

Mr Wynne — What is the date of that?

Mr McINTOSH — The date is 14 August last year. The most important thing is that the Attorney-General is saying that the government will not or cannot enforce the law to prevent this problem and that the solution is to decriminalise it in an area. That is what we are getting with this: we are decriminalising an activity because the government is admitting that it will not or cannot enforce the rule of law for certain aspects of offences in the state of Victoria.

Even the local council is saying that this is not about stopping it. On the government's announcement that it would not proceed with sex tolerance zones in the lead-up to the last election, the *Age* of 14 August quotes the Port Phillip City Council mayor, Cr Darren Ray, as saying:

> This is not about stopping it. What we are merely doing is taking a sidestep to ensure the best decision is reached.

This is a little double-shuffle. You have both the council and the government indicating that they will proceed down that avenue. On 13 August 2002 the Premier said:

> We will go ahead, but we are not going to put in legislation until a proper and appropriate site is found.

The Attorney-General is now in favour of it; he will designate a particular area as being an area for which the government will not or cannot enforce the law on street prostitution. The Premier has given his endorsement, the Deputy Premier has given his endorsement, and the most important thing is that this gradual, nice process will continue until we have a sex tolerance zone dumped on the people of St Kilda notwithstanding that the residents may take umbrage at that particular activity — that particular market that is being applied in their front yards and in the streets outside their homes. They are crying out for a government to deal with this problem rather than just coming up with a cosmetic solution to it. It is being run by the loony left to ennoble an activity that is still unlawful in this state. The Premier is in on it, the Attorney-General is on it, the Deputy Premier is in on it, and this is the first step.

I cannot understand one iota why it should not be unlawful for sex tourists to use offensive gestures or language in a motor vehicle in a designated area. While the opposition may be compliant in allowing penalty infringement notices to be issued in relation to sex tourists, it strongly opposes the issue of the designated area. Accordingly that is the issue we will seek to have removed from this bill.

Finally the opposition suggests that this problem needs serious and cogent solutions. PINs are appropriate, but the power to issue PINs should be given to the police generally. They can be used to deal with the particular market or problem as it occurs — and that can be targeted at St Kilda, because there seems to be overwhelming acknowledgment that there is a problem there — but they ought to have general application. They should not just be limited to sex tourists or guttercrawlers, they should also have application in relation to street prostitutes and their clients, whose activities are still unlawful acts under the Prostitution Control Act.

Also, one would have thought there would be a commitment to the provision of proper police resources. There is no commitment to proper police resources here. The point is that this is a serious problem that warrants a serious solution by a genuine and valid commitment of police resources. The most important thing missing from this plan is a solution that will enable street workers to actually exit from the situation.

The underlying problem in street prostitution in St Kilda is probably drugs, but there are other problems there: there is homelessness, and there is intellectual disability. The Labor government is betraying those people because it is simply brushing the matter under the carpet. It is dealing with a peripheral part of the problem in relation to guttercrawlers by designating an area where it says, 'We are unable or unwilling to enforce the law', but it is doing nothing about the underlying problem. What it is dealing with is the superficial consequences of the problem, and that is a matter of deep regret for the opposition. The government has not shown the strength of character to deal with this issue in a much more significant manner.

The government failed at the first attempt, but it did not take its bat and ball and go home. The Premier, the Attorney-General and the Deputy Premier all want this to occur. In my view this is the first step towards legalising prostitution on the streets in certain areas of St Kilda, and for that the government should be condemned. The underlying substratum is something the opposition agrees with — the issuing of PIN notices — but the bill does not go far enough. The opposition would see the designated areas removed from this bill.

Mr RYAN (Leader of the National Party) — I have the greatest sympathy for many of the participants in what is an extraordinarily difficult issue. I cannot help but think that many of those who are caught up in this appalling trade as sex workers are there for a variety of reasons. We sometimes attempt to pass judgment on them, whereas for the main part they are involved in the trade for reasons of absolute necessity. I say necessity in the sense of the extent to which their personal dignity has deserted them or their activities are drug related or there are other requirements that they see the need to fulfil financially which reduce them to having to participate in this trade.

Of course it must be remembered that this is a trade plied not only by females but also by males, and by both sexes of all ages. It would be wrong for us to think of this just in the context of females walking the streets and parading themselves and subsequently being involved in this dreadful trade. I have a large measure of sympathy for the people who are caught up in this. Of course — not to be naive about it — there are those who are in it simply for the money, although for those who are intent upon participation on that basis there are other mechanisms that enable them to be involved in the trade without having to participate in the way this legislation contemplates.

Apart from those directly involved in the trade there are the tourists, the crawlers or whatever other term one might want to use to describe them. These people are equally despicable. The third group is those who use the services of the sex workers. Sometimes these latter two categories become one; in other instances they remain separate and discrete. I can see that the government is making an attempt to address a component of what is a very difficult issue.

Most of all I feel great sympathy and empathy for the local residents who are caught up in the middle of this and for whom the reality is that they have a brothel being conducted in their immediate neighbourhood by night and indeed by day. Many of these people are desperate to achieve a solution which will bring relief from what has historically been a very, very difficult problem for them.

I support the use of penalty infringement notices — PIN notices. They could be used more extensively across the law than they are. They could be used in relation to a range of other relatively minor offences, such as drunk and disorderly conduct and the various other offences associated with that charge. I have put that point of view many times over the years. A lot of police time is wasted in circumstances where process is undertaken in a court when the situation could be dealt with more appropriately in today's world by PIN notices being issued. Therefore I support their use.

I do not understand, though, why the government has chosen to pursue the legislation in the way it has, albeit that the PIN notices are being involved. I say that because I think there is ample scope for the government to extend the operation and use of the PIN notices to all the players, as it were — not only those to whom this piece of legislation is directed. As a matter of logic there seems to me to be no rationale as to why the use of PIN notices cannot be extended so that everybody who participates in this trade can be subject to them.

I note that over the years PIN notices have been of great benefit in other forums in bringing about a mechanism of an immediate judgment, if you like, being passed and given effect simply by that piece of paper being handed over. I note also that under new section 60AF the payment of the infringement penalty is not to be taken as an admission of guilt or as an admission of liability for the purpose of any civil claim. It seems to me therefore that there is a capacity for a wider use of these notices than is contemplated by this legislation. There are other people, as I have described, involved in this trade, and this legislation focuses upon only one element of what is a much more complex issue.

It will be interesting to see the attempt to enforce the legislation. I look, for example, at proposed new section 18, which describes offensive behaviour by a person in a motor vehicle in a declared area. I take up the point made by the shadow Attorney-General about the apparent contradiction in the fact that these activities as defined in the bill can occur outside a motor car without attracting the use of a PIN notice as contemplated by the bill. That does not seem to me to be a sensible course. It seems to me that there is no reason why, as a matter of logic, it cannot be extended.

Then you have the issue of it forever being a burden in terms of the interpretation of expressions such as 'words or gestures', which will be a problem in enforcing the legislation. A lot of those sorts of interpretive issues will be overcome simply by the fact that we have a strict liability process in operation here, and I suspect people will cop the fine and be done with it — they will pay up and be gone. But there is potentially the issue of interpretation of what represents an offensive word or offensive gesture. I pose, for example, for consideration by the member for Richmond the issue of what happens with a whistle.

If a person in a car sees someone to whom they want to direct a whistle, such as people walking along Spring Street outside this Parliament, ladies, I am sure, would

interpret it as being offensive. The member for Richmond is dismissive, by his gesture, about what I am proposing, but when you look at other legislation we have debated in this Parliament about the conduct of people that can attract penalties in other particular elements of the law, I do not think he should be so readily dismissive. This is the sort of example that will present potentially as a problem in the interpretation of this legislation.

We also know that it will have to be a police officer to whom the gesture is made or who overhears whatever is said, be it a whistle or otherwise. Now that will make for pretty interesting activity. As a matter of logic, it is certainly not going to be a police officer dressed up in the full bells and whistles of uniform standing on the footpath as a car comes past, waiting to hear these sorts of comments made or see these gestures occur. By necessity, by logical extension, this will have to happen in a situation where the police officer concerned will have to be operating in, dare I say it, an undercover sense. That in itself will lead to some interesting consequences.

For the purposes of giving effect to this legislation, what has to happen is that the person who is subject to the PIN notice will have to be served with it. It has to be delivered to that person personally, or sent by post addressed to that person's last known place of residence or business. I pose this as an example. You have the young buck from whatever suburb in Melbourne deciding after he has been out on the rocket fuel for a while with a few of his mates that he will borrow dad's car and go down to St Kilda and have a little bit of 'fun'. So four of them are in the car down a side street in St Kilda.

Is this registering a certain acknowledgement in your mind of events gone before, Minister?

Mr Batchelor — You are stumbling over your words.

Mr RYAN — As I was making the assertion by suggestion, I suddenly — —

The ACTING SPEAKER (Mr Ingram) — Order! The Leader of the National Party, without assistance.

Mr RYAN — I do not want to embarrass the Minister for Transport, but you have got four young fellows — —

Honourable members interjecting.

Mr RYAN — The Minister for Education Services says that I am embarrassing myself, but I am posing a query as to what happens when four young guys in a car that they have borrowed go down to St Kilda and conduct themselves in the way that this legislation contemplates, and a police officer — who I think has to be conducting his or her duties in an undercover sense — is supposed to serve the person who is guilty of this offence as described in the legislation with a PIN notice. Now it seems to me that it is impossible. As soon as the police officer identifies himself or herself there is the distinct prospect that the car is going to take off.

The police officer is never going to know, firstly, which person in the car said it, unless he or she has seen the actual individual doing it — all that is known is that the noise has emanated from the car — or secondly, who made the gestures. The car has done a runner and gone. There is a numberplate taken perhaps so a search can be undertaken by the police. Then you have the problems of identifying who was driving the car, you have issues about who within the car is guilty of the conduct that is being complained of, you have all these sorts of things that unfold in the sense of being able to give effect to this legislation, bearing in mind that the defendant has to be served with this PIN notice personally or it has to be sent to the post office address or the last-known place of residence of that person. So I can see lots of difficulties in trying to enforce the provisions insofar as they relate to the PIN notice.

In the end, from a National Party perspective, we accept the concerns that have been expressed already by the shadow Attorney-General, in that we have before us some legislation which may well be very difficult and impractical to try and enforce — albeit, I grant, that with the best will in the world the government is trying to do something in this legislation about an element of what is presented as a problem.

I move to the point of the amendment. I do not understand why the legislation is drafted in its current terms to refer to these declared areas. I do not see the logic in that. The second-reading speech does not even seek to explain the logic; there is no reference to why it is so. As always, I look forward to the contribution by the member for Richmond, as he provides a fulsome explanation of why things are so. Aside from that, I look forward to his explaining why we do not just have a general application of these provisions. Heaven forbid! Why do we not apply this in Sale or Mildura or any other part of Victoria in which there are such problems? You have to be pragmatic about these things. This is not an issue that attaches only to the areas specified in the second-reading speech. There is a good argument for extending the operation of the legislation to other areas apart from those set out as

declared. I look forward to the member for Richmond's explanation of that.

I accept that it is never ideal; but ideally we need much better mechanisms for the enforcement of the law and more police resources put into this matter. We need to attack this in a way that the problem deserves. When you consider this from the perspective of all the stakeholders, we have to be much better in getting these people off the street and into facilities where they can get emergency help, giving them emergency housing as necessary and putting them in contact with counsellors and various other elements of drug treatment facilities. We should be doing something by way of positive programs which provide these people, in their local area if necessary, with ways of getting out of the trade. I would like to hear the member for Richmond talk about those general concepts as well, because they make up the core problem that we are all anxious to attack.

Having talked about it for some considerable time at our National Party meeting, we concluded that we would not oppose the legislation, albeit that we have some misgivings about the narrowness of attempts being made to deal with a problem of a much broader scope. We support the Liberal Party amendment for the reasons I have indicated, because we think that if you are going down the path of using penalty infringement notices, with which we agree, then there is no rational reason to confine this process to the declared areas as contemplated by the legislation.

Finally, National Party members also share the opposition's concern that, in some lingering fashion, the concept of sex-tolerant zones is out there. I am upsetting the member for Richmond no end here, but he must understand that we are all fresh from the announcement of Scoresby tollways and other absolutely sworn-blind positions which have turned out utterly to the contrary. I am sure he will forgive my concern that this is a lingering issue which presents as a worry to the National Party.

Mr WYNNE (Richmond) — I rise to support this important legislation, which has had a long history of development. The contributions made by both the shadow Attorney-General and the Leader of the National Party were attempts — certainly it was true of the member for Kew — to revisit and re-prosecute an argument that is quite inaccurate.

I start by clearly indicating yet again the government's position on this matter. When the Attorney-General provided me with the brief to undertake the development of a government response to street prostitution, his instructions were explicit. That is, there would be no decriminalisation of street prostitution, and we needed to find a local solution that was St Kilda-specific, because that is the place where street prostitution has flourished for a number of decades, as is well-traced in the report, and certainly since World War II. It does not occur in Mildura, Seymour or other regional centres, or in fact in any other metropolitan precinct of Melbourne. That has been well established, not only through our report but also through expert evidence from the police themselves, who understand the issues perhaps better that most.

To suggest that this is an attempt by the government to covertly re-establish sex-tolerance zones is absolute nonsense. The proposition of establishing tolerance zones and street worker centres has been ruled out by the Attorney-General, by the Deputy Premier and, most importantly, by the Premier himself. It has been ruled out by the leadership of the party, and I am happy to reassert that position today. Any suggestion that this is some covert way of re-establishing sex-tolerance zones is absolutely wrong, and the Leader of the National Party knows that to be the case.

The proposition before us is to have a declared area, which is very much in line with the report of the Attorney-General's street prostitution advisory group, which was set up to provide a local solution to a local problem. If you accept the proposition that street prostitution is primarily located in the City of Port Phillip, and specifically within the suburb of St Kilda, then the next logical step is to accept that you provide a local solution to that problem. The declared area links the offence to the conduct of sex tourists who visit the area.

My colleague the member for Prahran knows the issue very well. He lives in the area and knows the problems being confronted by his constituents. Sex tourists are a significant menace not only to the residential amenity but also to the street workers, who are subject to abuse and offensive behaviour — and sometimes missiles are thrown at them.

I take up the question asked by the Leader of the National Party, and that is why the throwing of missiles is not part of this offence. The Summary Offences Act covers their discharge in its own right. The proposition is a relatively simple one: a penalty infringement notice (PIN) would be imposed upon the perpetrators of these offences — and their behaviour is quite dangerous and obnoxious to residents and street workers.

To suggest, as the shadow Attorney-General has, that the government has turned its back on enforcing the law is absolute nonsense. It is this government who, for the

first time, has ensured that the St Kilda police station is at full strength, with the overall installation of an additional 800 police. I cannot recall the exact number, but I think there are of the order of 29 extra officers at the St Kilda police station. They are back on the beat, ensuring that the area is properly policed not only in a general sense but also in relation to offences involving street prostitution.

Any comment from the shadow Attorney-General that the government is turning its back on this issue is arrant nonsense. The arrogance running through his contribution tonight was quite overwhelming. He does not understand the issues: he does not understand either what has been going on down in St Kilda or the lengthy process that has led us to this bill.

In his contribution the Leader of the National Party asked why we cannot go further with these penalty infringement notices and ensure that they apply not only to offensive behaviours but also to soliciting. I would have thought that the Leader of the National Party, who is much better qualified in the law than I will ever be, would know better than I — —

Mr Hulls interjected.

Mr WYNNE — I have never pretended to be a real lawyer!

What one has to ascertain is a person's intent in seeking to solicit. Do they satisfy — —

Mr Ryan interjected.

Mr WYNNE — It is an important proposition, because the offence of soliciting involves a potential penalty of three months in jail, and for the street sex worker it is up to one month's jail.

You have to establish intent. For example, the Leader of the National Party might be wandering down a street in a prostitution area in St Kilda trying to find the home of a relative or to meet up with someone when all of a sudden he is pulled up by the police and told, 'Here is a PIN for attempting to solicit for the purpose of street prostitution'. He would have to prove his innocence. He would have to answer questions like: what was your intent; what was your mens rea; what were you on about down there?

The Leader of the National Party knows this better than I do. Police should not impose a PIN for an offence for which a person can be jailed. The Leader of the National Party knows better than that. That is why the Attorney-General — —

Mr Ryan interjected.

Mr WYNNE — The Leader of the National Party is quite right. The Victoria Police came to the Attorney-General and said that this was a proposition that should be properly considered. It was properly considered by the Attorney-General and the advisory committee, and it was rejected.

This is a decent piece of legislation that deals with significant amenity problems caused by sex tourists — that is, hoons coming in from outside the area, throwing stuff and shouting abusive language at people living in the area and at street sex workers. The government is trying to provide a local solution to a local problem.

In the small amount of time I have left I want to thank a number of people who have made a fantastic contribution to this debate. I particularly want to acknowledge the work done by Anne Peterson, Jeanette Davidson and Sue Humphries from the local residents action group; the councils, which have been absolutely sensational not only in supporting these government initiatives but in providing a humane response to very difficult issues confronting the women and men on the streets of St Kilda; and the two mayors, Julian Hill and Darren Ray, and Cr Dick Gross.

I also thank the two police who were involved in the advisory committee, Senior Sergeant John Haüer, who was absolutely sensational at a local command level, and his Chief Inspector, Chris Duthie, who demonstrated fantastic leadership and showed the Attorney-General and me around the issues being confronted by the community.

It is not often we acknowledge the public servants who work on these inquiries, but I note the superb work done by the staff of the Attorney-General's department — Rebecca Hiscock, a former student of mine, Dr Philip O'Meara and Jane Carter, who all did fantastic work in preparing the report before us.

We are providing a local solution to a local problem, and we are standing with the community. I commend the bill to the house.

Debate adjourned on motion of Mr MULDER (Polwarth).

Debate adjourned until later this day.

TRANSPORT (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 9 April; motion of Mr BATCHELOR (Minister for Transport).

Ms BEARD (Kilsyth) — It gives me great pleasure to join the debate on the Transport (Miscellaneous Amendments) Bill, incorporating the disqualification of persons to drive a taxi, hire car or bus if convicted of level 1 or 2 criminal offences.

I must declare an interest in the bill's provisions as I am the holder of a current taxidrivers certificate and joint owner of a Melbourne taxi licence. But I believe my experience in the taxi industry over the past 20 years gives me insights and knowledge that might not be available to other members.

The chief provisions in the bill pertaining to taxis relate to the suitability of persons to hold a taxidrivers certificate. The emphasis on driver qualifications and suitability to drive a taxi with all that entails is vital to the wellbeing of the industry; equally, though, is an understanding of the nature and structure of the industry.

The taxi industry is a vital part of the public transport sector. Public transport owned by private practitioners that operates 24 hours a day, 7 days a week, 365 days a year receives no government subsidies, pays for its own regulation and in general provides a high level of service and a great deal of satisfaction to its users.

The taxidriver is the key figure in the relationship between the providers of taxi services and the taxi-using public. It is essential that the driver be competent to provide the passenger with a satisfactory taxi ride to his or her destination. The passenger must have confidence in the driver and the service. Equally, the driver should be well dressed, clean, friendly and knowledgeable. It is also an advantage if the driver is a psychologist, a diplomat, a political commentator, a sports expert and has knowledge of a very wide range of social, philosophical, health, economic and financial matters.

The Parliament has a duty to require that people with serious convictions are not placed in this position of trust. Perhaps, although taxidriving is seen as a likely career for all, some people would be better suited to careers where such implicit trust is not required. The best method of ensuring quality drivers is that they be adequately remunerated, but we need to remind ourselves of the wonderful service that is provided thousands of times a day to satisfied customers. I am happy to support improvements to this industry and therefore to support the passage of this bill.

Mr McINTOSH (Kew) — I rise to make a very brief contribution to this bill. In relation to either accepting or refusing the drivers certificate, the provisions are there for the purpose of public interest — that is, to protect the public from people who may have some serious level 1 or 2 convictions for murder, rape, armed robbery, or whatever else. You can certainly understand why the government would be interested in protecting the public in relation to those matters. They more or less mirror the original provisions that were put in by the previous government, which still remain, but this just strengthens them and makes them a bit clearer.

The only thing I raise with the minister is the issue of retrospectivity. For some reason the bill has a provision that says that, in determining whether you should grant or not grant a licence, the authority — the directorate — should not consider any antecedent prior convictions. I think that defeats the whole purpose, and certainly the directorate should be able to look at any past convictions, because something like murder, rape or armed robbery would be a matter that the directorate would want to take into account in determining whether a licence should be granted to protect the public.

Mr BATCHELOR (Minister for Transport) — In summing up the debate on this bill I want to thank the members for Polwarth, Lowan, Brunswick, Kilsyth and Kew for their contributions. It is a debate where much of the contribution has concentrated on the protections that the government seeks to introduce into the taxi industry to provide comfort and security to the travelling public.

During the second-reading debate the member for Polwarth indicated that if the bill went into committee he would be seeking to move some amendments. The government will seek to make sure that it can go into committee, because during the weeks that this bill has been before the Parliament but adjourned to allow the government to consider these matters, it decided that it would support the amendments that will be moved by the member for Polwarth. We do that because we think it provides a greater degree of clarity and certainty, and it seeks to address the issues that were raised by himself and more recently the member for Kew.

The operations that have existed for some time in the taxi industry provide for a fit and proper person test, and the taxi directorate has in the past — and it will continue to do so under these provisions — required applicants for drivers certificates or for renewals to

furnish an agreement to have a police check carried out. In carrying out a check obviously the police look at prior convictions, and they are relevant to satisfying whether they are a fit and proper person. The provisions that we are including in this bill provide, in addition to the fit and proper test, a framework or a guidance. The amendments that the member for Polwarth is putting forward provide for symmetry between the practical operations of the fit and proper person test and the guidance that will be provided by these changes.

I thank all members for their contributions and signal now that the government will be voting to support the member for Polwarth's amendments. I thank him and the opposition for making a constructive contribution to this legislative reform.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 5 agreed to.

Clause 6

Mr MULDER (Polwarth) — I move:

1. Clause 6, page 8, lines 11 to 13, omit all words and expressions on these lines and insert —

   "(2E) Sub-sections (2A) and (2B) apply with respect to a conviction for an offence regardless of whether the offence was committed before or after the".

In doing so I wish to thank the member for Kew for his assistance in helping me prepare these amendments. I am not a lawyer and do not pretend to be a lawyer, but the issue of retrospectivity and some of the complications with this legislation were somewhat difficult to grasp. However, in viewing them from purely a public interest point of view I felt it was important to ensure that people who are convicted of a level 1 or 2 offence — those who are covered after the bill receives royal assent — should include those who may have been convicted of a level 1 or 2 offence prior to the royal assent of the bill.

As I say, retrospectivity is not an issue that we like to deal with on a regular basis. However, in this particular case where we are dealing with the vulnerability of our younger people, the vulnerability of women who can be picked up and taken anywhere by a taxi, and children in buses, the Liberal Party felt it was important that it pursued this amendment. I note that the Labor Party caucus summary in relation to no. 1, 'Political issues', states:

> To refuse this amendment is to leave ourselves open to the false accusations that we are creating a loophole that allows past murderers and rapists to drive taxis.

When in actual fact it does. Under 'Legal' it states:

> The bill specifically states that the VTD's broad discretion should not be limited. Arguably the provisions in the bill limit that discretion by directing the VTD to only consider convictions recorded after commencement. The Liberal's amendment resolves this ambiguity by making it clear that all offences must be considered. Hence it would be clear the VTD's broad discretion would remain.
>
> The Liberal amendments do not affect the provisions requiring notification of convictions. Only convictions recorded after commencement of the legislation shall be notified to the VTD. Caucus accepts the Liberal Party's proposed amendment.

Mr McINTOSH (Kew) — The amendment effectively deletes proposed section 156(2E) relating to the ability of the director to take convictions into account. At the moment the convictions are only prospective. The whole purpose of the bill and of the principal act is the protection of the public. As I said, people who have been convicted of serious level 1 or 2 offences within the meaning of the act should have their conviction taken into account. We are trying to protect the public.

I certainly understand why a provision like proposed section 156(2E) would be included in an act that dealt with sentencing and why, if you are increasing the penalties that could be attributable to a particular offence, that should have no retrospectivity, but it is actually the retrospectivity that gives the whole section cogency. It enables the directorate to look at whether or not an applicant is a fit and proper person. Certainly people who are convicted of serious level 1 or level 2 offences — murder, rape, armed robbery — have been involved in matters that the public would view, no matter how antecedent, as being significant issues relating to whether a person is a fit and proper person. Accordingly, I support the amendment of the member for Polwarth.

Amendment agreed to; amended clause agreed to.

Clause 7

Mr MULDER (Polwarth) — I move:

2. Clause 7, page 9, lines 5 to 7, omit all words and expressions on these lines and insert —

"(b) applies with respect to a conviction for an offence regardless of whether the offence was committed before or after the".

This amendment has the same effect as my amendment 1 to clause 6, which deals with the refusal of a drivers certificate. Clause 7 deals with the grounds of revocation of a drivers certificate. The amendment makes the provision retrospective, as occurred to clause 6.

Mr BATCHELOR (Minister for Transport) — For the record during this committee stage, the government is prepared to support the amendments moved by the member for Polwarth in relation to clauses 6 and 7. Again I thank the member for making these constructive suggestions.

Amendment agreed to; amended clause agreed to; clauses 8 to 20 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

Sitting suspended 6.29 p.m. until 8.03 p.m.

CONSTITUTION (WATER AUTHORITIES) BILL

Second reading

Debate resumed from 10 April; motion of Mr BRACKS (Premier).

Mr PLOWMAN (Benambra) — How often do you have the chance of reading a bill twice and then seeing a fundamental change in government policy? On this occasion it is a complete reversal of the policy of this government. We have seen this bill come in here prior to an election, when the government wanted to convince every person in Victoria that it was dead against the privatisation of the water industry and the privatisation of any part of that water industry, no matter what — any of the infrastructure, any of the dams, any of the pipes, any of the major works that constitute the water industry not only in rural Victoria but in metropolitan Victoria as well.

I have to ask why. Because this is an occasion when we have seen a complete about-face by this government. It has come into the house with two bills — the bill prior to the election and the bill after the election. When the original bill was introduced on 12 September 2002 the Premier wanted to convince the people of Victoria that the Labor Party, going into that election, had the true intention of not wanting to privatise the water industry. Now he is not quite so sure, because when you read both bills you see that they are fundamentally different.

I have never seen two bills so small and yet so different. I suppose it comes back to the fact that there is a level of hypocrisy here that I find difficult to accept. This government has always said of the current opposition that it wants to privatise the water industry. I can tell you, as a member of the former government over the past 10 years, that the last thing the Liberal Party wanted to do was to privatise the water industry. Clearly, as a necessity of life, water should never be controlled by private industry. It is one of those things that needs to stay in public hands, and in that respect I have no argument at all with the government. But you have to ask: why has the bill been changed so dramatically?

Irrespective of how the service is delivered and no matter whether it is delivered in the metropolitan area or in the smallest of rural communities, there has to be a sense of equality in the water industry. We have to know that the water industry is going to give every individual the same right to water at an affordable price and at an absolutely acceptable quality.

Later this week we will debate a bill that deals with safe drinking water right across the state, which I will not go into now. We are concerned to ensure that every person in the state has a sense of equality in respect of the delivery and quality of the water supply. When you look at what determines a water service — this bill is really all about the government wishing to restrict the private delivery of water — you see that it means a service relating to a water supply, not actually delivering it but relating to a water supply, to sewerage, to irrigation, to water collection and storage or to sewage treatment, for ensuring the delivery of which a public authority has responsibility.

You can have a responsibility for delivering that service without owning the assets. Here is the difference: when the original bill was introduced the Premier said on 12 September 2002, 'I am sure that all members will support the retention of water authorities and their primary resources in public ownership for the benefit of future generations'. However, what has happened since? Proposed section 98, set out in clause 5 of the initial bill, states, under the heading 'Register of publicly owned dams and associated works':

(1) The Minister must establish and maintain (in any form that he or she considers appropriate) a register of publicly owned dams and associated works for the purposes of this Part.

In other words, this part of the bill could not be effective unless there was a register of all those assets that were acquired for the delivery of water treatment services right across Victoria, not only in country Victoria but in the metropolitan area too — services of which Melbourne is so proud. Melbourne has a water supply that is without parallel for a city of its size anywhere in the world. That is because of the past planning of the people responsible for those catchments for Melbourne going back over 100 or 150 years and for the management and treatment of water.

The minister must establish and maintain a register of publicly owned dams and associated works. The second part states:

> (2) The Minister, after consultation with the Treasurer, may record in the register details of any dam vested in the State or a public authority.
>
> (3) If the Minister records details of a dam in the register, the Minister may also record in the register details of any associated works.

We are looking at not only the major assets like dams and structures but all the associated works that go with them. The reason for all these works being included in the first bill was that the first bill made it quite clear that the government did not want any of these assets to fall into private hands and so enable the private owner of those assets to control the water industry.

Proposed subsection (4) states:

> (4) Any dams or associated works details of which are recorded in the register must not be sold unless the sale of the particular dam or associated works is expressly, and not merely by implication, authorised by this or another Act.

It could not be made much clearer that the government of the day, the Bracks government, did not want any of these assets sold unless the legislation allowed it to happen. The only way the legislation could allow it to happen was set out in the further subsections:

> (5) Any purported sale of any dam or associated works in contravention of this section is absolutely void against all persons whomsoever.
>
> (6) The Minister may only remove an entry in the register relating to any particular dam or associated works if —
>
> (a) that dam is, or those associated works are, sold and the sale was authorised as set out in sub-section (4); or
>
> (b) that dam is, or those associated works are, no longer necessary for the delivery of a water service and the Minister has complied with sub-section (7).

I will conclude with subsection 7:

> (7) If any particular dam is, or associated works are, no longer necessary, the Minister may remove an entry in the register relating to that dam or those associated works …

That makes good sense. If the government of the day deems that a certain structure, reservoir or dam is no longer needed for the delivery of a service to Victorians, those associated works may be excluded from the register and therefore sold. I have no argument with that. The argument I have is about why all these parts of the initial bill were excluded from the bill before us? Clearly the government's intention was to ensure that these assets were never sold if they were required by Victoria to provide those services. Yet this bill has nothing in it that even mentions these assets. You have to ask why.

The new bill we are debating has no reference to dams, pipes or associated works. The second point I wish to make is that there is nothing in the bill to stop the sale of any assets — any at all, no matter how important they are for the delivery of these services; and contracting out the delivery of these services to a corporate entity is absolutely possible. Again, that is the crux of the difference between the two bills: not only can those assets be sold, but the delivery of the service can be sold to a corporate entity.

In other words, I believe this bill is meaningless. It does not do what the initial bill set out to do. The initial bill set out to say to the people of Victoria that the Bracks government was against the privatisation of the water industry. This bill has taken away the parts — the teeth — in the initial bill which would have virtually stopped privatisation under any terms, because unless you had ownership or control of those assets and services you could not privatise the industry. Now those parts are not in the bill I have to ask what is stopping this government, or any future government, from privatising the industry.

Certainly the bill says that the delivery of a water service has to stay in public hands, but someone could still have responsibility for the delivery of that service without necessarily having control of it. Again, that is the point I wish to make in this debate.

A learned friend wrote to me, saying:

> On reading this bill it is clear that it does not do what the government said it would do, namely prohibit privatisation of the water industry or water assets.
>
> Dams, pipes, treatment plants and even water itself can be sold to private operators, provided the relevant water authority remains (in some undefined way) responsible for ensuring the delivery of a water service and accountable to a minister for so ensuring …

There is a level of accountability, but how does the minister determine it? If the water authority that has responsibility for them contracts out those services — and in our briefing on this bill it was clearly identified that those services could be totally contracted out — how will the authority be accountable to the minister for ensuring that the delivery of the services is retained in public hands?

Finally, the note from my learned friend says that it is:

> … not a difficult requirement to achieve.

I have to agree. Given that, it is of concern to me that the government has been purporting to be opposed to the private ownership and control of the water industry — and it is really the control that we are talking about. If you own the assets and you are contracted to deliver the service, you virtually control the industry. I think there is a level of hypocrisy here. I do not mind the government coming out and saying quite openly, 'We are prepared to let this happen, because we think it is in the best interests of the water industry', but there is a level of hypocrisy here, given that it said for the seven years it was in opposition that the previous government was hell-bent on selling the industry. If the previous government had been hell-bent on selling it, it would have done so and would have privatised that industry. But clearly that was not its intention. So there is a level of hypocrisy here, with this government saying that it is totally opposed to the privatisation of the industry yet introducing a second bill which totally defies the objectives of the first.

To show how that occurs I refer to the explanatory memorandum on clause 4, which inserts new subsection (6) into section 18 of the act. The memorandum states:

> The effect of the addition of the new subsection is that a bill that —
>
> > enables a water authority to enter into an arrangement for the delivery of services by another person or an independent contractor …

I have no argument with that. But if you read on, what is to stop that person or independent contractor having control of that industry? Unless there are further restrictions introduced by this bill, there is clearly nothing to stop that from happening. It goes on to say:

> … allows a public authority that has the responsibility for ensuring the delivery of water services to alter its structure or composition …

Again, that means that the body that has that responsibility can change its very structure while purporting to hold that service in public hands. You could also read that another way. It might mean that this allows the industry to have the flexibility to change as required. I know full well that when the industry was first broken up into corporate entities some of them appeared to be less than the size required to give the same level of competitiveness as the bigger authorities. There is now a need for some of those smaller authorities to look at the possibility of increasing their size in order to give a better delivery of service.

So you could read that part of the bill two ways. It could give those authorities the chance to merge or grow to provide an improved service. But equally, when it comes back to saying that the water authority may enter into an arrangement for the delivery of services by another person or independent contractor, it opens up the way for that independent contractor or independent person to be involved in the delivery of that service. I again ask the question: is the government determined to ensure what it was determined to ensure when the first bill was introduced by the Premier? My initial response is that it has had a change of heart.

In conclusion, it would appear that the government does not now have the same intention to ensure that this industry is not privatised. If that same intention were there, the government would have left in those initial clauses. If the government intended to stick to its promise to the electorate at the last election, I think these clauses would have been retained in the bill.

The bill, unlike the first bill, makes no mention of the private resources such as the dams and the major structures or the possibility of a private operator coming in to control them. This conflicts greatly with the purported intention of the initial bill and therefore the intention of this bill.

I conclude by saying that every person in this house must question why the two bills are so different and ask what is the intention of the government now that it has left out of this bill the major clauses of the original bill, which denied the opportunity to sell all those assets that were saleable and all those assets that were valuable, and which denied the opportunity for an individual or a corporate entity to control the industry by being subcontracted to do so by the authorities that control the water industry.

Mr WALSH (Swan Hill) — I start by quoting the last sentence of the Premier's second-reading speech on the Constitution (Water Authorities) Bill, which says:

> I am sure that all members will support the retention of water authorities for the benefit of future generations.

The National Party most certainly does. We support the retention of public schools for future generations too. We also support the retention of public hospitals for future generations. For that matter we support the retention of public roads and bridges for future generations as well. So I find it strange that we would have a bill which purports to have the intention of keeping water for the benefit of future generations but which actually does not do so as we walk through it. Why do we not have bills that ensure we keep public schools, public hospitals or the roads and bridges for future generations? If we are having a bill to ensure it does not happen to water, is there some sinister plot behind the scenes to sell off our schools, our hospitals or our roads and bridges? Let us come clean on this: let us have a bill on everything that the government owns to ensure the government does not sell it!

The shadow minister spoke about the fact that this is a meaningless bill. I do not think it is a meaningless bill. The bill is very meaningful. There is a major change in direction and focus from this government in what is not in this bill, as has already been outlined and as I will outline further as we move through it.

The major difference between the two bills comes down to one word — that is, 'ownership'. There is no mention anywhere in this bill of ownership. If we read a couple of extracts from the second-reading speech presented in 2002, it says:

> … at the last election, this government made a commitment to ensure that our water authorities remain publicly owned and directly accountable to the people of Victoria …
>
> The bill implements that commitment. The ownership of our water authorities and the dams and major pipes that deliver water to Victorians will be entrenched in state ownership by amendments to the Constitution Act 1975.

That is quite contrary to what was said in the conclusion of the second-reading speech this time around, which says:

> This does not exclude public/private partnership arrangements whereby the private sector provides infrastructure or performs services under contract with a water authority. This bill makes it clear that a public authority may enter arrangements with the private sector for the provision of water services but cannot abdicate its ultimate responsibility for ensuring the delivery of water services under these arrangements or have that responsibility removed from it.

It defies logic that there would be such a total change of direction in the last six months between the same government that purports to represent the same people of Victoria.

In the current bill there is a clause missing — that is, what was clause 1(b) in the old bill, which says:

> … the public ownership of dams and associated works that are integral to the delivery of water services by public authorities and that are recorded in a public register.

There is no public register to be set up in the new bill. We are going to have no register of the assets. Is this because the government wants to sell them in the future?

Proposed section 97(3) of the current bill, which is inserted by clause 5, states:

> Nothing in this section prevents a public authority that has responsibility for ensuring the delivery of a water service entering into an arrangement of any kind with a person or body (including an independent contractor) relating to the delivery of that service while itself retaining that responsibility and remaining accountable to a responsible Minister of the Crown for ensuring the delivery of that service.

Are we going to find that the public water assets will gradually be traded away in public-private partnerships and a community service obligation put in place that will guarantee the service and meet the requirements under this bill? Are we going to see that the sunk assets, which the Crown and particularly the irrigators in the last decade have built up, traded off to private enterprise? Under full cost recovery, which we have been operating under for something like a decade now, the irrigators have been paying off that infrastructure. If the government is going to trade that away in a public-private partnership, are those irrigators going to get a dividend out of that sale in the future for the capital that they have sunk into it over the time it has been there?

Proposed section 98, which was to be inserted by clause 5 of the old bill, contains many subsections. For instance proposed section 98(1) states:

> The Minister must establish and maintain (in any form that he or she considers appropriate) a register of publicly owned dams and associated works for the purposes of this Part.

There is going to be no register in the future, there is going to be no public record of what is and is not there to be monitored. Further on proposed section 98(4) states:

> Any dams or associated works details of which are recorded in the register must not be sold unless the sale of the particular dam or associated works is expressly, and not merely by implication, authorised by this or another Act.

There is no guarantee in this bill, as compared to the old bill, that public assets will not be traded off in private-public partnerships into the future.

Proposed section 98(5) says:

> Any purported sale of any dam or associated works in contravention of this section is absolutely void against all persons whomsoever.

Compared to what is being proposed this year that clause definitely says that assets could not have been sold under what was proposed last year. The government needs to come clean on what it intends to do with this bill.

Last week we sat here and listened to the member for Morwell becoming quite agitated about the previous government selling off assets. That is absolute hypocrisy given that we are now here with this bill in front of us. Where is the member for Morwell in light of the comments he made last week? No register will be set up under this new bill to be available for public inspection, as was proposed under the previous bill. Where is the commitment to open and transparent government? Where is the commitment to consultation with the public on any issues that may arise in the future?

To my mind this bill makes an absolute mockery of the government's commitment to open and transparent government or to future consultation with the public, in this case with the irrigation industry. It has the potential through public-private partnerships to trade off an asset that has been built up over decades both by the Crown and by the irrigators, particularly in the last decade.

It treats Victorians with contempt. I do not know how gullible it thinks we are on this whole issue. If we trade off those assets under the public-private partnerships, any of the issues involved with privatising assets for which the other side of the house has blamed the Kennett government in the past will pale into insignificance. If we allow some of these things to happen — if we allow the separation of water rights from the land, which at the moment are tied together, we could end up with large institutions owning not only the assets in Victoria, which are then subject to community-service obligations, but also the water being leased to the farmers.

There are a lot of nimbies in this house who say, 'Not in my backyard'. A lot of people are very critical and want to run the rural water industries when they would be better off focusing their attention on Melbourne and Geelong where there are some major issues, and I will talk about those in the debate on the next water bill. We do not want to see the assets being sold off. There is only one reason for a private business getting involved in a public-private partnership — that is, for profit. Most of those sorts of businesses want a return on their investment of somewhere between 20 per cent and 30 per cent, otherwise why would they want to invest in it compared to some of the other investment options around that are more attractive to them?

Currently rural water authorities operate as not-for-profit organisations, and that helps to keep the cost of water down. As we all know, irrigation is one of the key drivers of the food and agriculture sector in Victoria. It is the second-largest employment sector across the state, and in regional Victoria it is the largest employment sector. As I have said in one of the other speeches I made in this house, the agriculture sector, particularly the dairy industry, is the largest user of the Melbourne container port.

One thing not addressed in the bill is the possibility of having public-private partnerships, and we would like an assurance from the minister about that. As I understand it, the irrigators involved with the First Mildura Irrigation Trust have been very unhappy about the way things are structured at the moment. There have been intense discussions over a number of years now, and they would like the opportunity of setting up a public-public partnership with the government so they could manage their own infrastructure up there. There is a major need for investment and upgrades, and with the focus that this government currently has on water-use efficiency there is the need for some seed funding from the state government. There is a need for some public-public funding as the irrigators want to set up a public-public partnership, which would be a win-win situation, instead of having under this bill the risk that we could end up with a public-private partnership whereby the assets that have built up over a long time could be traded away and the benefits could end up in private ownership.

The concern I have as we move through this issue of public-private partnerships is that they could lead to a significant increase in the price of water and an agenda whereby irrigators could be priced out of the water market. The majority of what is produced in our industry, the majority of what is value added into our food chain, is destined for export. About 70 per cent of the production of agriculture and food in this state is exported, and we enjoy a high standard of living because of that. But it is price sensitive. We are price takers on a world market, and if we see the price of irrigation water going up significantly because of what is happening with this bill we could find that we are very easily priced out of those markets, and that would be a lose-lose situation. We would lose the irrigators, we would lose people out of rural communities and we would lose jobs in our country towns.

A public-private partnership would be responsible for the pricing of water and the regulatory orders that determine the community service obligations concerning the environmental costs that would be shifted to the irrigators, which would push up the price of water. The minister would then be able to wash his hands of this problem, particularly given the Essential Services Commission Bill that we debated last week. As we said during debate on the Essential Services Bill, he would be able to hide behind the Essential Services Commission and say it was not his problem because there is an independent commissioner who has said that the price of water has to go up because there are regulatory orders that make sure that there are a lot of obligations on the rural water authorities. That would then price us out of some of our overseas markets, and it would start to destroy some of our rural communities.

This bill is a mockery. It is a 180-degree turnaround from the bill that was introduced last year. It is a total reversal of this government's commitment to the public ownership of our water assets. I would like the minister to give us some assurances that this is not the case. On my reading of the bill, it will leave it open for public-private partnerships to trade away our water assets for future generations.

I am sure all honourable members will support the fact that the retention of water authorities for the benefit of future generations should actually be the intent of this bill. Although the National Party does not oppose the bill it is quite concerned about what may happen in the future.

Mr MILDENHALL (Footscray) — On behalf of the government I certainly welcome the support of the former coalition partners for this legislation. But I think there is no clearer sign of the degree of political trauma that has gone through the ranks of the conservative forces in Victoria than this debate, in which after the experience that the Victorian community went through during the 1980s — when in particular the former minister, Mr Coleman, on behalf of the then Kennett coalition government was manoeuvring very deliberately towards a water privatisation strategy and a water privatisation outcome — we now have an attempt by the conservative forces to frame the debate in terms such that it is the Labor Party that is intending and is looking for the space and the means by which to privatise the water assets and the water industry and it is the Liberal and National parties that would protect the public ownership of water — in other words, that they are here to save us. How extraordinary!

The intent and the structure of the legislation are very clear: only public authorities and water authorities can be responsible for water services, they can only be owned by the government and are under the control of government, and they can only be disposed of or their ownership transferred via a three-fifths majority of the Parliament to amend the constitution to do that. It is a very clear bill. It is a very simple bill. It is amazing to see the National and Liberal parties sitting here and suspecting that the legislation provides the means by which the government may well look to dispose of those assets by privatising them.

There are many examples through the 1990s of the then coalition's intention to privatise water assets, including the speculation by former minister, Mr Coleman, that a public float — an interesting term for water authorities! — might achieve a $4 billion return to the government. Regardless of the Damascus-like revelation that came across the then Premier, Mr Kennett, in 1995 he set about that well-known course of action of fattening up the water authorities for potential privatisation. Indeed he had suggested that the year 2000 might be an appropriate time to reconsider the issue. The traditional course adopted by the conservative forces of corporatising the authorities, paying off their debt, fattening them up and making them right for privatisation continued apace regardless.

I would have thought this legislation is quite clear. The Liberal and National spokespeople talked about the changes from the previous bill and said that heralded a different approach. In fact the truth is that it is a simplification to try to avoid all the complexities and details of any process by water authorities that may involve the sensible disposal of assets and the rearrangement of their operations consistent with their responsibilities of operating water services.

The suggestion was made that there is nothing to prevent a water authority from contracting out all its operations or getting rid of its assets, but I think there are two essential protections here. One is that the responsibility for ensuring that those services are delivered to customers is entrenched in the legislation. That cannot be contracted away, that is very clear. Control over prices will not be lost. I think the National Party representative, the honourable member for Swan Hill, talked about the role of the Essential Services Commission, but that will operate within the framework determined by government, and the government's intentions are very, very clear that the water industry is not up for privatisation; it will remain publicly owned and publicly controlled.

Indeed another protection is that currently section 139 of the Water Act 1989 requires that water authorities obtain the approval of the minister before the

decommissioning of any major works. That is the essential forerunner to any sell-off, and it is very clear that the minister retains the whip hand over that process as well. The government's intentions and commitment, which have been repeated and indeed parroted by the coalition since its near-death experience in 1999, remains a unanimous view of Victorian Parliament now among all parties — that the water industry should be retained in public ownership.

That the Liberal and National party representatives are looking for every available construction of this bit of legislation to try to establish another meaning for it I guess is part of the scrutiny that legislation comes under in this place, but it is a bit remiss of the member for Benambra to talk about proposed section 18(6)(b), which is in clause 4 at page 3 of the bill, giving the government the ability to alter the structure and composition of a public authority provided it still retains its responsibility for ensuring delivery of a water service and suggest that that might allow the restructuring of a water entity to allow its privatisation or the loss of control. He did not read out the end of that particular paragraph, which includes:

> … if the alteration does not affect its status or the status of a successor body as such a public authority accountable to a responsible Minister of the Crown for ensuring the delivery of that service.

Wherever you look in this legislation you see that those riders and those protections are there. It is a strange experience to hear the suspicions of the Liberal Party and the National Party that the government is intent on selling off the water supply. I am sure anyone who has followed the argument for more than the last 10 minutes will be amazed that that is the proposition put to the Parliament by the Liberal and National parties. Let me again reassure the house: water authorities will stay in public ownership under public control, and there is no intent or move towards any privatisation at all.

Debate adjourned on motion of Mr INGRAM (Gippsland East).

Debate adjourned until later this day.

WATER (VICTORIAN WATER TRUST ADVISORY COUNCIL) BILL

Second reading

Debate resumed from 10 April; motion of Mr THWAITES (Minister for Water).

Mr PLOWMAN (Benambra) — The Water (Victorian Water Trust Advisory Council) Bill is a further bill in the string of water bills that have been introduced in recent days by the government in order to try to indicate to the community of Victoria that this government — it is flooding the market, the Leader of the National Party suggests; I would have to say I agree with him — is intent on making a difference to the water industry.

Unfortunately this bill, like so many others before it, does very little to bring a change into effect. It is there by name, not by substance. It is disappointing that when we debate all these bills we are not looking at something that is really going to make a difference. I know those of us who have any rural background, any knowledge of the water industry and any knowledge of the need to change the water industry in rural Victoria would like to see this government actually introducing changes that are going to make a difference.

The opposition has no argument with the introduction of the Victorian Water Trust. The opposition has no argument with the introduction of an advisory council to that water trust. But members of the opposition need to make sure that that water trust has the means of making a difference to the water industry. When you look at it you realise that the water trust has embedded in it a sum of $320 million, of which $160 million has already been committed. You would then have to say that we are dealing with a trust that over the next four years has to administer $160 million of new money allocated in this budget, and the advisory council is there to give advice to the government about this.

On first reading the bill my reaction was, 'This is a nonsense. This is a means of giving jobs to a few friends of the government that might then give it the information it needs to convince the public of Victoria that it is actually making a difference to the water industry'. But I must say that my initial reaction did not actually carry real weight, because I think this industry is the most important industry in Victoria. The water industry — the way we manage the water resources of this state — is as important to the state's future as any other single challenge Victoria has before it. Therefore, the introduction of a water trust is a good idea. It is a start, but it is a long way away from meeting the actual needs of the water industry at this stage. The introduction of the advisory council, again, is a good move in order to bring in different views with different people from outside the government, outside the department, who might well be able to liaise with people in the community and might well be able to liaise with people who wish to be involved in the water

industry and who may well be able to improve the way we manage this industry in Victoria.

I heard very recently that Professor Peter Cullen is to be the chairperson of this advisory council, and I support that choice. I know Peter Cullen and have had an involvement with him over some years. I believe he is a man of integrity with a great knowledge of the industry. Sometimes he has views that I do not agree with, but that is by the bye. The point is that he is a man who has an enormous capacity to consider all the alternatives available to the industry, and therefore I believe he will be an eminent chairman of this water advisory council. I have no idea who the other members are, and I hope the government will think independently about its choices, because the council has the opportunity to bring to the department and the government of the day a range of opinions from throughout the community.

On a first reading the establishment of the council appeared to be unnecessary, because when you look at it the department carries out almost all the functions that the council is asked to perform. New section 305CC states:

> The functions of the Council are —
>
> (a) to advise the Minister on the allocation of funds (from money appropriated by the Parliament for the purpose) —

clearly that is the role of the department —

> for initiatives —
>
> (i) to enhance the health and sustainability of the water resources of Victoria …
>
> (ii) to provide greater security for meeting the future water needs of Victorians;
>
> (iii) to encourage the increased re-use and recycling of water …
>
> (iv) to improve efficiencies in the use of water across Victoria;

That is the role of the department; that is what it is there for. My initial feeling was that as this would also be the role of the council it would be superfluous, because we have a department which has generations of experience within it, with an enormous wealth of experience and understanding of the industry, and which is there to give advice to the minister and the government of the day.

However, the second part of the new section suggests that the council's additional function will also include advising the minister on additional sources of funding for these initiatives and on any other related matter on which the minister may seek advice. That is the important role of this advisory council, and I look forward to seeing how well it effects it. In recent years we have seen a growing community understanding of the importance of water and its management, and we have seen the same with corporate interests. They want to play their part in ensuring the best environmental management of those resources. That being the case, there is a real opportunity to harness the desire of corporate Australia to be involved in the state's water industry and in the environmental management of the state, and you cannot separate the two.

The council has a real role to play in meeting with those industries and people who want to be involved in the management of the state's resources and in its environmental management and who are prepared to offer funds by way of benefaction to do so. If the advisory council is able to do the job that it has been set to do, it will enhance the opportunity to deliver not only the funds appropriated by government but funds by way of benefaction, which can add substantially to our ability to find the resources that are required to improve the way we manage Victoria's water industry.

I listened to the member for Footscray talk on the Constitution (Water Authorities) Bill, and I cannot help repeating that there is a sense of hypocrisy about a government which on the one hand says it does not want private involvement in the water industry because it does not want to be seen in any way to be allowing the privatisation of this industry but which on the other hand is more than happy to accept private benefactions and is in fact establishing this advisory council to do so. I do not argue with the intent of having the advisory council do so and that the benefit to the state will be substantial. But I believe there is an element of hypocrisy about a government that is quite happy to encourage private enterprise to be involved in the water industry without intending to privatise the industry, while being hell-bent on putting down the opposition for being intent on privatising.

As I said in the debate on the Constitution (Water Authorities) Bill, if the opposition had been intent on privatising during its seven years in government it would have done so, because there was nothing to stop it. And if that is the intent of this government, I am sure the industry will be in private hands. Clearly that was not the intention of the former government, and it was not my intention as a member of that government. Certainly it is not the intention of the opposition today.

The industry is paramount to the future development of the country. Again I refer to the fact that this is not just about the water industry in metropolitan Melbourne,

where it will get the increased water resources it needs and how we can maintain those resources to the standard that Melburnians expect. It is also about the 80 per cent of water that is used for agricultural purposes in Victoria. That 80 per cent is used to great effect, because nowhere else in the country do we make better use of that resource than we do in Victoria.

Nowhere else does it provide a major aspect of our export earnings in Victoria and Australia. The major export from the port of Melbourne is dairy industry products from the value-added milk produced largely from irrigated areas in northern Victoria — not totally but largely. The value of that irrigation water to the dairy industry is incalculable.

The interesting thing about irrigation is that it is changing and we are now seeing a much greater use of water for higher production horticultural crops such as viticulture. This applies all over the state of Victoria, but again predominantly in those areas where irrigation industries use 78 per cent of the water in Victoria that is available to it. If the industry is to grow and if the requirements of the state are to be met we must manage that resource better.

Therefore I believe this advisory council has a far greater role than that set out in the objectives of this bill. The role of that advisory council is to look at the way water is managed elsewhere in the world, not only in agricultural pursuits in other countries but in the way it is distributed and stored, and in particular in the way deep water storage can be better controlled by having more than one storage in the one catchment line. It needs to look at all sorts of means of improving the service delivery of the water industry — how we can reduce the extraordinary losses that currently occur and the means through which we can overcome those losses. If the trust accepts that challenge and does half the things it has the possibility of doing, it will be an extraordinary benefit to this state. I hope the government of the day will be prepared to back this advisory council and give it resources to look at all those issues which I see as important for the industry.

The advisory council has an interesting challenge and I look forward to working with it. It has the capacity to influence the future of the water industry, and in so doing it will influence the future development of this state and the security of water to every Victorian, particularly Melburnians and residents of cities such as Geelong, a city that has gone through water restrictions for many years. The major role of the advisory council is to advise on the conflicting interests of the water industry and to accommodate them. That is the council's responsibility.

I look forward to seeing the council operate. It has my support and the support of the opposition. The bill has the support of the opposition. We are intent on seeing the water industry improve and believe the introduction of the water trust is a first step, but only a first step. The introduction of the advisory council is an opportunity to introduce greater expertise into the water industry.

I conclude by saying that if the government is intent on improving the water industry and the way we manage it in Victoria, it must put the money where it is required. Over the next years of this government it will be interesting to see whether that promise is followed up with more money going into the water trust to meet the needs of the industry. During its seven years the Kennett government put $1.4 billion into the industry to improve the quality and delivery of water services, not only into country Victoria but also into metropolitan Melbourne — $1.4 billion which this government has not even considered worth putting into the water industry. This government does not understand that this could be worth doing. The Minister for Agriculture would not understand how necessary it is for the future of agriculture in this state. The government does not understand and does not care, and until it and the minister decide to care about the future of the industry we will have a mealy-mouthed approach to the water industry in this state. Until they are prepared to put their money where their mouths are, and to invest in excess of $1 billion in the industry to meet the needs of the next 50 or 100 years, those needs as they are apparent at the moment will not be met.

I support the bill, I support the advisory council, but it is dependent on the government of the day supporting the Victorian Water Trust and the advisory council and funding them appropriately.

Mr WALSH (Swan Hill) — I find it rather amusing that we have a government whose main agenda for this term of Parliament is water. We have had a major ministerial statement on water and two or three water bills every week. It is such a hugely important issue for this government that we currently have four members of the government in this house. So if the minister at the table would listen for a minute — —

Mr Cameron — I am talking to your colleague, who has more important business.

Mr WALSH — Given that your government has decided water is its key issue, why do we only have four members that are interested in the water debate — four members for an issue that you have said is your major issue for this term of Parliament. We have four

people now, and we had four people here in the previous debate, a debate that was — —

Mr Cameron — And how many Nationals on that side? Not anyone.

Mr WALSH — There are now. But quite seriously it is a major issue, the biggest issue. The previous bill — —

Honourable members interjecting.

Mr WALSH — Percentage-wise we have more than you have. For the last bill, which was supposedly — —

Mr Cameron — Two to one.

Mr WALSH — If you keep talking, someone else might come in, Bob, with a bit of luck.

For a government that has just dealt with a bill that supposedly enshrines the ownership of the water authorities in public hands forever, to have four people in the house for a bill in which one of its keystone election promises — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Nardella) — Order! The Minister for Agriculture!

Mr WALSH — You have now put the bill in place so you can flog off water. We have had the bill that was supposedly going to enshrine — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Nardella) — Order! I ask honourable members at the table, other than the Deputy Leader of the National Party, to be quiet.

Mr WALSH — So some people have come in. This is great. The keystone for this government for the next four years is water, and we have had four people sitting here through the debate on the bill that was going to enshrine water authorities in public hands for the rest of our lives, and now we have the keystone legislation.

An Honourable Member — Who is the shadow minister or spokesperson?

Mr WALSH — We are here. We are speaking.

An honourable member interjected.

Mr WALSH — Definitely, because water is such a big issue for this side of the house. It might be treated with contempt by that side of the house, but it is a big issue for this side of the house. We now have the Victorian Water Trust Advisory Council bill, which is the keystone of the election promises of this current government — —

An honourable member interjected.

Mr WALSH — I agree with the principle. As always it is the implementation that is the issue. So we have the water trust advisory council — —

Mr Batchelor interjected.

Mr WALSH — They say the same about you. You should be able to design a train track then.

The ACTING SPEAKER (Mr Nardella) — Order! I know it is 10 past 9, but Hansard is having great difficulty in following the debate. I ask that the Deputy Leader of the National Party be the only one speaking; that would be appreciated.

Mr WALSH — The water trust advisory council is being set up. When is a water trust not a trust? When it is an advisory council. The term 'trust' has been used very loosely in this whole thing. I searched at length through the Oxford dictionary for a definition of 'trust' that would fit this legislation and this trust, but I could not find one anywhere. A trust is something that should be managed by trustees. They should have some fiduciary and decision-making responsibility. They should be the trustees that care for the funds that are put into their hands. There are no funds put into the hands of trustees under this bill.

A trust should be accountable to someone. This trust is not accountable to anyone. It is only an advisory committee. It is actually the government which is going to implement its normal business program based on that advice. The members have no accountability for what happens. They have no authority to make any decisions. All they are there for is to advise, so they are most definitely not a trust, and there is no certainty about the money that will be provided to them.

If the government had set up a proper water trust, it would have put $320 million into a trust that the trustees would then manage on behalf of the government to implement its policies. Here we have a trust that is not a trust, a trust that has no money to spend unless the budget apportions funds to it over the next 10 years. As we know from some of the things that have happened on that side of the house, like the rail standardisation and the Scoresby freeway, if the budget does not appropriate it, it will never happen into the future. To my mind, if this were going to be a serious

trust, $320 million would have been put in trust to be managed by the trustees while implementing the government's intentions with this legislation.

Mr Plowman — It is a hollow trust.

Mr WALSH — It is not even a hollow trust; it is not a trust at all. We have had Peter Cullen appointed as the chairman of this trust, and we have some more people to be added to the panel. They are supposedly going to give advice to the government on how this money will be spent in the future to implement the objectives of this trust. But on 18 November 2002 the Premier, in a press release, announced how $160 million of the money that is going to be allocated out of this trust would actually be spent.

So an advisory trust that is not actually a trust has been set up, it has no money to spend, and the Premier has spent $160 million of the money it is supposed to have even before it has been set up and before it has had the opportunity to give any advice to the government. That includes $20 million for the Mildura Sunraysia irrigation upgrade, $20 million for the Gippsland Lakes, $30 million for country infrastructure for water supplies for small towns and sewerage, $16 million for the government's Victorian River Health strategy, $10 million for Water Smart Homes and Gardens, and $10 million for water recycling for the Werribee project. So we have an advisory trust being set up that is not a trust, and on its behalf the Premier has already spent $160 million of the money it has not got before it even starts business.

One of the things the trust is also going to be charged with doing is advising the minister on additional sources of funding for initiatives referred to in proposed section 305CC(a). Given the current history of this government and listening to its members in question time and at numerous other times, no doubt this clause has been included in the bill so that we can hear a constant barrage from the other side of the house crying poor by saying, 'We want the federal government to give us some money to implement these programs', when natural resource management and water are actually a state constitutional issue.

We constantly hear the other side of the house bleating, 'We want the federal government to pay for this. We want the federal government to pay for that'. Constitutionally it is the responsibility of the state to look after water and natural resource management, so the state should actually pay. The state is getting quite a large take out of the GST income. It has an income source, a growth tax revenue base from which to actually fund these projects into the future. It talks about water being precious and a finite resource. I think those of us who live in country Victoria have known that water is a precious and finite resource for all the time we have been alive. It is interesting that Melbourne and Geelong and the communities surrounding them are only just realising that water is a finite resource. It is rather strange that it has taken so long for them to catch on. I think it is the current drought that has finally brought that fact home to metropolitan people.

What is a concern to me is that I do not think it is the farm-based drought that has brought it home to the people of Melbourne. I do not think they really care all that much about what is happening out in country Victoria. What — —

Mr Cameron interjected.

Mr WALSH — Who is now withdrawing it on 7 May, and it has not rained.

Mr Cameron — Everyone who wants to apply can apply. Under your policy — —

Mr WALSH — Hansard will not be happy with you.

Mr Cameron — Disgraceful! In sharp contrast to the — —

The ACTING SPEAKER (Mr Nardella) — Order! The Minister for Agriculture!

Mr WALSH — It is not the farm-based issues that have brought it home to the people of Melbourne, it is the fact that they can no longer go on their waterskiing holidays, that they can no longer go house boating or that they cannot throw water around their gardens willy-nilly because there are water restrictions in place and they now have to hold a hose to water the gardens or have triggers on their hoses to wash their cars. Lots of people in country Victoria would love the luxury of having green lawns or being able to wash their cars at the moment because the water is just not available.

It is the fact that Melbourne and particularly Geelong are finally running out of water that is bringing home the issues about water to the people of Melbourne and Geelong. As I said in debate on the previous bill, there is this nimby — not in my backyard — attitude out there. It is fine to criticise people in the rest of Victoria — —

Mr Cameron interjected.

Mr WALSH — I know, because they are living beyond their means. It is great that finally the people of Melbourne and Geelong realise that water is such a critical issue when they have been some of the worst culprits in the past for wasting water. Geelong and Melbourne people have been living beyond their means for far too long. No consideration has been given to putting a cap on water consumption in Melbourne or Geelong.

In 1994 the Murray-Darling Basin Commission introduced a cap on water consumption for communities in northern Victoria, but the people in Melbourne and Geelong have been living way beyond their means for far too long. The whole process of sharing the Murray River was quite torturous for the communities up there. They spent two years developing it and actually worked out a fair share for the environment. They worked out a fair share for consumptive users along the river. We have not had that sort of process take place in Melbourne or Geelong.

If you take Geelong as an example, in 1995 the then Department of Natural Resources and Environment produced a report that recommended that the average long-term extraction from the ground water aquifer that supplies some of Geelong's water should be 4000 megalitres a year, but currently Barwon Water is drawing 12 600 megalitres from that aquifer because it is short of surface water. But what is even worse is that it has an application lodged to increase that extraction to 20 000 megalitres a year. What makes it even worse is that it now has an application lodged to take some of the Colac water authority's bulk entitlements so it can get an environmental flow down the creek that the Geelong water authority has actually dried up.

It is about time the people of Geelong and Melbourne stopped pinching water out of other catchments to make up for their own extravagant uses. If you take Melbourne as an example, the Thomson Dam takes 7 per cent of the flows that should go into the Gippsland Lakes. We often discuss the state of the Gippsland Lakes and the problems there, but if you put the 7 per cent that goes from the Thomson Dam to Melbourne back down the river into the Gippsland Lakes I imagine you would have a lot better outcome for the lakes. Melbourne should not be pinching other people's water.

Ms Beattie — Pinching other people's water?

Mr WALSH — Pinching other people's water! You should be living on water out of your own catchments.

Mr Cameron — For how long?

Mr WALSH — I do not know. Not many members will have heard about King Parrot Creek in north-east Victoria. The people of King Parrot Creek have been going through the agony of doing a stream flow management plan. It was the first community in Victoria to attempt to do a stream flow management plan. Members of that community have been tearing themselves apart over how they should share the limited resource they have in the King Parrot Creek, but — surprise, surprise! — Melbourne Water actually takes 12 000 megalitres a year from the top of the King Parrot Creek. The community there is trying to share a very limited resource, but for decades Melbourne has been taking 12 000 megalitres a year from the top of that creek. If you were to put that water back in, the people at King Parrot Creek would have a hell of a lot better creek to live on.

I believe both the cities of Melbourne and Geelong are facing their moment of truth. As the National Party advocated before the last election, there definitely needs to be a cap placed on water usage. If we can put a cap on it we might get some people who actually understand the real value of water in Australia and particularly in our cities. Australian cities actually waste 92 per cent of their stormwater run-off.

Sewerage main mining as a way of reusing water is technology that is now readily available and quite economical, and it would save a huge amount of potable water. It would supply cheap water for a lot of our golf courses, parks and recreational facilities. We can easily put a sewerage mine and cleaning filter on top of some of the mains, take the water, use it on our parks and gardens and save potable water for other purposes.

Under the government's water statement and under the objectives of the trust a reuse target of 20 per cent by 2010 has been set. I suggest there should be a bare minimum of reuse for Melbourne. If you take the agricultural sector, farmers have now had reuse systems on their farms for the last two decades. The majority of farms would have reuse systems because they appreciate the value of water. They know that any water they lose is water lost. A reuse target of 20 per cent by 2010 should be the absolute minimum, and I would like to see the government increase that target to something more ambitious. Let us raise our sights and make it something we can really strive for.

The other goal is to reduce Melbourne's per capita water consumption by 15 per cent by 2010. That sounds a great target, but it is a per capita consumption

reduction, not a total reduction. If we had a cap on the water use for Melbourne we might find that there could be serious reductions in the future. If, over a period, the population of Melbourne increases by 15 per cent there will be no reduction in the total water usage; you will still be living beyond your means and pinching water from the Thomson Dam and from the King Parrot Creek to keep Melbourne alive.

Ms Beattie — Who owns it?

Mr WALSH — The people who live in the catchment own it. You have no right to it. I would like to see this advisory committee set up.

Mr Wynne interjected.

Mr WALSH — They are entitled to it. One of the things that the advisory committee could do, which is one of the things we have all been derelict about doing over time, is set out a recreational water policy. If you take all the communities in northern Victoria you would find that most of the lakes up there are dry. We have had no recreational water policy that enables those lakes to get their fair share of water, which has had a huge impact on the tourism industry in that area and has cost those communities quite a deal of money. It is one thing we have actually overlooked as we moved forward.

We had a commitment from the then environment minister last June to instigate a study about how we could improve the social amenity of Lake Boga. Despite frequent letters from the Rural City of Swan Hill, the former member for Swan Hill, Barry Steggall, and now me, we still have not had the satisfaction of a response from the present Minister for Water.

In conclusion, the bill will enhance the sustainable use of Victoria's water, including the whole issue of river health. The River Murray has been spoken about in this house quite a bit during these sittings. The Living Murray process that is now going on is something that concerns all of us, because there is the issue of returning one of three reference points of environmental flows to the river — 350 000 megalitres, 750 000 megalitres or 1.5 million megalitres.

We all have major concerns, and there is not a good scientific base to make the appropriate decisions at the moment. There has been poor community consultation, and we would like to see that process extended for quite a while to come. In extending the time frame we would insist that the government actually acknowledges water rights and licences as a property right and that any clawback of water must be legislated for and paid for on just terms. We want the government to stay out of the water market.

Here we have a trust that is not a trust, a trust that has no power, a trust where the government has actually spent most of the money allocated for it. So if I were someone who was asked to put in an application to join the trust, I wonder if I would even bother making the effort to do it.

Ms LINDELL (Carrum) — It gives me pleasure to follow the contributions of the members for Benambra and Swan Hill on a water bill. As the member for Benambra said, the house has dealt with a number of water bills during these sittings, which indicates that water is extremely important to the government.

Somehow it is seen as fairly sinister by the members for Benambra and Swan Hill. I have to say I have never heard comments like theirs, to the extent that if you live in the catchment you own the water and that if someone downstream wants to use some of it, heavens above, they are robbing the legitimate owners. There are some philosophical problems with that.

Mr Cameron — They have a right to it!

Ms LINDELL — They certainly do have a right to water. In fact one of the key elements of the Victorian Water Trust Advisory Council is that it will look after water rights across Victoria, wherever we live and wherever and however we use it. It will endeavour to make sure that all Victorians, particularly those who live in urban areas, change the way they view and use water. For the National Party to try to have a city versus country debate when it comes to our most precious resource is very disingenuous indeed.

This bill enacts part of the government's election commitment on Water for the Future. The four main targets of that policy are to — —

Mr Ryan — Irrigate, irrigate, irrigate, irrigate!

Ms LINDELL — They include increasing the efficiency of irrigation systems across the state — I thank the Leader of the National Party — by 25 per cent through replacing channel systems and reducing Melbourne's use of drinking water per capita by 15 per cent by 2010, which is not very far away. That is a remarkable challenge that those of us who live in Melbourne are going to have to embrace. I expect that the water trust advisory council will be advising the government very well on exactly how we can achieve those changes.

We wish to improve the health of Victoria's rivers. As we know, many of our rivers are very degraded. We have had a discussion in this house about my favourite river, the Loddon, as it runs near Canary Island, which is also very dear to the member for Swan Hill. We have set a target of recycling 20 per cent of Melbourne's wastewater by 2010. This all revolves about ensuring the long-term sustainability of Victoria's water resources. The Victorian Water Trust Advisory Council is being established to advise the minister on additional sources of funding. It is there for other related matters, including advising the minister on the allocation of funds for projects that enhance the health and sustainability of our water resources, providing greater security for meeting the future water needs of Victorians and encouraging the recycling and reuse of water and improving efficiencies in its use.

I am very pleased that the Liberal Party and the National Party are supporting this very important legislation. I concur with the generous comments of the member for Benambra about Professor Peter Cullen, who is to be the chair of the advisory council. He will be a fine and worthy chair of the council. In fact only a couple of years ago he won the Prime Minister's award as Environmentalist of the Year.

The purpose of the trust is to provide secure sources of funding for new investment in Victoria's water resources. Some of the projects that will be eligible for funding by the trust include those that demonstrably meet the objectives of the trust and have a holistic approach to the management of the state's water resources, including value-for-money outcomes for new assets or enhancements of existing assets. It will be there to encourage the efficient use and allocation of water resources and to demonstrate appropriate funding support from a range of sources, including the commonwealth and local governments, the community, the private sector and regional organisations.

I must say that water and the opportunities for its recycling are on the minds of many people, given the number of suggestions from constituents that have come to me in the last couple of months about how we as a community can work together to better use our water resources. One of the very exciting things we can look forward to over the next couple of years is the wide range of suggestions that will come forward from the general public about innovative ways in which we can use and reuse water in Melbourne.

Dr Napthine interjected.

Ms LINDELL — The member for South-West Coast is asking me to give some examples. I will be glad to give him some. I had a letter just the other day from a constituent in the Patterson Lakes Retirement Village

Mr Ryan — How is your mum?

Ms LINDELL — No, not from my mum — unless my mum has had a sex change and a name change!

The gentleman is most concerned. There is a very nice ornamental lake — Patterson Lakes has many nice ornamental lakes, but there is a particularly nice one at the retirement village — and it is actually water from the Patterson River. His suggestion is that the water could be taken from the lake and used on the gardens and that that would be an ideal way for the retirement village to reuse some of the stormwater the member for Swan Hill referred to in his contribution. We do not make enough use of stormwater. I think those of us on my side of the house would agree that we do need to do much more with our stormwater. This gentleman had the very fine idea that the stormwater that drains into that lake and a bit of the overflow from the Patterson River could be diverted for use on the gardens and common ground around the retirement village.

As time goes by I think we will find more and more people — maybe it will be those from the older generation — coming forward with such ideas. My mother always had the hose from the washing machine when it was in the rinse cycle diverted out onto the garden. It is something she has done all my life. She was from the Mallee and knew what droughts were about, and she would never waste water. I think my generation, particularly those of us who live in Melbourne, has always taken the easy option and turned on the tap. I do not see this debate as being rural versus urban, I see it as being about having to have a certain mind-set, particularly in our urban communities, so that we catch up with our rural communities in how to use water. But let us not go down the track of having city and — —

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

Debate adjourned on motion of Dr NAPTHINE (South-West Coast).

Debate adjourned until later this day.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from 9 April; motion of Mr BRUMBY (Minister for State and Regional Development).

Dr NAPTHINE (South-West Coast) — Firstly, the bill provides for funds from the Regional Infrastructure Development Fund (RIDF) to be used to facilitate the extension of natural gas to areas of rural and regional Victoria. Secondly, it recognises the split of the former Delatite shire into the Benalla Rural City Council and the Mansfield Shire Council, and ensures both those new municipalities are eligible for program funding under the RIDF. Thirdly, it provides for the nine so-called interface councils, which are listed at clause 6 of the bill and become new schedule 2 — Cardinia Shire Council, Casey City Council, Hume City Council, Melton Shire Council, Mornington Peninsula Shire Council, Nillumbik Shire Council, Whittlesea City Council, Wyndham City Council and Yarra Ranges Shire Council — to also be eligible for funding under the RIDF for the extension of natural gas.

I note that the second-reading speech states that the Regional Infrastructure Development Fund would develop guidelines to ensure that only rural areas within those interface councils would receive assistance under these provisions. However, that is not in the legislation. The legislation makes no such provision, and we have to trust the minister and the government that what the second-reading speech says will actually happen. The track record of the government in the area of trusting it is not too good. Therefore, if it is the intention of the government to ensure that only rural areas of the interface areas receive assistance I suggest the safest course of action would be for the government to propose an amendment while the bill is between here and another place to ensure that it is in the legislation and not just in the trust-us category.

I can assure the government that the opposition will closely monitor this, because there are real concerns throughout regional and rural Victoria that dollars from the Rural Infrastructure Development Fund should not be used to fund natural gas extensions as part of housing developments in the urban sprawl as it grows into those interface areas of Melbourne.

There is also concern among many rural and regional councils about the direction the government is taking with the Regional Infrastructure Development Fund itself. This bill extends the fund to cover interface councils with respect to natural gas extensions. In 2002 the Regional Development Victoria Act was enacted. It provided power to the minister to give written directions to the chief executive of Regional Development Victoria to exercise its powers under the Regional Development Victoria Act with respect to interface councils. Again there is real concern in regional and rural Victoria that that, plus the direction on the extension of natural gas to the interface council areas, is showing the government's propensity to use and likelihood of using the Rural Infrastructure Development Fund to fund a range of projects in the interface areas, particularly to use its political pork-barrelling in some of those interface areas.

I recognise, and the Liberal Party strongly recognises the special needs of interface areas, where there is a rapid population growth and a need for significant transport, road, preschool, school and health infrastructure. That is the sort of thing that needs to be done in the interface council areas, but that should not be done at the expense of proper funding for regional and rural Victoria. It should not be done out of the Rural Infrastructure Development Fund, and it should not be done out of Regional Development Victoria. That is the clear position of the opposition.

There is a need for special funding and for special provisions and assistance for interface councils. The opposition supports the extension of natural gas to rural communities through their use of the RIDF, but it does not support the creeping extension by this government which is threatening rural-designated funds and putting them at risk of being used on interface infrastructure.

The Liberal Party supports programs to extend natural gas to regional and rural Victoria. It was one of our strong policies at the last election. We recognise that providing natural gas to areas in country Victoria has a positive, economic benefit. In terms of attracting industry and investment, being connected to a natural gas supply is very important, very advantageous and one of the key criteria used by businesses when selecting where they invest in the future. Country and regional communities that have access to natural gas have a significant advantage. Therefore extending natural gas will provide an economic infrastructure framework which is important for the growth and development of regional and rural Victoria.

It is also important for individual households. As the Bracks Labor government continues to deny people access to firewood by restricting access to its harvesting and collection, more and more households are relying on very expensive and inefficient bottled gas or electricity for heating. In terms of environmental

benefits, reduced greenhouse gases, energy efficiency and lower prices, there are advantages in having additional households connected to natural gas.

I am pleased that in my time as a member of Parliament for south-west Victoria I have been involved in programs that have extended the natural gas supply to the south-west. Portland and Hamilton have been two major communities in the electorates I have represented — and Portland will be well into the future — where I have personally played a leadership role in having households connected to natural gas. I look forward to fighting for many other country communities in their efforts to get access to natural gas under this program and under programs delivered by a subsequent Liberal government.

In the lead-up to the election the government made two parallel promises. Firstly, it promised $70 million for natural gas extensions over four years. I quote from its policy document entitled *Energy for the Future*, which says Labor would:

> … provide $70 million over the next four years to expand reticulated natural gas to regional and rural Victoria.

That is a very good promise, and we will hold them to it. The government also promised $180 million for the Regional Infrastructure Development Fund (RIDF) over five years. At the same time it promised $20 million for the development of rural towns. However, after the election the government came clean on these promises.

Ms Asher — Oh no! They didn't merge them, did they?

Dr NAPTHINE — No, but when I read that sentence about the $70 million I did not see anywhere in that line or indeed anywhere in this energy policy that the $70 million would actually be coming out of the $180 million RIDF funding. It is one of those pea-and-thimble, funny-money tricks that the Labor Party is renowned for. The $70 million will come out of the $180 million, and the $20 million for the development of small towns will come out of the $180 million, so the RIDF is starting to erode very rapidly.

At page 227 of budget paper 2, which was released today and which outlines the expenditure to come from the RIDF over the next five years, we can see how this funny-money scheme takes us even further. The $180 million that we have been promised now includes the $70 million and the $20 million. In 2003–04 there will be $20 million for the fund; in 2004–05, $25 million; in 2005–06, $35 million; and in 2006–07, $50 million. Before the next election — that is, if you look to 2006–07, which is in the term of this government — we will see only $100 million in the RIDF.

As I have said, of that $100 million, $70 million is already allocated to gas and $20 million is allocated to the development of small towns. That is $90 million, so for the whole term of this government there is only $10 million in new money for the Regional Infrastructure Development Fund. If that is not a pea-and-thimble trick or a funny-money deal, then I will go he for tiggy, because this is an absolute disgrace.

The government has conned the people of country Victoria again. It has pulled the wool over their eyes. It has lied to them and deceived them, in just the same way as it lied to and deceived the people of the eastern suburbs over the tolls on the Scoresby freeway.

The funny-money deal goes even further. In 1999 this government said it would provide $180 million for the RIDF. Up until April of this year the government had allocated only $128 million. It said there were a couple of other projects in the wings and that it would be up to $133 million in a few weeks time. In its briefing the government said, 'Oh no, it will all be allocated before 30 June'. We are waiting, we are waiting and we are waiting!

We hope that when he gets on his feet in this debate the honourable member for Ripon will tell us where that extra $50 million is going to be spent between now and 30 June, or should we presume the $50 million is going to be hived off and taken away from the people of country Victoria? There is plenty of evidence to suggest that there will be another funny-money deal over that $50 million.

Then we come to the fundamental question of which towns in country Victoria will get gas under this scheme. Interestingly, during the last six months of 2002 — in the six months prior to the election on 30 November — every town, village and hamlet, and just about every car, caravan and anything that stopped still for 30 seconds in country Victoria was promised a connection to natural gas by the Labor Party candidate or Labor Party member.

Let me give you a few examples, because unfortunately time will not permit me to go through the lot of them. On 20 November 2002 the *Mansfield Courier* published an article with a photo of the previous member for Benalla, Denise Allen, saying:

> Bonnie Doon, Yea and Alexandra are set to benefit from the Bracks government's $70 million plan to extend Victoria's natural gas network.

Further on it states:

> Mr Brumby said he was confident Labor would deliver for the Yea, Alexandra and Bonnie Doon communities if it won the 30 November election.

An article in the *Myrtleford Times* of 20 November 2002 says:

> Bright and Myrtleford are set to benefit from a $70 million plan to extend country Victoria's natural gas network.

The article quotes the Treasurer as saying:

> We will work with the local community and relevant gas distributor to ensure — —

An honourable member interjected.

Dr NAPTHINE — We will come to it. I continue the quote:

> … Bright and Myrtleford are among the towns to benefit from the Labor government's plans to extend country Victoria's natural gas network.

In my area the Labor candidate, Roy Reekie, promised Port Fairy that it would get natural gas, he promised Koroit that it would get natural gas and he promised the rest of Warrnambool that it would get natural gas. But of course we know what happens with the Labor Party. A couple of weeks ago when we raised the promises Mr Reekie had made the Labor spokesman said, 'Hang on, they are not government promises, they are only candidate promises'. That is what the Labor Party said. It told the local media, 'Don't worry about them, they are only candidate promises'.

On 11 November the Treasurer said in a media statement that Woodend, Gisborne and Romsey were set to be among the first towns to benefit. There were a lot of first towns that would benefit from this program. He said:

> Woodend, Gisborne and Romsey are set to be among the first towns to benefit from a Bracks Labor government's $70 million plan to extend country Victoria's natural gas network.

I think they had a template press release and they just went out to every town and said, 'Insert name of town'. That is what happened; they went right across the state. There were promises for areas such as Woodend, Romsey, Gisborne, Bairnsdale, Somers, Swan Hill, Lorne, Whittlesea, Hurstbridge, Creswick, the Yarra Ranges community, South Gippsland from Koo Wee Rup to Leongatha, Heywood and Camperdown — we could go right across the map. Promises were made left, right and centre by every candidate. Every Labor person who went near a town promised natural gas whether it had it or not. They said, 'You are going to get it under this program — more natural gas'. Certainly those towns got heaps of hot air and natural gas!

But what happened after the election? The press releases were running thick and fast up until 30 November. On 19 March the Honourable Bill Forwood, a member for Templestowe Province in another place, asked the Minister for Energy Industries, Mr Theophanous, whether the natural gas would be extended to Bonnie Doon. Members will recall the press release in which the minister said Bonnie Doon was going to be one of the first to be connected. The minister said in his response — unfortunately, I cannot quote it so I ask members to read *Hansard* for themselves, but I will paraphrase — that commitments were made by the government to involve Barwon Heads, Bairnsdale and Creswick and that all other towns were subject to a process yet to be determined. So Bonnie Doon was given a promise in November but got short shrift as soon as the election was over.

Ms Beattie — Leadership speech!

Dr NAPTHINE — Thank you very much, I appreciate it! I will make sure that I send a copy to Kim Beazley.

Mr Cameron — On a point of order, Acting Speaker, I just want to ensure that Hansard recorded that conversation.

The ACTING SPEAKER (Mr Nardella) — Order! There is no point of order.

Dr NAPTHINE — The Honourable Graeme Stoney in another place asked the Minister for Energy Industries about Myrtleford and Bright. Again the minister said, 'No, the only ones given real promises by the Labor Party were Barwon Heads, Creswick and, of course, Bairnsdale'. We do not know who will get this gas and who will miss out on it. There was a bit of a fuss in the Macedon Ranges, because people were saying, 'Hang on, you promised us'. On 21 April a state government spokesman was quoted as follows in a press comment:

> … [he] yesterday confirmed that a promise made in November by state and regional development minister, John Brumby, to connect Gisborne, Romsey and Woodend would be honoured.

So the Minister for Energy Industries said it would only include 3 towns, the Treasurer added another 3 towns

and another 50 have been promised by candidates and visiting ALP members and ministers. We really do not know who is going to get the natural gas under this program.

While the Liberal Party supports this bill and the concept of extending natural gas to country Victoria it is very concerned about the con that has been perpetrated on country Victoria with regard to this whole program. It is appropriate that the Minister for Transport has joined us and is at the table, because we have to talk about where this money is coming from to fund the extension. It is a $70 million program, and I suggest that perhaps the government has got the money from some savings it has made by not doing something else in country Victoria. I am trying to think what else is it not doing in country Victoria that might save it enough money to fund the gas program and perhaps the small rural towns program to the tune of $20 million.

What does 70 plus 20 add up to? It is about $90 million. Perhaps it has shelved a promise to standardise rail across regional and rural Victoria. I think that is what has really happened here. What we have is a government con trick on the people of Victoria, because it promised $96 million to standardise the rail freight network in the 2001 budget but now it has withdrawn that promise. It has misled the people of country Victoria; it has lied to the people of country Victoria.

Mr Batchelor — On a point of order, Acting Speaker, the member for South-West Coast said the government had withdrawn money from the rail standardisation project. That is not the case. The member for South-West Coast is deliberately misleading the Parliament, and I suggest that in no circumstances should he deliberately mislead the Parliament. He should come back to the facts, the truth of the matter, and he should not deliberately mislead the Parliament.

The ACTING SPEAKER (Mr Nardella) — Order! There is no point of order.

Dr NAPTHINE — There is no point of order, and there is no rail standardisation either! There is no point of order, no rail standardisation and no credibility for the Treasurer or the Minister for Transport on that issue.

The Treasurer in his budget speech of 2001 — or perhaps it was the fudge-it speech; I think it was the 2001 budget fudge-it speech — said:

> In this budget the government addresses more than 120 years of different rail gauges in Victoria by providing $96 million for the standardisation of regional railway gauges.

Further on 30 May, in answer to a question by the honourable member for Ripon, the Treasurer said — —

Mr Batchelor — On a point of order, Acting Speaker, the member for South-West Coast appears to be quoting from *Hansard* in the current session.

The ACTING SPEAKER (Mr Nardella) — Order! The time has come for the adjournment of the debate. The honourable member for South-West Coast will have the call the next time this matter is before the Chair.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

Centenary Medal: privacy breach

Ms BEATTIE (Yuroke) — I wish to raise a matter with the Attorney-General, and I ask him to investigate whether there has been a breach of the Privacy Act. Honourable members will recall that some time ago they were asked to nominate a number of citizens for a Centenary Medal. Great thought and care went into the nominations, and it was truly an honour to be nominated. A list of nominees was forwarded to the protocol department in the Prime Minister's office. The successful nominees were absolutely delighted and humbled when they were informed by letter, signed personally by the Prime Minister, the Honourable John Howard, that their community service had been recognised, acknowledged and rewarded.

A follow-up letter of congratulations, personally addressed and stating the service for which they had been recognised, was then sent to them by the Honourable Tsebin Tchen, a senator for Victoria. That letter also expressed the senator's disappointment that the Victorian Governor would not be presenting those medals.

I ask the Attorney-General to investigate, through the Privacy Commissioner, how the senator obtained the names and addresses of those who were nominated for those medals when the list of nominees was forwarded to the Prime Minister's protocol office. Honourable members will understand that Senator Tsebin Tchen is not a parliamentary secretary and he has no reason to have that list at all. This is at a time when databases are obtained by anybody and everybody for certain matters. I do not know why the senator would have this database and why he would demean the very citizens he purports to represent by using their service to the community to try to score cheap political points.

This is indeed an outrage. Many of my constituents who were nominated for these medals felt they were cheapened. In all, some 15 500 people throughout Australia were to have received these medals, and the people feel that the rewards they had expected were cheapened by Senator Tsebin Tchen in this outrageous act of privacy — —

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

Severe acute respiratory syndrome: Phillip Island

Mr SMITH (Bass) — I address my adjournment question to the Minister for Tourism. The severe acute respiratory syndrome (SARS) virus is hitting the people on Phillip Island, although not necessarily as the deadly virus that we have seen in other parts of the world. Nevertheless it is hitting the small business community and causing those businesses problems that they may not overcome. It is believed that the Phillip Island community is losing about $1 million a week in tourism revenue.

Let me give just one example of the way this is affecting one of the very good Chinese restaurants in the area. And let me say that if you want to eat real Chinese food you go to a restaurant that serves and caters for the Chinese community. One of those restaurants is the Wing Ho Chinese Restaurant in Thompson Avenue, Cowes. The owner, Stephen Zanca, an experienced restaurateur, purchased his business in September 2001 and promoted and improved it quite dramatically. He has done this by putting all his life savings into the business and promoting it to the Asian visitors who come to Phillip Island, which he has done by getting in two great Chinese chefs on contract, employing local people to staff the restaurant and promoting his business to the Asian tourist market.

Since the SARS scare commenced around February 2003 his Asian custom has dropped from about 80 per cent to about 10 per cent. This man needs help, and so do many other people in that area. It is not his fault that the SARS virus has badly affected his business. The Cowes region caters for the Asian market, for Asian visitors who come to see the penguins — they used to come to see the seals — the koalas, the kangaroos and the natural beauty of that area. As I said, this is just one example of a struggling business in that area.

These people need the minister's help, even if it is just to help them with some loans, even if it is help with the interest payments on some of those loans — the security of their businesses could be used and they could be helped. These people are in a special area that has catered very heavily for the Asian community.

Mr Nardella interjected.

Mr SMITH — There would not be too many of them in Melton, Don.

I ask the minister to come and see me, talk to me a little about these people. Let us find out where the problems are and let us see if we can help them get through the effect of the SARS virus that is currently sweeping across the Phillip Island area.

Poowong Preschool: funding

Mr RYAN (Leader of the National Party) — I raise a matter for the attention of the Minister for Community Services. This relates to issues that have been brought to my attention by the Poowong Preschool. On 12 March I was at Poowong to meet with a number of the local community groups and speak with people in this beautiful town on matters pertaining to their respective interests. On behalf of the preschool group those representations were made to me by Mrs Rachel Harms, the president, and Mrs Leanne Lancey, the secretary of this fine organisation.

The matters they raised with me were twofold: in the first instance they brought to my attention issues arising from the shortfall in funds which is experienced by the preschool, primarily due to its small enrolment numbers. I am told that 10 children attend the preschool. Under the current funding system the preschool attracts $2500 for each student, thereby providing a gross amount of $25 000. The difficulty is that it costs something in the order of $38 000 to run the preschool for one financial year, and accordingly there is a shortfall of some $13 000 which has to be made up from somewhere.

These two wonderful ladies, the preschool committee and various other people in and around the town have historically come together for the purpose of raising these extra funds to enable the preschool to be maintained. Parliament will appreciate that this facility is essential to the ongoing future of this delightful location.

The second matter which was discussed with me related to the incredible amount of work the volunteer committee contributes to the running of the preschool. I had outlined to me in some detail the many hours and the personal financial contributions and sacrifices which are made by committee members for the purpose of ensuring that the preschool is able to keep running. In this day and age there is, of course, inevitably the

pressure upon these facilities to merge with others. But given the location of Poowong and the importance of the preschool retaining its individuality within the town, the option of merging with anybody else or any other such organisation is simply not available. The practical fact is that the preschool would need to continue in its own right.

It is on these two matters that I seek the assistance of the minister. The community is most anxious that it obtain support from whatever source it might be able to be provided, with regard to both filling that gap of $13 000 in relation to the fee structure and also enabling the facility to have assistance concerning its general administrative costs. Assistance would be most appreciated.

Schools: speed limits

Mr TREZISE (Geelong) — I raise an issue for action by the Minister for Transport. It relates to the initiative of the minister and the government to reduce speed limits around our schools. As the chair of the parliamentary Road Safety Committee and the parent of two school-age daughters, I am well aware of the dangers on our roads around our schools.

In fact statistics from Vicroads show that there are approximately 250 casualty accidents outside Victorian schools on a yearly basis. In recognising this, this government has moved to introduce 40-kilometre speed restrictions around most Victorian schools. The action I seek from the Minister for Transport is that he ensure that these speed zones around our schools are implemented as a matter of high priority. As I said, this government has committed to reducing speed limits around every Victorian school. This initiative will ensure that Victoria's 820 000 students arrive safely and depart safely from their school, or at least their risk of accident is minimised. This includes both state schools and private schools, a total of more than 2300 schools across the state.

In my own electorate this issue has caused many school communities, parents, teachers and lollipop people or attendants great concern. I have met with numerous school communities in my electorate, including South Geelong and East Geelong primary schools, Kardinia International College and Geelong High School, just to name a few, to discuss this important issue. I can assure this house that the government's initiative is welcomed by the schools in the Geelong electorate. Parents have generally been concerned about the safety of their children around the schools and have raised the issue with the government.

A hallmark of the Bracks government is that the government has listened to these concerns and it has acted on these concerns. However, it is important that the government move with urgency to implement these new speed restrictions. I have little doubt that this will happen, because this government recognises that speed does kill, a message that escaped the opposition at the last election, where it argued for implementation of 121 kilometres an hour on the Melbourne–Geelong road where we now have 100 kilometres an hour and —

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

Fitzsimons Lane, Templestowe: traffic lights

Mr KOTSIRAS (Bulleen) — I raise a matter for the attention of the Minister for Transport, and it is good to see the minister at the table. It has to do with the installation of traffic lights in Fitzsimons Lane in Templestowe. I ask the minister to investigate the possibility of installing traffic lights and other improvements to ensure the safety of the residents. I have been approached by many residents, including some who are elderly, and I have also written a letter to Vicroads — unfortunately, with no success.

There has been significant concern raised about access issues and safety on Fitzsimons Lane arising from the continuous stream of traffic caused by the roundabouts at Porter Street and Main Road and the high-speed environment which is made worse by the arterial road function and the high proportion of elderly residents whose homes abut Fitzsimons Lane.

The residents of Templestowe Retirement Village, which is situated on Fitzsimons Lane, are fearful for their safety and wellbeing when they attempt to cross the road. Equally residents wishing to turn into Parkwood Place are in danger of being hit by speeding cars. I ask the minister to investigate the feasibility of installing traffic lights at an appropriate location along the length of Fitzsimons Lane as well as improving access to Parkwood Place.

Also as part of this investigation I ask the minister to look not only at the installation but also at the possible linking of traffic signals on Fitzsimons Lane to create a safer and more efficient road environment. I am sure the minister will agree that the safety of the residents is paramount and that it is also important to ensure that people are able to turn into their own street without the fear that another car is going to hit or smash into them.

I hope the minister does not stand up and give me the same rhetoric about the former Kennett government. He has been the minister for four years; this has been a problem for the last few years, so I ask him to investigate. As I said, I have written to Vicroads with no success. I understand the Manningham City Council has also written to Vicroads. I ask the minister to investigate the possibility of installing traffic lights along Fitzsimons Lane.

Harold Stevens athletics track

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the attention of the Minister for Sport and Recreation in another place. I ask the minister to favourably consider a funding application to provide track terracing and shade at the Harold Stevens athletics facility in the City of Moreland. The city has received a great amount of support from its local community to advocate for terracing and shade at the Harold Stevens track.

I congratulate a number of people who have worked on this over many years, particularly the staff at Moreland City Council, and over the last seven years Kevin and Pauline Nippard, two of the club's greatest stalwarts. Sadly, Mr Nippard is no longer with us. I also congratulate Ken Carter, who has given many years of service to the club.

The project focuses on the construction of terracing on the existing viewing area of the slope next to the running track. It really is a great running track. The project includes shading of the spectator viewing areas so that the high prevalence of skin cancer in Victoria will be minimised as people enjoy their outdoor recreation. Many clubs use the track, including the following Little Athletics clubs: West Coburg Little Aths, Pascoe Vale Little Aths, West Breen Little Aths, Fawkner Little Aths, Newlands Little Aths, Moreland Little Aths, Oak Park Little Aths and St Oliver's Little Aths. If that is not enough to convince the minister, among the many other clubs that use the track are the Coburg Veterans, the Coburg Harriers and some of our local schools and special schools from Coburg, Fawkner, Broadmeadows and Preston.

It is an excellent facility that is used by many locals, and it is in the City of Moreland. All of the above groups and clubs utilise the sloped spectator area, which is located in the 100-metre straight. If you are there cheering on your son or daughter in Little Aths, you want to be sure to be covered. We are keen to make sure that the track is accessible to people with disabilities and the parents who are there barracking for their sons and daughters. They might have with them littler people than those in Little Aths, and their prams and pushers should be safe and on an accessible site.

The City of Moreland is allocating $63 971 in its budget. It has done its bit; the state government should also help.

Workcover: asbestos

Mr COOPER (Mornington) — I have a matter for the attention of the Minister for Workcover. I seek action from the minister to do something to fix a grave loophole in the regulations concerning the handling of asbestos-based products.

In February this year I wrote to the minister drawing his attention to the fact that a private householder could work on asbestos-based products with impunity from the present regime of controls. The particular case I drew to his attention concerned a householder using an angle grinder to remove the fixings of a corrugated asbestos cement roof. The householder was not wearing any protective gear and had not warned his neighbours that he was going to carry out the work. This meant that he and his neighbours were all liable to the health risks associated with asbestos particles becoming airborne.

The constituent who drew this matter to my attention advised me that he had contacted the Environment Protection Authority, Worksafe, the Mornington Peninsula Shire Council and the Department of Human Services. Each of those authorities advised him that there is no authority responsible for public safety where such work is being done by a householder on their own property.

In my letter to the minister last February I asked him to take immediate action to correct this anomaly. Two months later I received a reply from the minister which can only be described as extremely disappointing. He confirmed that the Occupational Health and Safety (Asbestos) Regulations 2003 do not prescribe any duty of care to homeowners. He then went on to tell me that the government was going to prepare a booklet about the dangers of asbestos and that this publication would be freely available to householders on request. Does the minister expect anyone to believe that publishing a booklet will deal with this threat to health?

That response by the minister to this major issue is just not good enough. He seems happy to gloss over this issue and to not regard it as serious. Building unions recognise the seriousness of asbestos to the health of their members, and they would not put up with this inaction from the minister for one second if it impacted on a building site, and rightly so. The health of private

householders is just as important as the health of building workers, and I am calling on this minister and the government to recognise that fact and to take immediate action to plug this loophole in the regulations. To continue to avoid taking proper action on this matter is to put the lives of Victorians at serious risk.

High Street, Preston: clearway

Mr LEIGHTON (Preston) — I raise with the Minister for Transport a matter concerning the clearway in High Street, Preston. I seek the removal of that clearway. As far as I am concerned, especially in the evening peak hour, the clearway becomes a freeway. When drivers have two lanes available at 4.30 p.m., their mentality is to plant their foot on the accelerator and treat the road as a freeway, including the area through the busy High Street strip shopping centre.

That section of High Street, which also affects Northcote, is 7.2 kilometres in length and is considered by Vicroads to be one of the 10 worst black spot links. Over a five-year period the City of Darebin had the second-highest number of pedestrian fatalities, only one behind the City of Melbourne. Thirty per cent of those pedestrian casualties occur in High Street.

Since the Labor Party won government in 1999 it has been doing a lot with its black spot program. Traffic lights have been installed at the intersection of High Street and Wood Street. Several years ago, as one of the more innovative measures, variable speed limit signs restricting the speed to 40 kilometres an hour were trialled during the day time at the northern end of High Street in Preston. That was the only trial in the state. It proved successful, and it has now been extended to other areas of Melbourne, as well as further along High Street, starting at Dundas Street and running up to Henry Street, Reservoir.

To give members an idea of the safety implications, in the past five years there have been 55 casualty crashes involving pedestrians in the section of High Street now being trialled. As well as pedestrian safety there are substantial economic implications. At 4.30 p.m. each afternoon, the start of the clearway period, economic activity drops right off for the local traders.

The City of Darebin has done a lot of positive work, particularly through its integrated transport study. It has been involved in intense discussions with Vicroads. The council wants to ensure that public transport is a priority and that pedestrians can safely alight from trams and buses. The City of Darebin is willing to support any measures that are needed. Scrapping the clearway would be a change for the better. It would be a win-win situation for road and pedestrian safety and for local traders.

Mornington Peninsula Freeway: sound barriers

Mr DIXON (Nepean) — I ask the Minister for Transport to fund the installation of traffic sound barriers on the Mornington Peninsula Freeway, especially in the Dromana and McCrae areas.

The problem with this section of freeway is not only the noise caused by the traffic, as well as the large amount of rubbish that comes off the road and is blown through holes in the fence and into neighbouring properties, it is also the chain wire fence running the length of the freeway, which is consistently damaged. People use the gaps as a shortcut. It is certainly a safety issue, because children also use it as a shortcut. Even when the traffic is running at 100 kilometres an hour I have seen children cutting across the freeway on bikes, taking their lives into their own hands.

Over the past four or five years I have noticed that as traffic increases on the freeway I have received more and more complaints from local residents. To the credit of Vicroads it has responded. It has not been able to put up noise barriers, but it has tested the noise levels, which it has found are increasing. It has repaired the fences as quickly as possible, but the increasing traffic and increasing number of residents in the area outweigh the action taken so far.

The Mornington Peninsula Freeway is the main thoroughfare to the southern peninsula. It is extremely busy in summer, throughout school holidays and on the weekends. A huge number of people come down on Friday nights, so that is a very busy time now, and so are Monday mornings, because a lot of people stay the weekend and return to Melbourne quite early on the Monday. As well as the heavier traffic, more people are living permanently along the freeway. The population of the Mornington Peninsula is increasing rapidly. Not as many houses in the area are holiday houses anymore — increasingly the residents are permanent.

As well as the natural tourist attractions of the Mornington Peninsula, we have a number of major events. The next major event is the Australian Golf Open, which is to be held in November in Rye. The amount of traffic that that will bring midweek — —

Mr Baillieu interjected.

Mr DIXON — Yes, perhaps the minister can use some of the spare steel from the rail tracks that he no longer requires to make some noise barriers. That is a

very constructive suggestion from the member for Hawthorn. This is a safety issue, an amenity issue and an environmental issue for the people of the area.

Northern Hospital: extension

Ms D'AMBROSIO (Mill Park) — I raise a matter for action by the Minister for Health. As a member of the Bracks government I believe in the better treatment of patients in our public hospitals. The Bracks government is turning around Victoria's public health system and undoing the damage caused by the previous Kennett government. I am pleased to see that the Northern Hospital has been a beneficiary of the advent of the Bracks Labor government in 1999 and that the benefits will continue.

The Bracks government has already committed $900 million to rebuilding Victoria's health facilities — the largest health-building program in Victoria's history. Constituents in my electorate of Mill Park look forward to seeing Labor deliver on its election commitments for the Northern Hospital. They know we will deliver: our record to date shows this.

Since the last election Labor has delivered a better health service to the Mill Park electorate, with 178 additional nurses at the Northern Hospital — an increase of 33 per cent. Labor has provided $12 million for the stage 1 extension of the Northern Hospital, which is due for completion by the middle of this year. I look forward to attending the official opening of this extension with the minister. It will enable the treatment of a further 3800 patients a year and reduce waiting times for elective surgery.

Labor will continue to expand the Northern Hospital following a commitment made during the 2002 election campaign to build two new wards accommodating 64 beds; to expand the number of outpatients treated from 80 000 to 100 000 a year; to extend the emergency department waiting area; and to fund improvements to the co-located Plenty Valley Health Centre through a total funding commitment of $23 million.

I am proud to say that the number of patients treated in the Northern Hospital emergency department was up by 9.7 per cent between the December quarter 2001 and the December quarter 2002 — from 11 207 patients to 12 298 patients. According to the December *Hospital Services Report*, 100 per cent of category 1 emergency patients were treated immediately on arrival at the hospital.

We have come a long way from the days of the Kennett government, when the plans for the then Northern Hospital proposal were drastically hacked down to levels that were desperately inadequate for the needs of the growing population of the Mill Park electorate and surrounds.

The Labor government has achieved a fantastic result. However, I am also concerned about information and communication technology at Northern Hospital. I therefore ask the minister to take action to revamp it.

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

Mr Batchelor — On a point of order, Deputy Speaker, I would like to raise with you a matter. I have deliberately decided to wait until the end of the adjournment debate in order to prevent cutting into members' contributions. At least two members tonight, and I notice this has happened on other occasions, have raised multiple issues during the adjournment debate.

The standing orders require that only one issue for the attention of a minister be raised in the adjournment debate. The first one was the Leader of the National Party who raised two issues relating to the Poowong Preschool. He indicated in his own contribution that he was raising two matters: the first was the shortfall of funds that stemmed from the small enrolments, and the second was what he described as the excess work hours of the committee. I have no doubt that the committee there works hard and long, as they do elsewhere, but these are two — —

An honourable member interjected.

Mr Batchelor — I am taking a procedural point of order, and I will answer the substantive part later on.

The DEPUTY SPEAKER — Order! Just stick to the point of order.

Mr Batchelor — He raised two specific points. Secondly, the member for Nepean raised three points in his contribution. He identified them separately as three separate and individual points. They firstly concerned the noise issues relating to the lack of sound barriers on the Mornington Peninsula Freeway. That is a matter in its own right. I understand the issues surrounding that. But he went on to raise a separate point relating to rubbish on the Mornington Peninsula Freeway, and then thirdly went on to raise a matter about fence holes on the boundary fences.

I would like you to take this on board, Deputy Speaker, to examine the *Hansard*, and to advise the chamber

whether multiple issues can be raised on the adjournment in spite of previous rulings, customs and practices of this house or whether the traditions of the house will in fact be maintained and, if they are to be maintained, that you ask members to respect those traditions and abide by them. Otherwise we will be forced to take points of order during their contributions and that will be an issue.

The DEPUTY SPEAKER — Order! I have heard enough on the point of order. While the minister is correct that only one matter can be raised on the adjournment debate, that only one action can be sought and that members should raise their adjournment matters in that way, I listened to both the members that the minister referred to, and I believe the Leader of the National Party sought one action — that was funding assistance for student administrative costs at the Poowong Preschool — and the member for Nepean sought action on funding noise barriers on the Dromana–McCrae section of the Mornington Peninsula Freeway. While I think the Leader of the National Party referred to discussions with local constituents that ranged over a number of matters, he sought, I believe, a single action, and similarly, the member for Nepean.

So while the minister is absolutely correct that only one matter may be raised and only a single action can be sought on the adjournment debate — and all members should bear that in mind — I believe that in this instance both members were in order.

Responses

Mr BATCHELOR (Minister for Transport) — The member for Geelong raised with me the issue of speed limits around schools and the government's new initiative to increase safety around schools by lowering the speed limits.

The government has made an announcement as part of its road safety strategy — the Arrive Alive road safety strategy — to reduce speed limits around schools. This is a commitment that was reinforced in today's budget, and over the next two financial years the government will spend some $23 million — some $5.8 million in 2003–04, the coming financial year, and some $17.3 million in the financial year following. It is a policy designed to protect some of the most vulnerable members of our community on their way to and from school, whether they are attending a government school or a private school.

Mr Smith — Are you going to fully fund it or are you going to put that back on the schools?

Mr BATCHELOR — The member for Bass asks: are we going to fund it? This is the Labor government that he is talking about, and of course we will fund these initiatives. We are not like the previous Liberal government, of which he was a member, that did not want to fund these sorts of projects. We are implementing a whole-of-state initiative to make sure that our children are safe, so we differentiate ourselves from the Liberal Party that does not want to fund safety initiatives in our primary schools, secondary schools, private schools and government schools. We will do that, unlike the Liberal Party that does not want to fund it.

The member for Bass might be new to this chamber but he is certainly not new to government. He was a member of the Kennett government that would not fund these sorts of proposals. He was a member of the Liberal government that did not care about kids going to school and trying to make it safe for them. The Labor government is going to do it for the first time, and we are proud of it — unlike the member for Bass, who does not care about kids going to or coming home from school.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Bass!

Mr BATCHELOR — We care about road safety. The Liberal Party, the member for Bass, the Leader of the Opposition and the member for Hawthorn are absolutely hopeless in terms of caring about their kids and other people's kids going to school, and we are going to fund it. I do not mind. I think it is a terrific idea. Who thinks it is a terrific idea?

The DEPUTY SPEAKER — Order! The minister, without assistance.

Mr BATCHELOR — Who thinks it is a terrible idea? All the people on the Liberal Party side. Not even the National Party supports the Liberal Party on this. The National Party is a keen supporter of reducing speed limits around country and city schools, just as the Labor Party is — in stark contrast to the Liberal Party and the member for Bass. So I can assure the member for Geelong that in terms of today's budget we will contribute to making schools safer.

The member for Geelong as chairman of the parliamentary Road Safety Committee is going to play a great role in making our roads safe. He has been a member in the past of this important committee. We only plead and pray that the Liberal Party want to support a bipartisan approach to road safety.

We are reducing the number of fatalities, the number of injuries and the number of accidents that are occurring across Victorian roads. We are saving lives. We say to the Victorian Liberal Party, 'Please come on board. Join the Labor Party, join the Independents and join the National Party in demanding that our roads are made safer'.

The DEPUTY SPEAKER — Order! There is far too much cross-chamber conversation.

Mr BATCHELOR — Liberal Party members should not be out there by themselves. They should come on board, because this is too important an issue, particularly around schools.

The member for Geelong wanted an undertaking that we would treat this as a high priority. He is lucky that this is the Bracks Labor government because the Bracks Labor government will treat it as a high priority.

The honourable member for Bulleen raised with me issues along Fitzsimons Lane. He raised with me the need for a series of traffic lights, particularly around Porter Street and Main Road in relation to the Templestowe Retirement Village. I will have Vicroads have a look at that issue. Fitzsimons Lane is a busy road. There are adjoining property uses where traffic lights may be of assistance. It is an important through route, and we have to achieve the appropriate balance between the adjoining property owners and pedestrian traffic.

This government is concerned about road safety issues, but Fitzsimons Lane is not a new road; it is not newly developed, it is a road that has been in place for some time. It is a road that was in place when the member's party was part of the government, but once again the opposition is asking this government to deliver major road improvements and road safety initiatives across Victoria, including to Fitzsimons Lane. I will ask Vicroads to have a look at that to see what can be done.

The member for Nepean raised with me the issue of sound barriers on the Mornington Peninsula Freeway. With increasing traffic volumes on a large number of our freeways there is an attendant increase in noise coming from those roads. I will ask Vicroads to have a look at that. The simple fact of the matter is that the policy that existed under the former Liberal government has continued through. If a road has a noise problem that grows over time we will measure that over time and once it reaches the threshold in accordance with the policy we will slot it in with the other competing noise barrier needs across the state and ask for it to be addressed. It is not the sort of thing we can address overnight. It is not a problem that has arisen from one day to the next, it is an incremental issue that has developed over time. The member for Nepean has raised a serious matter, and we will take that on board to make sure that it is dealt with.

The member for Preston raised a matter regarding the High Street, Preston, clearway. He indicated there is an issue in High Street that would be assisted by the removal of a clearway, particularly in the evening. He identified, I think, some 7.2 kilometres that would be assisted. The government has been working with the Darebin City Council, and the relationship between the government and the council has definitely improved over recent times. The concern I as transport minister have always had in making these sorts of changes to important arterial routes is that all the needs of the road are taken into account, including the through traffic and pedestrians but importantly including public transport.

The member for Preston has identified that public transport is a key priority that he acknowledges. If we can work through those relationships with the Darebin council we will go a long way to achieving those objectives that he has asked the government to look out for.

Ms GARBUTT (Minister for Community Services) — The Leader of the National Party raised with me an issue at Poowong Preschool, or essentially two problems — the first was the gap of some $13 000 in costs of running the preschool compared with income, and the second was the excessive workload of the committee, which is not unrelated to the problem of funding.

The Leader of the National Party correctly identified that there are a lot fewer four-year-olds at kindergarten this year, and because the funding is per capita funding the funding has dropped. However, because the number of children has dropped below 15 this year — in fact, it is only 10 compared with 22 last year — the kindergarten is funded on a higher rate. It is not just the rural per capita rate, it is the small rural rate now, so there is an increase of $918 per child. By my calculations that means around $8300 less in funding this year.

We all understand the importance of the preschool years. They set children up for a positive experience at school. The research shows that the early childhood years are absolutely vital in producing positive adults with good futures. The government is certainly committed to preschools and has increased funding considerably and lifted the participation rate of four-year-olds at preschools.

I understand the member's concern and I can advise him that the Gippsland region of the Department of Human Services has been working with the preschool committee. We are trying to work through it. It has been suggested to me that the committee might like to meet with neighbouring preschool committees in Loch and Korumburra, not necessarily to amalgamate but to discuss the possibility of working together to share resources. I am told that Korumburra, for example, has an administrator. Under our group employment model we can have one employer employing and being responsible for several preschool teachers' employment, and all the work that goes with that. That happens in four other places in Gippsland. It not only gives the preschool teacher some certainty, but it lifts the workload of the committee and it is cheaper. It saves some resources.

More broadly the department is commencing a review of the preschool funding model which was brought in by the previous government. We are looking at that and are implementing the group employment model which takes some of the workload off the committees, but allows them to concentrate on things they often enjoy doing, which are the services provided in their preschool. I make those suggestions for Poowong Preschool and suggest it pursues that line. I will ask the Gippsland region to make sure it follows through and provides any assistance it possibly can.

Mr BATCHELOR (Minister for Transport) — The member for Yuroke raised an issue for the attention of the Attorney-General relating to apparent serious breaches of the Privacy Act by Senator Tsebin Tchen that really undermine the Centenary Medal process. I advise the member that I will take that up with the Attorney-General and ask that an investigation be undertaken into those apparent breaches. We regard the Privacy Act as an important part of state legislation and are concerned to hear of these apparent breaches, as I am sure the Attorney-General will be, and will launch a full-scale investigation.

The member for Bass raised a matter for the attention of the Minister for Tourism relating to the impact of declining tourism numbers on a Chinese restaurant in Cowes operated by Mr Stephen Zanca. I will take that matter up with the Minister for Tourism who will get back to the member for Bass.

The member for Pascoe Vale raised for the attention of the Minister for Sport and Recreation in another place track terracing and shade for spectator viewing areas at the Harold Stevens athletic facility within the City of Moreland. The member extensively outlined how this facility in Moreland was widely appreciated by a whole range of community groups, ranging from little athletics to other organisations.

Of particular interest to me was that members of the fantastic little athletics group in Fawkner in my electorate go down to this particular facility within the City of Moreland as part of their regional visitation program for a bit of friendly competitive interaction. They would also support the member for Pascoe Vale in trying to improve the physical facilities in her electorate.

The member for Mornington raised a matter for the Minister for Workcover regarding the handling of asbestos products in the domestic environment. I will ask the minister to see how the current regulations apply to that. The issue of the danger of asbestos has long been known, notwithstanding the fact that in the past the producers of asbestos have sought to deny it, both to the workers who produce it and those who use it in the workplace environment subsequently, as well as those who are using it in a domestic situation as the member for Mornington described. I will ask the Minister for Workcover if it is an appropriate matter for him to look at. If it is not within his area I will ask him to pass it on to the appropriate minister.

The member for Mill Park raised a matter for the Minister for Health in relation to the Northern Hospital, outlining the importance of this hospital to the people of the northern suburbs. As the member of Parliament in whose electorate this hospital is located, I support the comments of the member for Mill Park. The Northern Hospital is a great resource to the northern suburbs, not just to the electorate of Mill Park, or indeed to Thomastown, but to the whole of the northern suburbs. It is a great community resource and we ask the Minister for Health to take on board the matter the member for Mill Park has raised and see what can be accommodated there.

The DEPUTY SPEAKER — Order! The house stands adjourned.

House adjourned 10.52 p.m.

Wednesday, 7 May 2003

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.34 a.m. and read the prayer.

ACTING OMBUDSMAN

The SPEAKER — I wish to advise that on Tuesday, 6 May 2003, I administered to Robert George Seamer, the Acting Ombudsman, the oath required under section 10 of the Ombudsman Act 1973.

PAPERS

Laid on table by Clerk:

Audit Act 1994 — Report of the Auditor-General on Public Sector Agencies — Results of special reviews — Ordered to be printed

Financial Management Act 1994 — Budget Paper No. 3 — 2003/2004 Budget Estimates

First Mildura Irrigation Trust — Report for the year 2001–02

Planning and Environment Act 1987:

Notices of approval of the following new Planning Schemes:

Benalla Planning Scheme

Mansfield Planning Scheme

Notices of approval of amendments to the following Planning Schemes:

East Gippsland Planning Scheme — No. C11

Glen Eira Planning Scheme — No. C19 Part 1

Glenelg Planning Scheme — No. C9

Knox Planning Scheme — No. C20

Moyne Planning Scheme — No. C9

Port Phillip Planning Scheme — Nos C24 Part 1, C24 Part 2.

MEMBERS STATEMENTS

Roads: funding

Ms ALLAN (Minister for Education Services) — I rise to welcome the commitment in yesterday's budget — and what a great budget it was for all Victorians! — of $70 million for the Calder Highway duplication works. This now places extreme pressure on the federal Liberal and National parties in Canberra to honour the promise of the federal Treasurer to match the $70 million as per the roads-of-national-importance agreement.

Next Tuesday, when the federal government hands down its budget, will be D-day for the federal Liberal and National parties. They must honour the commitment the federal Treasurer made in Bendigo during the 2001 federal election campaign to match the state government's funding.

The editorial in the *Bendigo Advertiser* last week said:

> … a concrete commitment to the Calder Highway should be a given, not a maybe.
>
> It is a commitment all central Victorians deserve.

I understand a meeting that was to be held in Bendigo next Friday has been cancelled because of the refusal by John Anderson and the federal government to attend. I fear that this is a message from the federal government that it will again refuse to honour its word, to honour its agreement, in next week's federal budget. The federal Liberal and National parties abandoned central Victorian motorists last year, and they refuse to say if they will do it again.

The question I also have is: what has Mr Drum, a member for North Western Province in the other place, been told by his federal leader, the federal transport minister, John Anderson? If we do not get this funding from the federal minister in next week's budget, the member for North Western Province will have failed to stand up to his federal colleagues on behalf of his community.

Information technology and innovation: departmental briefing

Mr KOTSIRAS (Bulleen) — This inept, lazy and insecure government is continuing to hide its incompetence and fear of scrutiny by not agreeing to a departmental briefing on the information and communication technology and innovation portfolios, despite the fact that I wrote to both ministers on 23 January 2003.

In response to criticism in the media this reactive Premier gave an assurance on radio that all opposition spokespeople would be given briefings in their portfolio areas. However, someone forgot to tell these two ministers. The two ministers concerned seemed very nervous and anxious in agreeing to a briefing, and the Minister for Information and Communication Technology, who is not on top of her area, is more interested in secret funny-money deals. Despite assurances from her ministerial adviser that a briefing will occur, I have not yet received a date and a time for that briefing.

The other minister concerned is the Minister for Innovation, who is more interested in cutting ribbons, stealing the federal government's success stories and associating himself with successful companies than he is of being open and accountable. The minister's office has not even had the courtesy to respond to my letter of 23 January 2003, despite my telephone call. This is a sign of a very sad, unhappy but arrogant minister who believes he should have been Premier.

I urge both ministers to stop hiding their incompetence and agree to a briefing. I call upon the Premier to honour his commitment and instruct both ministers to agree to a briefing today.

Western Melbourne Regional Economic Development Organisation: tourism strategy

Mr LANGUILLER (Derrimut) — Last November the Western Melbourne Regional Economic Development Organisation, known as WREDO, launched a 10-year tourism strategy that aims to further develop tourism in our region. WREDO, sponsored by the Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham councils, is a model of inter-municipal cooperation. Just last month the members of this house were witnesses to a very successful WREDO initiative, the Invest in the West Expo, outside the chamber in Queen's Hall, which showcased the western region of Melbourne in its many facets including manufacturing, leisure, education, housing, investment and produce.

WREDO's latest project is the establishment of Western Melbourne Tourism, a regional tourism organisation charged with implementing the 10-year tourism blueprint in cooperation with the local tourism industry and the partner councils.

In a recent meeting with the new organisation's tourism officer, William Garrido, I was fortunate enough to be briefed on Western Melbourne Tourism's vision for Melbourne's west over the next 10 years: $250 million of capital investment in tourism infrastructure and tourism product; increased tourism expenditure from the current $169 million per annum to approximately $350 million per annum; an increased number of visitors staying in the region from the current 335 000 to over 700 000 per annum; and increased tourism-related employment from the current 6 per cent to approximately 13 per cent of overall regional employment.

Melbourne's west is a vibrant, multicultural community proud of its history, with its sights set firmly on its future. The region is home to an extraordinary Aboriginal heritage dating back some 30 000 years. Williamstown is the oldest continuous white settlement on Port Phillip Bay, and the mansion at Werribee Park and Point Cook Homestead are evidence of Victoria's pastoral beginnings.

The region is blessed with natural beauty. The Maribyrnong — —

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

Swan Hill: dental services

Mr WALSH (Swan Hill) — That is the first time I have heard someone talk for 90 seconds without drawing breath. Congratulations!

I raise the issue of the perilous state of dental services in Swan Hill and district in both the public and private sectors. The Auditor-General's recent report states that oral disease is one of the most prevalent diseases in the community, and we need to do a lot more about it. The report criticises some of the public sector delivery services and shows that targets are not being met in those areas.

These observations would be fine if we had a public dental service in Swan Hill, but we do not have a public dentist and we do not have a public dental technician. Currently around the state there are waiting lists of 22 months for dental services and 24 months for dentures. There is no-one to deliver that service in my district.

The local hospital delivers vouchers through the Victorian emergency dental scheme and the Victorian general dentures scheme, but these vouchers are only for emergency services. They are then taken to the private practitioner, which puts more workload on the private practitioner, who is reaching retirement age and is quite concerned that when he retires there will be only one dental service in Swan Hill for the whole community. The lack of a public dentist will put more pressure on him.

David Drummond

Mr HOWARD (Ballarat East) — This morning I pay tribute to David Drummond, who died on 25 April this year. David lived in Trentham and was a much-loved and respected member of the Trentham community. He was dedicated to helping those around him, as his record shows. He was a councillor for 19½ years, and his service included holding the office of shire president for the former Shire of Kyneton. At one point in his career he was on some 88 committees.

I came to know David as the Coliban ward councillor for Hepburn Shire Council — a role he continued in for six years until the last council elections. I regularly received letters and faxes from David, which, when I was able to decipher his unique style of writing, I was able to follow up on. They related to projects he wanted to progress in the Trentham region. I certainly enjoyed meeting with David to follow up on those projects, as he always showed great warmth. With a twinkle in his eye he showed that he had a great sense of cunning in progressing his projects in the Trentham region.

David was a great advocate for Trentham. In attending his funeral this week it was clear to me that David had touched many hundreds of lives in both the Trentham and Daylesford areas. He had been a teacher of music, science and woodwork at Daylesford Technical High School, where he was also a football and cricket coach. He contributed much to the communities of Daylesford and Trentham. He will be sadly missed.

Schools: capital works

Mr PERTON (Doncaster) — The Bracks government has been caught out being loose with the truth once again. In its education election and local promises it committed to spending $180 million during the next four years to build at least 15 new schools. Sadly for several communities, the Bracks budget shows this promise to have been a hollow lie. The budget allocates just over half that amount and only provides funds for six of the promised new schools in growth areas.

The following promised schools are unfunded for the next four years: Caroline Springs years 9–12; the cheese factory primary school in Centre Road, Berwick; Epping North primary school; Jamieson Way primary school, Point Cook; Laurimar Park primary school near Yan Yean; Mill Park Lakes primary school; Mill Park Lakes secondary school; Somerville years 7–10; Tarneit primary school, north-west of Werribee; Truganina South primary school, north of Werribee; and Wallan years 7–8.

Unfunded promises are just what they sound — they are a lie. These communities were promised new schools in this term of government, new schools that they will not get during this term of government.

Centenary Medal: Brimbank recipients

Mr SEITZ (Keilor) — I rise to place on record my congratulations to and appreciation for the Centenary Medal recipients in the City of Brimbank. More than 50 people received the award, which shows that the people of Brimbank are community minded and at the forefront in working for the community.

I will name some of the recipients. They are David Anderson, Pauline Aquilina, Draga Atanasovska, Trajan Atanasovski, Majit Aujla, Josephine Baldacchino, John Boles, Charlie Bonnici, Dominic Borello, Clare Brennan, Lorna Cameron, Ian Castles, William Chapman, George Cini, Wynford Connick, Charlie Eres, Peter Greaney of Hillside, Joan Heard, Ciro Lombardi, Peter Marshall, Henry Moakes, Bassilios Morcos, Lynton Round, George Said, Keigo Salmi, Natalie Suleyman, Hakki Suleyman, Venerable Phuoc Thich, Raelee Thompson, Athena Vass, Carlo Vinci, Michael Wimborne and Marilyn Zukalski. I have not named all 50 recipients. Unfortunately the federal government, while playing politics, has robbed them of a proper presentation ceremony where I could personally shake their hands and congratulate them on the very important award they have received.

Major projects: funding

Mr HONEYWOOD (Warrandyte) — As the reality of the budget that has taken us to the brink begins to sink in, it is what is not said in this financial statement that is just as worrying as what is contained in it. What is not stated in the budget papers is that there are no new major projects. For the first time in two decades we have no new investment in major public infrastructure by the Victorian state government.

Of course there is the usual confetti of a few schools in the growth areas, but there is no new big project. This gaping hole in the budget reminds us that every major project opened in the life of this government was thought up and largely forward funded and built by the previous coalition government, including the museum, the convention centre, Federation Square, the National Gallery of Victoria, the Immigration Museum and the City Circle tram route.

It is a key responsibility of any state government to generate ideas that go on to become public infrastructure development and to excite Victorians with projects that advance our state rather than leave us behind the pack. Through major projects new construction jobs are also created, rather than just more head office public servants.

The Geelong bypass is getting $4 million out of an estimated $190 million.

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

Building industry: royal commission

Ms BEATTIE (Yuroke) — 'First the verdict, then the trial!' They are classic words from *Alice in Wonderland* and also it seems from the Cole royal commission. Last Friday we again saw what a disgraceful waste of time and taxpayers money this $60 million, politically motivated royal commission has been. Until the *Tampa* sailed into our waters John Howard did not have a big-ticket item for the last election; the Cole royal commission and the pursuit of the Construction, Forestry, Mining and Energy Union (CFMEU) was to provide it. A militant blue-collar union, unashamedly assertive in the drive for better pay and conditions for its members, was the perfect backdrop for Howard and Abbott to pursue an industrial relations agenda. No matter how hard they tried, they have come up with zilch.

The secretary of the CFMEU, Martin Kingham, was ordered by the commission to hand over documents that were not even in his possession, and indeed it is not known whether they actually exist. They wanted the Kingham scalp by any means, and they failed to get it.

The whole commission was an ideal opportunity to investigate the high incidence of workplace deaths and the appalling lack of workplace safety provided by some employers. The issue of subcontractors closing down and starting up again almost immediately to avoid paying workers entitlements should have been addressed. But these important issues were swept aside in the pursuit of Martin Kingham and other CFMEU officials.

However, justice has prevailed and the commission has been exposed as the political plaything of Howard and Abbott.

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

Shepparton Science and Technology Centre

Mrs POWELL (Shepparton) — The issue I wish to raise today is the urgent need for a commitment from the Department of Education and Training for continued funding for a three to five-year term for staff at the Shepparton Science and Technology Centre. This wonderful educational facility was opened in 1996 and is based at McGuire College in Shepparton.

The centre's management board includes the four secondary colleges of the Shepparton district. Over 10 000 students — primary, secondary and adult — attend the centre each year. As well as the schools in the region, local industries and the broader community wholeheartedly support and use this facility for research programs and for training. The centre enables students to enhance their understanding, interest and achievements in science and technology areas as well as providing career paths in science and technology.

In this budget the government made a commitment to boost science, technology and research infrastructure funding and to provide funds for education officers. The funding for the centre manager has only been agreed to until December 2003, which is only seven months away. The centre needs a commitment from the government for this ongoing and important position as well as funding for a lead teacher to enable it to continue to promote and provide excellent programs in science and technology in the Shepparton region.

I therefore urge the minister to work with the Shepparton Science and Technology Centre and to provide the extra funds and the commitment that it needs.

Textile, clothing and footwear industry: Productivity Commission report

Mr LEIGHTON (Preston) — The recently released report of the Productivity Commission's inquiry into assistance to the textile, clothing and footwear (TCF) industry will have a devastating effect on the industry and on jobs in Victoria. Victoria is a key TCF manufacturing area in Australia, employing 47 per cent of Australia's TCF work force, which involves 27 300 jobs, $873 million in wages and salaries and over $1 billion in exports.

Under the Productivity Commission report tariffs will be cut not only in 2005 but again in 2010. At the same time over an eight-year period the strategic investment program will be halved and then terminated — this is at a time when this program is most needed by the industry.

Employers estimate that 25 per cent of jobs will be lost from the industry, and it is pretty obvious that even more manufacturers will be forced overseas. Preston is home to 3 of the top 50 TCF employers, and I am aware that another shoe manufacturer, which is already importing some of its shoes, is looking at moving overseas. Our manufacturers, including those in Preston, have a number of strengths in niche markets, including quality and style and being able to respond more quickly to new orders and changing fashions, and they need support.

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

Mitcham–Frankston freeway: tolls

Mr WELLS (Scoresby) — This statement condemns the band of weak and spineless Labor MPs in the east, outer east and south-east for not having the guts to stand up for their constituencies and failing to voice their disapproval to Premier Bracks at his breaking his election promise of no tolls for the Mitcham–Frankston freeway, which was previously to be the Scoresby freeway.

The Bracks Labor government was first elected on a platform of openness, transparency and accountability, but nothing could be further from the truth. The community was simply deceived by the election promise of no tolls, no tolls, no tolls!

It is now clear that the Labor members for Mitcham, Forest Hill, Bayswater, Ferntree Gully, Mount Waverley, Mulgrave, Dandenong, Lyndhurst, Cranbourne, Carrum, Frankston and Koonung, Waverley, Eumemmerring and Chelsea provinces were elected on a platform of deception and lies. Constituents of these electorates now know they were conned at the state election, and they have been conned once again with plans for the Bracks tollway.

Labor is treating the 1 million-plus people living along the Scoresby transport corridor with contempt. People are angry at the decision to impose tolls, and their local Labor MPs should be representing their wishes by expressing their anger and disappointment to the Bracks government instead of acting like lame ducks. The community does not support tolls on the Mitcham–Frankston freeway, and this must be communicated to Premier Bracks directly by his MPs.

Members of Parliament are elected to serve their constituents, and the Labor MPs of the east, outer east and south-east must now stand up for what is right and demand that the Premier reverse his decision on tolls.

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

Werribee Vegetable Expo

Ms GILLETT (Tarneit) — I want to publicly congratulate all of those at Glenormiston College and the Victorian Vegetable Growers Association for working so well together to produce the outstanding success that was the Werribee Vegetable Expo. The expo committee — —

Honourable members interjecting.

Ms GILLETT — It was the only event in the region worth going to last week on Thursday and Friday. It was an outstanding success, with 80 exhibitors displaying produce, machinery, modern farming techniques and the rich variety of produce that is available in the vegetable-growing industry.

I would like to also place on the public record thanks to Les Giroud who has chaired the expo committee for the last 20 years. The expo itself has a history of some 40 years, and Les has had carriage of the chairmanship of the expo for at least half of that. The expo has changed over its 40-year history to accommodate the new needs of the industry. Ruth Pollard is the coordinator of the event and just does an outstanding job to maintain her sanity through it all. David Milburn of Glenormiston College is the technical guru who produced the magnificent display of vegetables on the day. I was also pleased to be able to —

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

Courts: sentencing

Mr McINTOSH (Kew) — Recently Mark Jewell was convicted and sentenced for the crimes of burglary and indecent assault against a child under the age of 16. No notice of appeal has yet been filed. My comments are not intended to be a criticism of the trial judge in the Jewell case. On the contrary, Her Honour declared Jewell to be a serious sexual offender within the meaning of the Sentencing Act and imposed an increased or 'topped up' jail term. Importantly, the only sentencing option the judge had was jail for a set period. The trial judge correctly applied the law. Notwithstanding evidence of Jewell's sexual deviance, that he was likely to reoffend, and that a term of imprisonment was unlikely to act as a deterrent, the trial judge was unable, at law, to consider imposing an indefinite sentence. An indefinite sentence is a sentencing option only where a person is convicted of a serious offence as defined by the Sentencing Act. Jewell's antecedent convictions and crimes were very grave, but he was not charged with a defined serious offence. The trial judge had an obligation to apply the law as prescribed by Parliament.

The law is wrong, and if it is wrong, the responsibility lies with Parliament. The Attorney-General should consider amending the Sentencing Act to give a trial judge in future cases the option of imposing an indefinite sentence where a person is declared a serious sexual offender. It is up to the Attorney-General to fix the problem and introduce legislation to properly protect our community.

Anzac Day: free buses

Mr ROBINSON (Mitcham) — I want this morning to place on record my congratulations for the work done by a number of organisations and individuals associated with the Anzac Day bus program to the Shrine of Remembrance's dawn service. The government puts this service on every year, providing free bus travel. This year some 37 buses provided 1200 people around Melbourne with the opportunity to attend a spectacular dawn service. In particular I would like to congratulate the Returned and Services League, the Ventura-Mount Dandenong bus line, United Energy, the Bus Proprietors Association, 3AW and the Australian Football League for assisting in the promotion of the service. I would also like to congratulate Mr Stephen Watson, a public servant with the Department of Infrastructure, one of the unheralded public servants who does so much good work on this front every year.

Noni May Clarke

While I have the opportunity I would like to congratulate Noni May Clarke, a student from Blackburn High School, who was featured in last week's *Age* after her painting, *Ken*, won the people's choice award at an exhibition of VCE students' work at the Ian Potter Centre at Federation Square. It is terrific to see young talent like this coming though our state high school system.

Knoxbrooke Celebration of Life Ball

Ms ECKSTEIN (Ferntree Gully) — Last Saturday I had the pleasure of attending the Knoxbrooke Celebration of Life Ball, which was held to celebrate 35 years of service to people with intellectual and other disabilities by Knoxbrooke Inc. The ball provided an opportunity to celebrate the very many years of support to clients, many of whom have attended Knoxbrooke since they were small children. Eighteen presentation couples, all clients of Knoxbrooke, danced beautifully for official guests, parents, staff and other community members at the ball.

I understand this took quite some months of practice. Knoxbrooke Day Training Centre was opened in 1969 to provide programs for children and adults with an intellectual disability in the Knox and Sherbrooke areas.

One of the key local figures involved in establishing Knoxbrooke, as well as its development since, is Mr Bob Glassborow, who is now almost 90 years old. He attended the ball and outlined the history of the facility to those present. Bob was very involved with Rotary at the time, and both the Belgrave and Ferntree Gully branches of Rotary were instrumental in establishing Knoxbrooke.

The programs initially available to children and adults included literacy, numeracy, creative arts and independent living skills. In 1976 it became an adult training centre catering exclusively for the needs of adults. I commend all the dedicated staff, families and volunteers who make Knoxbrooke such an important community service.

Special Olympics State Summer Games

Ms MUNT (Mordialloc) — On Saturday, 12 April, I had the pleasure of representing the Premier at the opening ceremony of the 2003 Special Olympics State Summer Games at Haileybury College in Springvale Road, Keysborough. It was a very special occasion, and I would like to congratulate all the athletes who participated in these wonderful games between 11 and 13 April. Furthermore, I pass on my best wishes to the 13 Victorian athletes who were selected to represent Special Olympics Australia at the 2003 World Games in Dublin later this year.

Such an event would not have been possible without the tireless efforts of the Special Olympics Victoria committee, the Summer Games committee and the many volunteers and parents who gave their time and effort to ensure the success of the games. I would like to give special thanks to Mr Brian Williams, the chairman of Special Olympics Victoria, Mr Philip Parsons, the state games manager, and Mr Steve Jacobs, representing the Freemasons, for their hard work on behalf of these athletes.

The smiles on the faces of the young special athletes and their obvious joy and enthusiasm in competition is a lesson in the true spirit of sport for us all.

Geelong Region Strategic Alliance

Ms NEVILLE (Bellarine) — Last Friday I was pleased to attend with the Minister for State and Regional Development and other Geelong members of Parliament the launch of the Geelong Region Strategic Alliance. This alliance is a unique partnership between the state government and four local councils — the City of Greater Geelong, the Borough of Queenscliffe, Golden Plains Shire and Surf Coast Shire.

The purpose of the alliance is to develop a Geelong region strategic plan for the future of the region, to look at the medium term and to take advantage of the opportunities posed by enormous population and economic growth. There are considerable opportunities.

The Geelong region has an unemployment rate that is below the state average and a booming population growth. In fact in Bellarine Peninsula alone the growth rate is 4.4 per cent — it is one of the fastest growing areas in the state.

The plan is to ensure that we balance the needs of our communities and the needs of our environment and continue to encourage and promote economic and social development. This is a unique project involving key community and business leaders who are volunteering considerable time and skills to develop the seven pillars of the plan around health, education, the environment and economic development. The state government has contributed $150 000, with matching combined contributions from the councils.

I know that other local members of Parliament join with me in congratulating the foresight and the vision of the councillors, the mayors and others who are involved in this important project.

St Raphael's parish hall, Bentleigh

Mr HUDSON (Bentleigh) — Last Sunday I attended the opening of St Raphael's parish hall in my electorate of Bentleigh. The Greek Orthodox Parish of Saints Raphael, Nicholas and Irene is a vibrant church community of around 400 parishioners. On Sunday virtually every one of them was there to see the opening of this magnificent new community facility by His Eminence Archbishop Stylianos, Archbishop of Australia.

The service, which was held entirely in Greek, blessed the hall and the work of the parish in a moving ceremony. The parish raised $700 000 over three years to build the parish hall, which was a tremendous effort. The new hall will be used for the senior citizen's group, which met previously in a small brick garage; the young people of the parish; the women's group; and an after-hours Greek language school for years 1 to 6.

Special thanks are due to Sam Konidairis, who put in countless hours supervising and building the hall free of charge, and Peter Savakis and George Loukaitis, who spent an enormous amount of time coordinating the hall project. Thanks are also due to the church committee of Harry Apostolopoulos, George Christofis, Elias Dour, John Fasoulakis, Fr Basil Christofis, Fr Harry Pirelis, Evangelos Koulkoudinas, Mrs Felicia Leonardos, George Loukaitis, Alexander Bandtelios, Basil Rouneliotis, Peter Savakis, Savva Tzivakis, Zachary Vavitis, Nick Xipolitos and Nick Zagoudis.

Thanks are also due to the women's auxiliary of Nicky Savakis, Sophia Anastassiou, Panagiota Batras, Eftichia Bantelios, Sasmaragdi Dour, Tasia Linardakis, Yanna Sarris and Pipina Banagiotlaris.

Solomon Pevzner

Mr LUPTON (Prahran) — I wish to congratulate Mr Solomon Pevzner, a resident of East St Kilda in the electorate of Prahran, on reaching his 100th birthday. Mr Pevzner celebrated his centenary on 5 May, having been born in the Ukraine on 5 May 1903, which I remind members was some seven months before the first successful aeroplane flight. He lived in Moscow for many years, where he studied law and practised as a lawyer. He came to Australia in 1994 and was reunited with his family. I ask members to imagine the fortitude and determination of a man who was prepared to migrate across the globe at the age of 91.

He still enjoys chess, European football, opera and the theatre, although arthritis now affects his mobility so he does not get to the theatre as much as he would like. He is an avid reader of Russian language newspapers and also enjoys watching Russian TV. He is reasonably self-sufficient, with some help from Jewish Care, his family and his neighbours in the vibrant local Russian Jewish community. I wish him and his family well on this very special occasion.

MATTER OF PUBLIC IMPORTANCE

Government: financial management

The DEPUTY SPEAKER — Order! The Speaker has accepted a statement from the honourable member for Warrandyte proposing the following matter of public importance for discussion:

> That this house condemns the government for its failure to follow proper financial practices and to exercise probity in its dealings with public moneys — for example, the attempt by ministers of the then Department of Natural Resources and Environment and of the Department of Justice to misuse the estate agents guarantee fund; the unacceptable delays in announced projects such as rail standardisation and fast rail; a $1 billion dollar blow-out in the transport portfolio; the contractual breaches in respect of the Seal Rocks development; and the tender arrangements for the Docklands Studio City proposed development.

Mr HONEYWOOD (Warrandyte) — There is a smell about this government and its funny-money deals. That smell is rapidly developing into a stench — and the lackey of the government, the member for Mildura, laughs.

Whether it be because of just plain contempt for due process and transparent tendering procedures, whether it be because of a government desperate to prop up its budget blow-outs by taking deposits and payments for specific projects that are then diverted elsewhere in the budget or whether it be because of projects increasingly awarded to Labor mates, it will not be long before this government is labelled a corrupt government.

In this morning's debate on this matter of public importance each speaker from the opposition will detail chapter and verse how corruption is becoming the catchcry of the Bracks government. Whether it be the Docklands Studio City deal, about which the Auditor-General, meant to be the policeman of the government — much vaunted and supposedly respected by the government — reported a corruption of the procedure in the award of the tender; whether it be the situation so ably put forward by the member for Doncaster relating to two current government ministers doing a funny-money deal about which another policeman of the Parliament, the Ombudsman, was able to detail that the practices were such that public servants were compromised when it came to the attempted shifting of moneys from a particular designated fund to prop up the government budget line; whether it be the situation with the Mitcham–Frankston freeway — now the Bracks tollway — so ably highlighted by the member for Polwarth that is the greatest deception played out on the electorate of Victoria and in particular the million people who live in the outer east and south-east of Melbourne since John Cain promised the South Eastern Car Park; whether it be as the member for Bass detailed, as he has done over a number of years now, the victimisation of and the total attempt to compromise a worthwhile project in his electorate that was bringing many tourists to the state of Victoria — a situation where, because of the inept way the government handled it, we finished up with the taxpayer yet again having to bail out Labor because of its inability to deliver on true contractual relationships; or whether it be any number of these funny-money deals, what we find time and time again involves a lack of regard for due process.

What we also find time and time again is the taxpayers having to pay double or triple what they should have, which all goes to show that investment in Victoria is compromised. It is compromised because if you are a large private sector development fund or an investment company wishing to tender for a major project, what do you find? You find that the cost of tendering, for example, for the Mitcham to Frankston freeway averaged out, in the initial proposal, at $3 million. What you find, therefore, is that if there is a smell of corruption, if there is a smell of the tendering procedure being compromised, then that is millions of dollars wasted by the private sector in a supposedly transparent procedure, after which companies find that there was a Labor mate or some special arrangement put in place before the tender even got off the ground — and there is evidence of that, which will be detailed this morning.

Let us look, for example, at the Docklands Film and Television Studio process. The Auditor-General found in his report on public sector agencies tabled in February this year that the public sector contribution to this project has blown out by 17 per cent, from $40 million to $46.8 million. Central City Studios (CCS) has accepted a $31.5 million Bracks government loan, interest free for two years and then at only a 2.75 per cent for 20 years — a great deal if you can get it.

During negotiations the government sought independent advice on options to progress with the studio complex without CCS, but it has refused to release this advice. However, the Auditor-General found that this advice was to continue discussions with CCS 'for a short period of time' — not for the nine months that was extended to this so-called successful tenderer.

To quote the Auditor-General, the advice was to 'start planning for the state to build and operate the studio without CCS'. So why did the government prevail? Why did it stick to this particular organisation which has no track history of producing films and which, if you look at it, involves somebody as a major shareholder and major spokesperson whose only really experience here is providing movies through Movielink in hotel rooms?

What we have to ask, therefore, is why the Bracks government did so well by CCS. This project has been delayed. The original plan was that the financial closure would be March 2002, with construction to start in early 2002. However, after the announcement of CCS as the preferred tenderer, the nine-month negotiation process developed and financial closure was not achieved until 17 October 2002.

The government has been caught out. And to catch the government out we have only to look at the *Age* newspaper article which was published only two days ago. From that article we find that while the Minister for the Arts traipses around any number of artistic functions claiming that this government is putting $40 million into the local film industry, Mr Guzzardi, the successful tenderer principal, does not believe there is any need to have new production in the state of Victoria. He is trying to convert what was meant to be a

major investment in new film production in the state of Victoria into a television studio, not a film studio, for existing productions. That is a long way short of the promised new film production facility that was going to rival those in Queensland and New South Wales, according to the Premier.

Let us then look at any future commitment for training young people in the industry. Swinburne University was conned by the successful tenderer into committing $1.3 million to this shonky deal. It was conned on the basis of being given freehold land adjacent to the actual film studios. Why did it enter into that deal? It wanted to bring back to Victoria the famous Swinburne school of film and television. It thought, 'This is a great opportunity for young people to get trained, to get a job in the industry; they will be located next to the studios in a Swinburne-owned building and young people will be exposed to training in this world-class industry'.

But that was not the thinking of the successful tenderer. His opinion was totally different. After he had led Swinburne down the tendering path and had conned Swinburne into believing it would get a special deal — having got a guaranteed $1.3 million from Swinburne which the consortium then put to the government as part of its wonderful deal — what do we find? Swinburne is told, 'Bad luck, the freehold land is no longer yours, you will have to be a tenant on the land rather than owning the land, and you will be situated away from the studios on the far side of the allotment'.

This government's hypocritical intent when it comes to training young people in an industry is exposed, and a leading film and television studio for the state of Victoria has been lost because this government prefers to do deals with people who do not have expertise in the film industry. It promised the government the world but did not deliver.

More will come out in due course about the corruption of the tendering process, as the Auditor-General has identified, and more importantly perhaps about what has transpired since, because another $2 million has been lost to Victorian taxpayers in the government having to prop up a temporary studio facility in St Albans that has produced only one film, that we are aware of, over a two-year period.

The Docklands Studio City development is nothing more than a real estate deal done with a company that has no experience in the film industry. That real estate deal will prove to be a boon to this company that was given special deals. No wonder a number of directors of the successful tendering company are about to take legal action against the government and against the principals of the successful company because, according to Corporations Law, they have had their shareholdings unilaterally diluted by the directors who took over the company from the company that won the contract from the government.

Who handled the process? It was a bunfight within cabinet at the time, and the Treasurer demanded that he get to run the film industry in Victoria over the head of the Minister for the Arts. The tendering procedure was handled not by the Docklands Authority but, instead, by Multimedia Victoria.

If the Docklands Authority had at least had the carriage of this it would have ensured that the probity auditor might have attended more than two out of every five or six meetings and that there might have been minutes taken of meetings with the proposed tenderers — that there may have been some transparency of process. Instead Multimedia Victoria absolutely compromised the arrangements when it came to the different companies. We also find that the two unsuccessful companies which missed out on getting this wonderful real estate deal from the government at Docklands are also looking at taking legal action against the government. Why? Because they feel, like most of Victoria does, that something of a smell is still hanging around this real estate deal that was meant to be a film industry initiative for the people of Victoria.

The other interesting deal that comes out in the budget papers is that, given the lack of major projects in this budget, we find a $15 million bridge being provided — —

The DEPUTY SPEAKER — Order! I remind the honourable member about the rule of anticipation.

Mr HONEYWOOD — Correct, Deputy Speaker — and a number of Labor members, including ministers, would have anticipated this morning in their 90-second statements. An overpass will be constructed at Cliff Street in Portland to improve transport linkages to the port of Portland and to avoid conflicts between rail and road operations. Now which company benefits from this $15 million major project? Hastings Funds Management Ltd. Who owns 49 per cent of Hastings Funds Management? Mr Mike Fitzpatrick. Who was in the papers this week for having been the fourth largest shareholder with a $270 million deal with the government for wind farms worth $9 million of private shareholding? Mr Mike Fitzpatrick. So the only major project in this entire budget is a $15 million bridge to help the port of Portland assist in — —

Mr Nardella interjected.

Mr HONEYWOOD — Hastings Funds Management, 49 per cent owned by somebody who, of course, is involved in the wind farm contract. We have no problems with Mr Fitzpatrick or his veracity or qualifications to run projects. We believe he is a major contributor to the state of Victoria, but it is a very interesting coincidence that the port of Portland has done so well when there is not a single other major project in the budget detailed yesterday. Questions have to be asked why.

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

Mr MILDENHALL (Footscray) — We were waiting for that killer punch. I think the government is now staggering and reeling! It is not often that I would consider comparing the member for Warrandyte to the courageous and skilful Bulldogs football team, but they seem to share a recent tendency to wade in, wildly swinging punches, without thinking and without connecting and still carrying around with them a fair share of guilt. It is not a pretty sight, this sad, beleaguered rump of a party opposite us here, desperately thrashing around for traction and an issue. The leadership, disabled by the political near-death experience, overshadowed — —

Mr Honeywood — On a point of order, Deputy Speaker. For 60 seconds or a minute now we have heard nothing that relates to the matter of public importance before you, or that has any relevance to this very serious matter, and I ask you to bring the member back to order.

The DEPUTY SPEAKER — Order! I do not uphold the point of order at this stage. The member has just begun his contribution, and I am sure that he will be going to the substance of the motion.

Mr MILDENHALL — We see the biggest 'I-told-you-so' smile from the member for South-West Coast that we have seen in this place for many years, and now the sole survivor of the Go-in-Hard faction is desperately trying to get some traction and notoriety around this place. The party opposite is in the poorest position to give us a lecture about proper financial practices and the exercise of probity in public life.

It is the party that, over a number of years, adopted a deliberate strategy of intimidation with the privatisation of the Auditor-General's office. This government is the one that has protected the Auditor-General by enshrining the office in the constitution, and it has given the Auditor-General new roles in ensuring probity and examining financial practices in this state. While I would not want to breach the rule of anticipation, the budget papers brought down yesterday show that the Auditor-General signed off on the methodology and assumptions used — not a step the opposition would ever take.

This government has taken steps in other areas of probity, such as publishing contracts on the web and reforming freedom of information (FOI) — and what a dramatic contrast that is compared to the extraordinary shielding and corrupt practices that went on under the previous government. Tell us about it — you probably still have some details about it.

An honourable member interjected.

Mr MILDENHALL — It was not only the use of credit cards and Leeds Media, there was the issue of Troughton Swier. How did it get that $23 million contract, because there were no tenders and no public process? After the outstanding success of the rail privatisation, I would be getting my $23 million back! There were outrageous conflicts of interest in this place. There were the KNF conflicts of interest, which required some parliamentary manoeuvring and resolutions of the house to let the Premier off.

Honourable members interjecting.

Mr MILDENHALL — There were some other extraordinary examples, which continued right up to the end of the last government. There were also the conflicts of interest. Mr Forwood in another place, the then parliamentary secretary to the Premier and chair of the Public Accounts and Estimates Committee, defended what was occurring to the hilt. He saw no conflict of interest and no confusion of roles. Members opposite did not understand the issue. This government has a rule that parliamentary secretaries do not take such positions of responsibility in the parliamentary committee processes.

Then there are the lectures we have been getting here about major projects. The opposition has talked about the difficulties with major projects that might exist on this side. This was the party which totally lost control of the Melbourne Museum project. It had no sense of the future or how it would run the museum. With the extraordinary financial projections despite attendances falling right away, it was Seal Rocks all over again. As it was it would never fly and it would never work, and now this government has to pick up the pieces.

Then there was Federation Square, with its 'design, build and contract as you go' process. Talk about a lucky break for a developer! The firm had never had an architectural job in the past — and it has not had a

project since — but it got its big break here, with a $450 million bonanza. Yet the opposition tries to lecture this government about managing major projects.

Then there are the matters of probity and transparency. Opposition members have short memories about the extraordinary environment and atmosphere that was generated across Victoria during those long, dark Kennett years, with the incredible secrecy and the intimidation of not only public servants and whistleblowers but community service groups. Those community groups were even forced to sign confidentiality agreements over funding arrangements. There was extraordinary secrecy, where even grants of public money made to councils by state departments were exempt from FOI scrutiny, as were grants made to universities.

The member for Warrandyte would still like a little bit of that intimidation; he would like to do it again. He gets up here and denigrates and abuses the managers of Swinburne University. He says they were conned, led up the garden path and had no idea of what they were doing with the Docklands studio development. Saying that the management of one of Victoria's leading universities was conned was not a very nice comment by the member for Warrandyte.

The opposition has used a list of projects to try to demonstrate its extraordinary claims. I am sure others will say something about Seal Rocks, but the brief to the then Treasurer is one of the most extraordinary documents I have ever seen tabled in this house. I refer to the comments in it to the then Treasurer by Sue Dahn, the assistant director, and Peter Noble, the director, of project and outsourcing development in the Department of Treasury and Finance. If I had been part of the government and read this assessment of the project, it would have never got to first base.

The brief refers to the dubious commerciality of the project and expresses serious doubts about it. The risks referred to included the environmental acceptability, the community acceptability, the proponent's lack of development experience and the lack in the development's physical capacity to cope with the numbers. All the projections were allegedly dodgy, and the physical development could not cope with those projections. It also referred to the proponent's lack of capacity to finance the proposal, the unacceptability of the dubious market appeal of the admission prices — particularly the second-stage admission prices — the absence of any market research and the understated capital and operating costs of the proposal. Not only was there a great long list of serious weaknesses with the proposal, but the project generated similar returns to the public sector alternative, even though the admission fees were twice as high and the costs were far higher.

There is one fundamental difficulty with the project. I took the family down to Seal Rocks, and they asked, 'Where are the seals?'. There were polystyrene seals, paper mache seals, corflute seals and seals on the murals. But the kids said, 'Hey, Dad, where are the seals?'. I said, 'Sorry guys'. It was 15 bucks to get in, but there are no seals!

Honourable members interjecting.

Mr MILDENHALL — I said, 'No, we have to tunnel under the rocks. The seals are 2 kilometres away'.

Honourable members interjecting.

Mr MILDENHALL — The opposition has made allegations about the rail standardisation project that requires federal government participation and approval by Freight Australia. As the Minister for Transport has said on a number of occasions in here, the federal government is showing no signs of coming to the party. If rail standardisation is not a nation-building activity, I do not know what is. If it is not about bringing the whole national economy together and integrating our states into a seamless freight system, then nothing is.

But the feds have gone missing. Freight Australia has control over our essential rail assets for the next 45 years — another bungled privatisation. Opposition members come in here and give us a lecture about a supposed public transport blow-out of a billion dollars and criticise us for the rail standardisation not proceeding. But they are direct outcomes of and direct flow-ons from their bungled privatisations — their inept, hopeless and lack-of-forward-thinking privatisations.

It is all very well to grab the money and run, but five years later the community needs a service. Five years later the freight has to move. Five years later the passengers still want to catch the train. National Express has gone under. Freight Australia will not move on standardisation.

I would get my money back from Troughton Swier if they were the architects of this privatisation arrangement. I would get my $23 million back. This is a hopeless framework of privatisation that has left public sector agencies and ministers with their hands tied behind their backs in trying to move services forward.

The coalition has an appalling record of privatisation and bungled projects in this state, but it is this government that cleans them up. The coalition has an appalling record of intimidation of watchdogs, of a lack of transparency, of corruption and sneaky deals, and the hiding of essential information from the Parliament and the community. It has been this government that has opened it all up. I remember Jim Kennan in this house begging for the disinfectant effect — the sunlight — on some of these projects to let us see the details. What an appalling record the coalition had!

For the coalition to argue about proper financial practices and probity and for the member for Warrandyte to give his list of projects is a pathetic effort. To argue about whether the Docklands studio development is for existing or future television and film production, that is just likely to kill a bloke! That is just about the worst allegation I have heard about a project or a government in this place. It is something about which we should take a very deep breath. We ought to set up a royal commission for that one. The whole of Docklands would be threatened by that allegation, the whole of the future viability of that area of Melbourne. All sorts of words come to mind!

That allegation does not warrant the time honourable members in this place would spend considering that level of data. It is a pathetic attempt to — —

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

Mr MAUGHAN (Rodney) — What a tirade we have just heard from the member for Footscray, and what a lot of that was tired old rhetoric, once again shifting the blame to the commonwealth government on standardisation. Come on now, for heaven's sake! The government has a number of rail projects. Freight Australia was not going to be a problem to it on the fast rail project, nor were the other rail projects. The government knew well in advance before it made any commitments that it had to negotiate with Freight Australia. That is not something new. It was there, and the government has been able to do it successfully with a couple of other projects, so why can it not do it with rail standardisation?

In terms of the commonwealth, the government has known all along that the commonwealth has no intention of putting money into intrastate rail services. The commonwealth's function is to have those national rail lines — —

Mr Nardella — And you support it!

Mr MAUGHAN — If the member for Melton just kept quiet for a little while and stopped bellowing like a wounded bull he might learn something.

Mr Nardella — You're hopeless!

Mr MAUGHAN — You are hopeless too, because you bellow about the commonwealth contribution — —

The DEPUTY SPEAKER — Order! Interjections are disorderly, and responding to them is also disorderly.

Honourable members interjecting.

Mr MAUGHAN — That is not true. There will be — —

The DEPUTY SPEAKER — Order! Members will not keep interjecting across the chamber while the Chair is speaking to the house.

Mr MAUGHAN — The commonwealth has indicated that it will provide funding for interstate services but not for intrastate services, which is what the member for Footscray is talking about. The projects we are talking about are purely within the state — for example, from the very important mineral sands projects in north-western Victoria down to the port of Melbourne or the port of Portland. They are the sorts of projects this government can and should do, and it has sole responsibility for them.

I reject a lot of the rhetoric that is being put out by the member for Footscray — the blame, the blame shifting, the excuses. Let us get on with it and let us have some action.

Can I say right at the start that I am a great supporter of the rail network, whether it be for passengers or for freight. I use — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The government benches will come to order. There is an unacceptable level of interjection.

Mr MAUGHAN — I am a passionate user of the passenger rail network, and I believe passionately that the freight — —

Mr Nardella — In Bairnsdale?

Mr MAUGHAN — I do not live in Bairnsdale, so I do not often use that network.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! Again the level of interjection from the government benches is unacceptable. Those government members who find it impossible to listen to contributions reasonably should perhaps leave the chamber.

Mr MAUGHAN — Thank you, Deputy Speaker. I use the rail network regularly, and I encourage other people to do it. I would like to get more cars off the road and more people onto passenger rail. I certainly believe very strongly that we need to get a lot of that heavy freight off the road and onto rail, and that is what this government should be doing. It should be a bipartisan approach.

Just in my own area, for the freight that comes through Echuca, particularly the rice harvest that comes through Echuca to Bendigo and to Melbourne, it is an absolute disgrace that the rail line between Echuca and Melbourne is so degraded that there are speed restrictions on it and the efficiency of the rail line is compromised, as are many other rail lines around the state. We need to upgrade those rail lines, and there needs to be a significant contribution from the government.

Mr Savage interjected.

Mr MAUGHAN — I remind the member for Mildura that when the previous government came to power there was an immediate expenditure on rail lines to the west of the state. We did not wait for the commonwealth, we did not prevaricate for years like this government has been doing — promises and promises and promises!

Two years ago this government promised $96 million for rail standardisation. The mineral sands project in north-western Victoria is a very important project. There is 60 million tonnes in the Murray-Darling Basin worth in excess of $15 billion. Once it gets going it will create 1000 jobs, and it is expected to have a life of about 40 to 50 years. But you need to be able to get those mineral sands down to the port of Portland or to the port of Melbourne. Because the rail line is not up to standard, some of those initial shipments have gone via Broken Hill to Adelaide, and we are missing out on that revenue. Those mineral sands need access to a deep water port — at Portland or at Melbourne.

The industry that is investing huge amounts of money in that project needs some encouragement from this government; it needs to be assured that this government will go ahead preferably with the standardisation project. The government is sending a mixed message; it is talking about returning the rail to Mildura, but it is also talking about broad gauge. If it is going to use broad gauge, what about the standardisation of the gauge of that particular line. Mineral sands have already been exported via Broken Hill, because we do not have adequate rail links.

The upgrade of existing lines is equally as important. As I have already indicated, there are too many tracks in poor condition: the Bendigo to Echuca line is a case in point — there are speed limits, and an upgrade would provide savings of $4 to $6 per tonne not just on those mineral sands projects but on a whole range of primary industry products, such as grain, fertiliser and fuel. It would reduce the costs and make our farming industries and other industries in country Victoria that much more competitive.

The government's hollow promise of restoring passenger rail services to Mildura on broad gauge by 2004 has blocked the standardisation of the Mildura line. If one looks at the promises that have been made and the promises that have been broken one wonders where this government is at in terms in delivering any of these projects.

Let us have a look at the fast rail project. This was one of the government's centrepieces prior to the 1999 election. It promised a fast rail to Bendigo, Ballarat, Traralgon and Geelong. What a con that was! It was touted as an $800 million investment, $550 million of which would come from taxpayers and private investment. What happened to the private investment? It went on and on and on about this private investment, but where is it? The private sector had no confidence in this government being able to deliver, and it has not got a single brass razoo out of the private sector for any of these projects. It was said to be a fast rail project, but it is a real con. How fast is it? It is a matter of minutes. As the ACIL report commissioned by the Leader of the National Party indicated, you are talking about minutes. It has conned the people of Ballarat, Bendigo and Geelong into believing they are going to get a fast rail project. It will be only a slightly faster travel time for people in those cities. It will provide no benefits at all and no growth for people who are travelling in that corridor, but it will cost $6.8 million for each minute saved.

The fast rail project is a con. The government's own feasibility study shows that the $550 million project is the cheapest and provides the poorest results. It is a con, because after four years nothing of any consequence has happened. It is a con, because the sleepers that are going to be built have only got the broad gauge rather than the actual pin for the standard gauge. What does it mean for Echuca, for example, where I understand that

part of the rail will only be a single line? It will compromise the heritage trains that go from Melbourne through Bendigo to the port of Echuca. Government money was invested and it was opened up with a great deal of pride by the Minister for Transport, but not a single train has travelled on that line since it was opened. Why? Because of the link through Bendigo up to Echuca, and nothing there is going to help this project. I ask government spokesmen to assure me that those heritage trains on this new link are going to be able to travel from Melbourne to Echuca in an acceptable time rather than having to pull off in sidings to let ordinary passenger trains go through. That project is being compromised by what this government has done.

In conclusion the government has conned the people of Victoria on the fast rail project. It has conned the people of Victoria on upgrading the rail freight system. It has conned the people of Victoria on rail track standardisation. It demonstrates very poor planning. There are unacceptable delays in all of these projects, and there are certainly reduced benefits to what was touted by the government. There are unforeseen consequences, as I have already indicated, for the heritage train to Echuca. It is critical that the government gets on with the job of both standardising and upgrading the rail freight system as a matter of urgency.

Mr STENSHOLT (Burwood) — I am absolutely delighted to speak on the subject of proper financial practices in the exercise of probity in dealing with public moneys. I remember when I was a senior research fellow at Monash University and running a program on good governance. In that particular section of the course we talked about corruption as well. The course was especially made up for senior public servants from Thailand where a new constitution had just been put in, and I was comparing the new Thai constitution with what was happening in Victoria in relation to the Auditor-General, the sacking of judges, the prosecutor being nobbled and all the contractual issues such as credit cards being used and abused. These people from Thailand asked me about the difference, and someone rang me that night and asked whether I would like to stand for Parliament. I said, 'It is time I stopped talking about it and did something about it'. So that was why I stood for Parliament. The campaign slogan we had was 'Bringing democracy back to Burwood'. I do not need to say who the previous member for Burwood was!

An honourable member interjected.

The DEPUTY SPEAKER — Order! The member for Burwood, without assistance.

Mr STENSHOLT — I am delighted to speak about these issues.

In terms of proper financial practices and the exercise of probity the Bracks Labor government in Victoria is a government without parallel. It is one which can stand proudly on its record in Australia.

I shall talk about some of our policies. The Labor government came to office in 1999 on the basis of integrity in public life and proper standards. What did that policy talk about? This list of indulgences by the previous government that it talked about is tragically long. It includes issues like government credit cards and how they were used for private purposes. I do not want to go into all the cases because there are almost too many excesses to talk about, such as the political rewards which were given, the failure by the previous government to take its fiscal obligations seriously, its lack of transparency, and its lack of high standards in public probity.

The other policy was that of restoring your rights, democratic guarantees in Victoria, and about enshrining the independence of the Auditor-General in the constitution. The Auditor-General actually looks after proper financial practices and the exercise of probity in dealing with public moneys. The policy also talked about providing a budget surplus overseen by the independent Auditor-General with new constitutional powers. This is what the government did. We enshrined the independence of the Auditor-General in the constitution, and we actually get the Auditor-General to sign off on the budget papers. Let me quote from a budget paper. It is the Auditor-General's review statement from the budget paper. What does it say?

The DEPUTY SPEAKER — Order! As I reminded the member for Warrandyte earlier, we must be careful of the rule of anticipation within this debate. The budget debate will commence tomorrow.

Mr STENSHOLT — That is fine. This actually happens to be last year's. I thought Victor might get up and raise a point of order, but he did not.

The DEPUTY SPEAKER — Order! The member knows to refer to members of the house by their correct names.

Mr STENSHOLT — All right, the member for Doncaster. I am sure he shares my feeling that new standards of probity and financial accounting have been reached with these sorts of things, like getting the

Auditor-General to sign off on his review statement. It is a review of the budget, not actually an audit, which states:

> … the estimated financial statements have been prepared on a basis consistent with the accounting policies on which they are stated to be based;
>
> the estimated financial statements are consistent with the target established by the key financial measure specified in the accompanying notes …

We do actually follow those. The government has actually done what was required. In our policies we also undertook to end the commercial confidentiality blanket hiding government contracts from the public. This is what we went to the election with. This is what it was all about. We wanted to restore the integrity and effectiveness of the Parliament through making Parliament work as well. I shall talk a little bit more about that in a minute. We also wanted to ensure that our government was accountable, unlike the Kennett government which had become arrogant and unaccountable.

Unlike the previous speaker, who hardly even mentioned the words 'financial practices and probity' I want to talk about how we are doing financial management and probity. This government changed the Financial Management Act. Honourable members opposite may have forgotten about that, but it is only a year or two since we changed it. There is a new part 5 and it is headed 'Financial responsibility', and it contains a whole lot of references to financial risks. I know a number of my colleagues from the last Parliament talked about this and about the content of statements. We also said in private that this was an extraordinarily long list of statements and policies and objectives that it had to cover. The government is delivering on this particular aspect of it.

We now have quarterly reports. The one I have here is from 20 September 2001. So every quarter we get a list of what is happening. We also get half-yearly and yearly statements. Not only is it a yearly statement but, once again, it is signed off by the Auditor-General.

I went to a conference about public accounts earlier this year, and it was pretty clear that the Victorian government was almost unique in the way it has put on these aspects of financial accountability and transparency. I was at breakfast this morning sitting next to a partner in an accounting firm. He said he was at another conference just a couple of weeks ago where they were talking about new accounting standards in terms of transparency and probity of financial management by governments and that they were using the Victorian government's Financial Management Act as something that other governments should aspire to. He said they were talking about introducing new accounting standards for governments.

The Auditor-General signed off on the yearly accounts. Honourable members can read it for themselves at page 172 of the 2001–02 *Financial Report Incorporating Quarterly Financial Report No. 4*. It states:

> In my opinion, the annual financial report presents fairly in accordance with applicable accounting standards …

Here we are submitting ourselves to proper accounting and financial statements. We also get the end-of-year financial report for the state of Victoria.

Interestingly enough, there was an article in the *Australian Financial Review* earlier this year which almost said there was just a plethora of transparency — that we have too much transparency and accountability in Victoria. But the government is delivering on these things and it will continue to deliver.

Our policy is that all our priorities will be underpinned by financial responsibility to ensure equitable allocation of resources while maintaining an operating surplus and prudent management of debt and financial liabilities. That is the Labor Party's policy. We are delivering on that. We are maintaining Victoria's AAA credit rating. What does business think of this? There has been a 23 per cent increase in business investment. Talk about confidence. If that is not a vote of confidence, I do not know what a vote of confidence is. This is business investment. We are really getting on with the job, but not only that, we are actually leading the way in Victoria in terms of reform.

The government also wants to lead the way throughout Australia to ensure that Victoria gets a reasonable share of financial allocations from the commonwealth in terms of a fair and reasonable allocation between the states. We get only 83 cents in the dollar; we want to ensure that we get a much better and fairer deal for Victoria.

We are talking about financial management and proper financial process. We are deeply into this. We are leading the way in Victoria. If there is any government that has probity, transparency and accountability, it is the Victorian government.

Mr PERTON (Doncaster) — I support this excellent matter of public importance introduced by the member for Warrandyte condemning the government for its failure to follow proper financial practices and to exercise probity in dealing with public moneys. It

would have been a more interesting debate had the member for Footscray not been sent in to deliver a plethora of lies to this house; nor indeed the member for Burwood to deliver a speech that was completely cloaked by his ideological blinkers, in which he was unable to deal with the truth of these matters.

This would be a more interesting debate were the Minister for Community Services, formerly the Minister for Environment and Conservation to come into this house to talk about her role in dealing with the scandalous loss of public moneys in respect to Seal Rocks and to explain how $60 million of public funds has been given away in damages and litigation because of a conspiracy between her and the member representing Phillip Island to drive away the commerciality of the Seal Rocks development.

It would be more interesting were the Treasurer to come into this house to talk about how he supported the extension of the Seal Rocks development when he was in opposition and how he was obviously overridden by the deal between the Premier and the Independents that delivered government to the Labor Party. One of the prices for the Independents' delivering government to the Labor Party was the destruction of the commerciality of the Seal Rocks development.

The debate would be more interesting were the Minister for Transport to come into this house and actually talk about the scandalous lies that voters were told about fast rail and rail standardisation. It would be a more interesting debate were the Minister for the Arts to join in and explain her role in delivering the Docklands Studio City development to friends of the government.

The speech by the member for Footscray would have made anyone sick. The member for Footscray is not new to this house. He was an adviser to the government during the days when the State Bank was lost, the days when the operators of Tricontinental — —

An honourable member interjected.

Mr PERTON — The member for Mildura laughs! It would be very interesting for his constituents to see the way he gives comfort to the Labor Party. Let us remember Tricontinental, and the Victorian Economic Development Corporation and the Victorian Investment Corporation.

As I said earlier, the member for Burwood is a decent man, but he is so ideologically blinkered that he cannot face the truth. He talks about an excess of transparency. As we know, the Ombudsman is in hospital, having suffered a stroke, and we all wish him well I am sure. But it is only two months ago that Dr Barry Perry said in respect of the government's delays on freedom of information that, 'The government must process requests within 45 days', but he noted that 'the departments have taken up to 264 days' and that there were major backlogs. He said, and I quote:

> It is unacceptable. You can't go on forever with the attitude that delays are inevitable. There are legal requirements.

This is a government that has just ignored its legal requirements under freedom of information and in respect to commercial confidentiality. When the Treasurer denies freedom of information requests on the basis of the commercial confidentiality of the agency — not to protect the commercial entity engaged in the agreement but to protect the agency — then you know it is a government that is not abiding by the spirit of the Freedom of Information Act and not abiding by the principles of transparency. I feel sorry for the member for Burwood if he actually cannot set aside his ideological blinkers and look at the truth of these matters. Does he say that Dr Perry is wrong? I am sure if he actually searched his heart he could not. Nevertheless, the speech he made today revealed that he has a set of blinkers.

There is no graver evidence of the truth of the statement contained in the matter of public importance than the actions of the government that are identified in the report of the Ombudsman entitled *Summary of the Report on an Investigation into Allegations of a Conspiracy between Members of the Then Department of Natural Resources and Environment and of the Department of Justice to Defraud the Estate Agents Guarantee Fund*. What is more important for a minister in a department than to properly protect trust funds under their area of responsibility? The act requires that the Estate Agents Guarantee Fund be treated as a trust fund and sets out a series of purposes for which the moneys can be used.

Decent public servants raised this matter in the public sphere and also through the provisions of the Whistleblowers Act. But let us remember what this government did when the evidence of this stinking deal, this stinking attempt to have a round-robin transaction propped up by fictitious projects, came to public light. What did the government do? It sent in retired police investigators to interrogate its own public servants. Personal assistants to senior members of the bureaucracy were interrogated as to whether their bosses had engaged in suspicious activity. I am sorry, but this is soviet-style activity. This is not what we expect in the Victorian public service.

An honourable member interjected.

Mr PERTON — The member interjects over there. What happened next? The Ombudsman provided his report, and then we had the ministers scurrying down driveways and corridors to avoid journalists waiting to ask them questions about this matter. And let us not forget why the Surveyor-General's term is being terminated. It is because he is an independent and fearless public servant. He is a member of the electoral commission, and this government made sure it got rid of him.

The round-robin deal which was the subject of this report stinks. I only have to use the words of the government's own public servant, Ivan Powell, the assistant director of land records and information services, who wrote:

> Keith Bell (the Surveyor-General) knows nothing of the so-called survey project. It is a creation of Steve McIntosh (manager of budget and finance, Land Victoria) for the $6 million round robin.

That decent public servant goes on to say:

> The closer the scrutiny, the 'susser' it will get.

Later on as these transactions became more evident, the Surveyor-General, Keith Bell, was actually threatened by Liz O'Keeffe, the executive director of Land Victoria, after he had written to her saying:

> I have significant concerns about the potential impact on the performance of the S-Gs statutory responsibilities with this project.

Ms O'Keeffe wrote back and said:

> You are accountable to the minister for the exercise of these statutory responsibilities and to the secretary through John and me for how you carry them out.

In other words, 'You participate in the fraud or we will discipline you'. These ministers have failed to deny the fact that they were involved in creating a fictitious transaction and in attempting to pervert the provisions of the Estate Agent's Guarantee Fund legislation. The ministers had the opportunity to respond. On 9 September 2002 the Ombudsman wrote to the Minister for Small Business and the then Minister for Environment and Conservation seeking comments from each on the following matters:

> Your knowledge of the application submitted by Land Victoria seeking funding from the Estate Agents Guarantee Fund for a number of projects, collectively referred to as the Property Online initiative.
>
> Whether or not you were made aware of the proposal that Land Victoria forgo government appropriation to the extent of $2 million per annum for three years, subject to its obtaining the funding sought from the Estate Agents Guarantee Fund …
>
> Whether or not you were aware that the survey project for which Land Victoria was seeking $2 million per annum for three years … was one of the projects making up the Property Online initiative, was to be the enabling vehicle for the proposal mentioned in the previous paragraph.

They had the chance to come clean to the Ombudsman, the person who is responsible for protecting the citizenry of this state, and they refused to answer. The Ombudsman then went on to make findings that there were conflicts of interest.

Mr Smith — Guilty!

Mr PERTON — Guilty, as the member for Bass says. The Ombudsman said that there was internal opposition to the scheme that was ignored or crushed, and said:

> It seems to me, however, that the reaction to the cautionary warnings was indicative of the failure of those involved to see beyond the monetary or financial aspects of the arrangement.

That is what it is about. These people are keen to get hold of the public's money, to get hold of trust fund money, and to use it for the purposes for which they want it used — and not through the budget process or through lawful use but through a conspiracy that was designed to pervert the safeguards in the Estate Agents Guarantee Fund. It proves the strength and voracity of this.

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

Mr ROBINSON (Mitcham) — I am delighted to have the opportunity of participating in this debate. What amazes me is that the matter of public importance (MPI) in the name of the member for Warrandyte invites us to comment on the way in which governments expend public money and the way they account for it. I thought about this for a minute, and it occurred to me that the member for Warrandyte was the least qualified amongst opposition members to put the MPI in his name. If I recall correctly, in 1997 it was the honourable member for Warrandyte, in another life as the then tertiary education and training minister, who was the subject of a wonderful $75 000 videoed biography made by Cockle Advertising. It was a 2-minute biographical production all about the honourable member for Warrandyte, showing what a dynamic member of the government he was. I do not know that it ever sold or rented out all that well at the Blockbuster video stores, but for him to get up and lecture us about value for money is a little rich.

Nevertheless, it is a debate that is welcomed by government members. In my case it is particularly relevant because in no small measure my election to this place in 1997 was on the back of a vigorous public discussion about the Auditor-General. Just for new members, and particularly new opposition members, it is worth while — —

Mr Savage interjected.

Mr ROBINSON — For the one or two! It is worth recalling the words of the former member for Mitcham, the Honourable Roger Pescott, who in his resignation letter wrote:

> Principal among my reasons is the government's intention to alter the role and function of the Auditor-General … I expected commonsense to prevail. It has not. In my considered view the government's proposals compromise the system of checks and balances which are at the core of our system of government. To me, they run fundamentally counter to the public interest.

He is a former Deputy Leader of the Liberal Party. His resignation letter continues:

> I see it as a further part of my protest in that it will be a plebiscite on the Auditor-General legislation. The issue should not be allowed to die.

'Hear, hear!' say all of us, because the issue has not been allowed to die. It is very much at the heart of what the Bracks government has been doing for the past three and a half years in restoring the powers of the Auditor-General, as well as imposing other disciplines on government in terms of transparency and reporting mechanisms.

The comments of the former member for Mitcham are relevant. In my first speech in this place I made the observation that we all make mistakes. All governments make mistakes; no governments are infallible. This government will be rebuked from time to time by the Auditor-General. That is the reason he exists, and any government that goes into office believing that it will get through its term without copping a rap on the knuckles is deluding itself. The difference between this government and its predecessor is that Labor is prepared to cop that treatment as part of restoring appropriate checks and balances on behalf of voters in the state.

The government has learned from the mistakes of its predecessor. Indeed there is a rich vein to be tapped if you are looking for mistakes from which to learn, and in the few minutes available to me I want to detail a couple of them. One that came out in stark detail last year, well after the former Premier had left, concerned Crown Casino and the lyric theatre. People will recall that the construction of the lyric theatre was a condition of the agreement with Crown Casino at the time the casino deal was entered into. It was going to be an 1800-seat venue.

We changed that arrangement last year on the basis that an examination had found — —

Mr Smith interjected.

Mr ROBINSON — We did! I welcome the input and the interest of the member for Bass. We changed the arrangement on the basis that a study had been carried out that found that an 1800-seat theatre would not be viable.

In a great revelation last year at the time the changes were announced, the former Premier in his reincarnation as a radio interviewer conducted an interview with Gary O'Neill from Crown Casino. The conversation is fascinating because it illustrates so much. I quote from the transcript of the interview where the previous Premier says:

> All right. Well, this was part of an arrangement that was struck between Crown and the previous government in order for extra tables. Part of that was associated with an extra hotel, which you're in the middle of building now …

Mr O'Neill says:

> That's right.

The former Premier:

> … and the lyric theatre. I remember very well, although it's probably not public knowledge, that prior to the last election there had been substantial representation from theatre owners et cetera that we did not need another theatre and that we as a government then, I think verbally, had undertaken that the price of the lyric theatre would not have to be met. In other words, the hotel and the other conditions that we had on Crown, were sufficient to make good the extra tables that at the time were allocated.

Then the former Premier prompted Mr O'Neill with the question:

> Was that correct, do you remember that at all?

And Mr O'Neill really bells the cat in this revelation; he says:

> Yeah. I think your recollection of that is an accurate one, Jeff. I don't think it was made public at the time.

There you have it — a nice comfy little deal between the former Premier and Crown Casino that went right to the heart of the probity of the deal struck over the casino tender. The former Premier and his cabinet colleagues decided that the public of Victoria did not need to know the fact that that condition would not be

met and a sweetheart deal had been stitched up on the side.

Our predecessors made plenty of other mistakes that have given us a great basis for knowing what not to do. I recall the great attempted contribution to Australian literature when the former government committed $100 000 to commission the Kennett government memoirs. It is a great pity that Australian literature was robbed — I do not think the book ever went into print — of the description of the former education minister, the Honourable Don Hayward, as someone who had a high-domed intelligence. I am paraphrasing, and I hope I have not done him an injustice.

We recall the decision to introduce traffic cameras on City Link — and the Auditor-General did comment on this. They were extraordinarily efficient. For the first nine months the cameras were installed no-one sped because the road was not open to traffic. For nine months the cameras were snapping away and taxpayers were paying to have cameras that could not take a photo of anything because the road was not open. That was great value for money, I am sure!

There was another matter that I have some personal knowledge of involving a former Minister for Agriculture and former Deputy Premier. He was very keen to push for a centre of equine excellence in central Victoria. When I was parliamentary secretary I received representations from people associated with the area who wanted to get the project off the ground. We endeavoured to look at why it had stalled. I thought we could go back through the file and find the rigorous analysis of need for this facility or a detailed assessment of the business case study or a considered examination of the value for taxpayers. But there was none of that at all.

The department pulled out the file. We went right back through it all, and the very first entry in the file was the former Deputy Premier's press release. He had just decided, on a given day, that this was a great thing for his area; the government would put half a million dollars into it and it was up to the department and everyone else to cut costs elsewhere in programs that had been carefully considered and structured and did deliver value for money to taxpayers. They could be slashed so that his pet project, which was embodied in the form of a press release, could be delivered.

That is not value for money. I do not blame the former Deputy Premier for going about his business in that way. He believed that was what government was for. He believed that was how you got things done. The difference is that members of the current government disagree with that philosophy. We have a fundamental disagreement: if you are going to spend taxpayers money you need to understand what you will get for it and you need to apply some rigour and transparency to the process.

Another matter — and this really goes to the heart of the crocodile tears from the opposition suggesting that they somehow have a mortgage on probity and fairness and decency in dealing with public moneys — is the word of the individual. I conclude by saying that we all remember, and in particular I remember, that the former Premier welshed on his bet. We had a $1000 wager that he would not leave this place before the current Treasurer. It was made here in front of witnesses; it is recorded in *Hansard,* and he welshed. If you cannot believe the word of the former Premier, you certainly cannot believe the word of the honourable member for Warrandyte.

Mr MULDER (Polwarth) — I rise to join the debate on the matter of public importance put forward by the Liberal Party. In doing so I will restrict most of my comments to the failed rail standardisation program of the Bracks Labor government.

I went through the budget documents and tried to find a commitment to rail standardisation — it may have escaped the notice of a number of members. There is a very small commitment, even though it may not be exactly to rail standardisation, to a project to put a bridge over a rail line that was supposed to be standardised.

I point the house to the fact that there was no money for rail standardisation; the money for the bridge over the railway line that would have benefited from rail standardisation is for a bridge in Cliff Street, Portland. The $15 million project was to improve traffic management to the port of Portland. It begs the question of who owns the port of Portland. It just so happens, and it is relevant given recent events, that the port of Portland is owned by Hastings Funds Management, and Hastings is 49 per cent owned by Mike Fitzpatrick, the chairman of the Bracks Labor government's infrastructure planning council.

That is what I call a deal. This is a little bit like putting the cart before the horse. We have walked away from rail standardisation, which was supposed to improve employment opportunities in Portland, Hamilton and Mildura, but we have somehow or other found $15 million for a bridge that goes over a railway line that is not going to be standardised. What an absolute deal!

It is great to get the $15 million, but I wonder whether someone in the bureaucracy or perhaps the ministers responsible could explain who elevated this project from down in the Glenelg shire's list of projects to no. 1. I guess the issue we are concerned about is how it got to no. 1. Who elevated the project over every other municipal infrastructure project being considered for funding throughout south-west Victoria? Tell me there is not something stinking about the deal.

Mr Nardella interjected.

Mr MULDER — I am not talking about the benefactor; I am talking about someone within government who has dipped their nose into the priority funding listing and elevated this to no. 1. It is a rotten deal; it is a deal for mates. But as I said, let us not look at the benefactor, let us instead look at who may have been involved in this particular grubby little Labor deal. It is a bridge for a Labor mate with his own harbour. The Bracks Labor government walked away from the rail standardisation project. The south-west was supposed to benefit from rail standardisation, and what we have instead is a bridge to a harbour.

Mr Cameron interjected.

Mr MULDER — I am not slagging the person involved. I am not slagging Mike Fitzpatrick. He is the benefactor, but he is benefiting from a grubby deal that has been done within your party. Someone in there has gone through the applications for infrastructure — —

The ACTING SPEAKER (Mr Delahunty) — Order! The member must address his remarks through the Chair.

Mr MULDER — They have looked at south-western Victoria as a whole, and over and above all the other municipal projects that is the one that got funded, that is the one that was elevated to no. 1. What a grubby deal! Members of the government are absolute shockers. You cannot blame the benefactor. You have to look at who has had their corrupt nose in the process and who has dug down and elevated the project?

It has probably been a very good week for Mr Fitzpatrick and his companies, given the situation with Pacific Hydro. South-west Victoria has been very good to him and his companies. However, I again point to the fact that a particular project that was not on the top of the Glenelg shire's list of infrastructure priorities was elevated to no. 1 somewhere within the process — and above any other major infrastructure project in south-western Victoria. Somewhere within government someone has intervened in the funding process; they have changed the priorities and elevated this project from well down the list up to no. 1.

I believe the matter needs to be looked at as a matter of urgency, including those persons responsible — whether it is the Treasurer or the Minister for Transport — because someone in the Bracks Labor government has intervened in the process and elevated that project.

What an absolute failure the Bracks government's rail standardisation has been. In the Bracks Labor government's book of lies, 1999 edition, there was $40 million to standardise the state's rail system. In the book of lies, 2002 edition, there was $96 million to standardise the state's rail system — another major lie, and another major con job on the people of Victoria. That follows on from the mother of all con jobs, the one that was carried out on the people who live in the south-eastern suburbs, with the toll road being introduced on the Mitcham–Frankston freeway.

When you look at the government's trail of deception you can see it gets to the point where if you are going to lie, you had better get good at it, because the longer the issues run, the more the minister responsible — in this particular case, the Minister for Transport — continues to trip himself up. I will get to that later on in my contribution.

How about the lie or the con by the Minister for Transport before the last state election in working up the enthusiasm of 24 municipalities from around the state and the Riverina. They strongly supported and lobbied for rail standardisation, and they continually visited the minister and had the minister visit them. They got together, all singing the praises of rail standardisation, believing that the Minister for Transport and the Bracks Labor government would implement the rail standardisation project.

You really have to think about the level of respect the Bracks Labor government has for these people, most of whom work in a volunteer capacity, in calling meetings in Melbourne at which the 24 municipalities were represented, and in running them through an absolute charade given the government's real attitude. The government tried to sell them a myth, because at no stage did it ever intend to deliver on rail standardisation. These people from all around rural Victoria, with their business plans and with the results of work done within their municipalities and with the private sector, all honestly believed that this particular process was going to be delivered. As we all know and understand, the government walked away from it. It never ever intended to deliver on that program.

If you look into the table of lies in the Minister for Transport's press release of 15 May 2001, you will see statements about the supposed true intent of the $96 million provided in the budget forward estimates, including contracts surrounding the delivery of 700 jobs on construction jobs alone for rural Victoria — construction jobs that the minister knew would never be delivered. Lies surrounded the proposed boost for regional Victoria's export industries, the Minister for Transport knowing that those export industries were never going to benefit from a program that the Bracks Labor government never ever intended to introduce.

If you look at the minister's press release statement of 15 May, you will see he stated that the remainder of the funding for the project, being $44 million, would be sought from the private sector and the federal government. At a recent briefing I had in Canberra with the federal minister for transport, I was told no application had ever been received from the Bracks government for any assistance or funding for the standardisation of the rail system in Victoria. We all know very well that a commitment from the federal government would have resulted in the exact same scenario as occurred with the commitment from the federal government on the Mitcham–Frankston freeway, when the Labor government turned around and walked away from the project once the federal government had put up its dollars.

The longer the Minister for Transport went on in his press release, the longer his nose got. You have only to look at his press release of 18 June 2002, in which he said that:

> More [than] 300 tonnes have already been delivered to commence work on the project to standardise the Victorian country rail network, and a further 2000 tonnes are on the way.

That is what the minister said on 18 June 2002. I invite any member of this place to visit the Spotswood reclamation depot where the steel should be stored.

Mr Cameron interjected.

Mr MULDER — Yes, and the tenders, because 12 tenders have been let to companies to carry out the work. I invite members to go down to the Spotswood reclamation depot and find the steel, because I will guarantee you, it is not there.

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

Mr SAVAGE (Mildura) — This is the first time I have had the opportunity to speak on a matter of public importance, so I will make good use of it. I am not speaking on behalf of the government, I am speaking on behalf of the people of Victoria, who have been dudded by successive governments over a long period of time when it comes to outrageous expenditure. We have seen some very silly decision making on both sides of politics which has had very expensive outcomes and which has had to be paid for not by the members of this place but by the taxpayers of Victoria.

Mr Smith interjected.

Mr SAVAGE — Stupidity is a privilege, but the member for Bass is abusing it.

One of the things I notice in this place is that when bad decisions are made and there is a change of government and the next government inherits those problems, members of the former government blame the incoming government for causing them and not fixing them, but they never ever acknowledge the fact that they caused the initial problem. I have to say that Seal Rocks is a very good example of that.

Prime public land was handed over to a private developer. When you look at the briefing note given to the then Treasurer, Mr Stockdale, which was mentioned by the member for Footscray in some detail, you must ask how on earth was that decision ever made? It is a disgraceful indictment of another of these privatisation dud contracts. I am sure the member for Bass will give the house another detailed view on this, which is completely flawed. He has no understanding of what really happened at Seal Rocks.

I notice that my former colleague, the then member for Gippsland West, was again slandered by the member for Warrandyte. No doubt the member for Bass will go down the same path.

Mr Smith interjected.

Mr SAVAGE — Yes, he has just admitted he is going down that same road. You would not put him in charge of snake control in Ireland, would you?

I remember when the former Premier was in this place and he was trying to privatise certain elements of Wilsons Promontory. Thank goodness that did not happen because we would have faced probably the same sorts of scenarios we have here, where the people of Victoria have to find $50 million — in fact, I think it has already been paid — which is an incredible amount of money for a development that is worth probably $5 million or, at tops, $9 million. That is not a bad return on your investment.

Up to $400 million — almost half a billion dollars — was claimed in damages. That is obscene. We should never make those sorts of mistakes again. But we have made them before. The Auditor-General's report that was released today talks about Federation Square. That project's estimate started at $150 million; it is now up to $473 million — and is still rising. It should be called Jeff's Folly because that is what it is.

That project has become obscenely costly to the taxpayers of Victoria. If our salaries were performance based and we had to pay for those stupidities, I am sure we would be more judicious in the way we make decisions, because I believe that sort of money could have been used across Victoria in a whole range of ways to produce an outcome with economic benefits, but imagine inserting $473.3 million into Flinders Street. I say bring back the Gas and Fuel towers because we got some use from them. These issues have to be well and truly explored because it is the people of Victoria who will have to bear the cost.

When you examine some of the proposals that caused this blow-out in cost to the people of Victoria because of Seal Rocks you have to question the viability of putting a tunnel under the sea to bring a tower to the surface in close proximity to Seal Rocks. Environmentally that is not sustainable. Even a person who has no understanding of geology or the environment would surely never say that that would be viable or affordable. It is unbelievable. Then you get a decision based on the arbitrator's interpretation that will now impact at a huge cost on the Victorian taxpayers.

When we talk about privatisation — and I have heard the words of some former members who have talked about who was to blame for standardisation and the privatisation of our rail system — I have to ask: who sold it off? Who gave the contract for 45 years with a renewable 15 years on top of that? Who allowed the contract to say that the speed standard could drop as low as 20 kilometres an hour — that is, about 12 miles an hour in the old measurements — on a non-passenger line? What sort of efficient freight movement exists in the world today that has such a base figure, which was allowed in that contract?

Even worse, there was no provision in the contract that said Freight Australia would be obliged to accept standardisation. There is nothing in there; it has to be determined by that organisation. It is certainly very keen to have the government guarantee no losses if standardisation is put forward. That is unrealistic. Why should the Victorian taxpayers have to feed more money into the standardisation project than they already have? I remember when the organisation was called Freight Victoria before it became Freight Australia. It would be difficult to recognise what it said would happen compared to reality; it said it was going to upgrade the lines and make freight movement in Victoria a very significant and efficient process.

A couple of weeks ago I went down to the Irymple station and had a look at the track. I am not an engineer, but in 20 metres of track I estimated that 59 per cent of sleepers were unserviceable, even in my uneducated view. I counted 128 or 130 dog spikes in that 20 metres, 64 of which I could have pulled out with my fingers. What sort of track standard is Freight Australia maintaining? Obviously a very poor one. It caused me to question how far this company would allow this particular resource of the state of Victoria to go. Will it come to the point where the company cannot run it at all and says, 'Sorry, we are walking away from this and the state of Victoria', as all the other private operators who cannot carry passengers for a profit have done? What sorts of contracts were written? We have gone from Seal Rocks, which is a classic dud, to the privatisation process in rail, but every one of them has been a dud. They have not protected the people of Victoria and they have not taken away the risk to the taxpayers of Victoria.

Those sorts of contracts are a disgrace, yet day after day opposition members come into this place and say, 'It is the government's fault'. But they are the ones who gave out the contracts. We are sick and tired of hearing it. Certainly the government has a responsibility to fix it up, and there comes a point where we cannot sit in here and say, 'It is all your fault'. It has to be fixed and standardisation is one of those things that has to be fixed, no matter who caused it. On it relies the economic benefit for not just my region but for the whole of Victoria. I always thought Groucho Marx was a buffoon, but he was actually quite intelligent. I have used this quote before here and I will again use it:

> Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.

That is what we are doing with the privatisation contracts. We are not acknowledging who caused it, and we are not looking at solutions to the problem other than paying out huge amounts of money that belong to the taxpayers. I think we can do it better; we certainly have to do standardisation better.

Mr SMITH (Bass) — It is a great pleasure to join in this debate on this matter of public importance and to talk a little about an area that I am very familiar with — that is, Seal Rocks — and the farce or fiasco down there that caused us, as taxpayers, a huge — —

Mr Mildenhall interjected.

Mr SMITH — You just wait, I am getting to you.

The Bracks government breached the contract with Seal Rocks Sea Life Centre and has been found guilty by the arbitrator, by the Supreme Court and by the people of Victoria. At least $80 million has gone out of the coffers of the state government because of the stupidity of this government, because it set out after conspiring with the former member for Gippsland West, Susan Davies, and with some senior bureaucrats to get rid of that particular development down there.

A proper contract was set up. It was for two 25-year terms on Point Grant and it was done properly by the same solicitors that this government used to try to defend its position in front of the arbitrator and in front of the Supreme Court. The government used the same solicitors who drew up the contract.

Mr Nardella interjected.

Mr SMITH — Do not think they were different people. It was the same ones that you used to try to defend yourselves. You were stupid in trying to defend yourselves, too.

The ACTING SPEAKER (Mr Delahunty) — Order! The member will address his remarks through the Chair without any assistance from the member for Melton.

Mr SMITH — On 5 April 2000 a summary advice to the Premier from Jennifer Fraser says:

> … any legal action would be unlikely to succeed …

Michelle van Rees, who was the head shebang at the then Department of Natural Resources and Environment, advised the environment minister:

> We cannot rule out the possibility that we may lose part or all of the arbitration with resulting financial and political consequences. Whilst we believe we have a strong case the outcome of such arbitration … cannot be assured.

Yet this stupid government went against the advice of two senior bureaucrats and went ahead because it wanted to teach Seal Rocks a lesson. It set out to send Seal Rocks broke, and it just did not realise that Ken Armstrong, the developer, had the courage and fortitude to stand up to the government.

He had the financial backing of his fellow director in pushing this case through. And you as a government were stupid enough to want to continue the fight. What were you fighting for? You were in breach of the contract that had been set out many years before. You just wanted to send this company broke and get back the sea life centre at fire sale prices from the National Bank.

Mr Nardella interjected.

Mr SMITH — We have more documentation than you could fit into the sea life centre itself, that proves you are wrong, guilty and a disgrace as a government, not only here in Victoria but interstate.

Mr Mildenhall — Where are the seals?

Mr SMITH — To answer the question put up by the member for Footscray, if he had had any understanding at all he would realise that they were part of stage 2, which this stupid government would not allow to go ahead.

Honourable members interjecting.

Mr SMITH — Yes, there was a cost involved.

Honourable members interjecting.

The ACTING SPEAKER (Mr Delahunty) — Order! The members for Footscray, Melton and Mildura.

Mr SMITH — There was a cost involved in that. A company called the Macro Corporation was prepared to put up $65 million to finance a tunnel and a tower, so you would have had that facility. It was unique. Nowhere else in the world was there going to be a facility like this, but you stupid people, including the ratbag Independents who put this government — —

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Bass will direct his responses through the Chair!

Mr Savage — On a point of order, Acting Speaker, the member for Bass called me a ratbag, and I ask him to withdraw that comment.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Bass has been asked to withdraw.

Mr SMITH — I do not mind withdrawing that if I have upset that precious member.

Mr Savage interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Bass has the call, without any assistance from members in the chamber.

Mr SMITH — I said I withdrew.

Mr Savage — Thank you.

Mr SMITH — No government funding for the Seal Rocks development was ever asked for. Not 1 cent of government funding went into that project, but the benefits for Victoria would have been immense.

Honourable members interjecting.

Mr SMITH — The opportunities were fantastic. They would have added to the visitations to Phillip Island, they would have added to what was already there — including the penguins and the koalas. There would have been more there for people to visit, keeping them on the island longer. And you people, as soon as you got into government — —

The ACTING SPEAKER (Mr Delahunty) — Order!

Mr SMITH — I know what you are going to say, Acting Speaker! As soon as they got into government they set out to send this organisation broke. And they nearly did it, except that Mr Armstrong had the intestinal fortitude to stand up to this government and take the government through the courts.

There was also another court case where you were not prepared to put up all the paper work and as a result the arbitrator — not Ken Armstrong, the developer — took the government to court to get some documentation which he knew was there and which showed that you set out to send these people broke. It was there, and you spent millions of dollars — —

Mr Robinson — On a point of order, Acting Speaker, I am sorry to interrupt the flow of the conversation, but it seems to me that the honourable member has great difficulty in understanding what 'comments through the Chair' is all about. I wonder if he could be reminded again, and perhaps someone could explain it for him on some butcher's paper.

The ACTING SPEAKER (Mr Delahunty) — Order! There is no point of order.

Mr SMITH — There is no point of order. He is setting out to try and waste the time I have to bag you lot for everything I can possibly give you.

Honourable members interjecting.

Mr SMITH — I can tell you that that development was going to be of great benefit to the people of Victoria. There was a conspiracy between the Bracks government and Susan Davies, the former member for Gippsland West, to send that development down the drain, and they nearly did it. There was also a conspiracy between the Bracks government and the people from the penguin parade to exert pressure on that particular developer to try and send him broke. We know that, because the evidence came out at the arbitration hearing, and it also came out at the Supreme Court hearing. In fact, this government is a disgrace for what it has done as far as Seal Rocks is concerned. Absolutely disgraceful!

Mr Nardella interjected.

Mr SMITH — But did it pay the price? No, the people of Victoria have paid the price, because they have to pay $80 million!

Honourable members interjecting.

Mr SMITH — What are we talking about? The cost of 20 brand-new schools! What else are we talking about? The cost of standardising the rail system! What else are we talking about? The cost of getting trains back on the track, maybe to Mildura or maybe somewhere else. But no, you have wasted $80 million of taxpayers money, putting it into paying out a developer because you screwed it up! You did it all wrong. You led the people of Victoria down the garden path. You are a disgrace for what you have done as a government. You will live to regret what you did to Seal Rocks, because it is going to come back to haunt you.

Someone mentioned the Auditor-General. Who was it who appealed against the arbitrator's decision when he said he would not appeal against it? It was the Premier of Victoria. He said he would not appeal, and he did. Why? Because the Auditor-General said he was going to have a full inquiry into Seal Rocks and you people put a blocker on it.

The ACTING SPEAKER (Mr Delahunty) — Order!

Mr SMITH — Those people put a blocker into place to try and stop the Auditor-General! And what else have they done to the Auditor-General? I have said this before and I will say it to you now: they rewarded the Auditor-General by slashing his budget by $700 000! We never at any stage cut the Auditor-General's budget. We put more money into the Auditor-General's budget — —

Honourable members interjecting.

Mr SMITH — You like bragging that you came in to save him. Well, you are not saving him. You are

trying to put him out of business. We will be there to pick up the pieces in 2006. There will be a lot of water down the drain by then, I can tell you!

Ms Delahunty — On a point of order, Acting Speaker, I understand that the member has delivered this speech over the last few years in another place, but this is such a superb example of Liberal renewal I think we should call in more members to hear this speech.

The ACTING SPEAKER (Mr Delahunty) — Order! There is no point of order, and the member's time has expired.

Ms GREEN (Yan Yean) — It gives me great pleasure to join this debate today. What a joke! Here are the opposition members again. It is absolutely unbelievable that they would come in here and talk about financial responsibility and probity in government. We heard a bit from the member for Doncaster and the member for Warrandyte about film studios and the like. I think they are very poor actors, and what we have witnessed today is their acting in their own tragi-comedy or melodrama.

The Victorian community sees this lot for what they are: a comedy, a joke. All the opposition leadership contenders — the 8 or 10 or however many there are this week — could audition for the role of the lead in that wonderful old fairytale *The Emperor's New Clothes*. One of them could have the lead role in the film version of that fairytale, and members of the Victorian community could audition for the chorus and for the part of the child who tells them that they are not wearing any clothes.

An honourable member interjected.

Ms GREEN — I can see why! When Liberal and National Party members were on the government benches they did not wear the clothes of probity dealing with public moneys, adhering to proper financial practices and not involving themselves in conflicts of interest, and they are still not wearing those clothes. You will not see this lot feature at the academy awards for acting; they will be at the Razzies to get a raspberry because their acting is so bad. What a nerve they have!

The Bracks government has delivered on its commitment to restore decency and appropriate transparent financial management. Most importantly, it has given independence back to the Auditor-General. We did not neck him, and we did not make it illegal for him to conduct an audit. The Victorian community rejected the Kennett government and its mates, the snake-oil salesmen, who benefited from that government's lack of probity. Victorians elected and re-elected the Bracks government because it presented policies they respected.

Ms Asher — On a point of order, Acting Speaker, given that we are doing points of order this morning, whereas we normally do not — —

The ACTING SPEAKER (Mr Delahunty) — Order! Will the honourable member come to her point of order.

Ms Asher — I point out to you that the member for Yan Yean is reading her speech, which is contrary to a longstanding tradition of this place.

The ACTING SPEAKER (Mr Delahunty) — Order! I do not believe the member is reading her speech. There is no point of order.

Ms GREEN — Thank you, Acting Speaker. Labor's plan was for integrity in public life and restoring the rights of the community. In its plan it said that it would stop government credit card abuse, reduce the highly priced consultancies, restore the independence of the public service and end the use of commercial-in-confidence clauses with freedom of information. It also said that it would restore the powers of the Auditor-General and the Ombudsman and enshrine them in the constitution. We have done that, and Victorians respect us for it.

Let me return to what opposition members did when they were in government, when they say they controlled the state's finances. What did we see? We saw outrageous credit card abuse by government ministers while Victorians were suffering — while their schools were closed, while hospitals were closed and sold off, while country rail lines were closed — —

An honourable member interjected.

Ms GREEN — They were seven dark years — while nurses were sacked, and while teachers were sacked. What were government ministers doing at that time? They were shopping until they dropped — on cushions for the house, sunglasses, entertainment, massages — the shopping list went on and on. Then there was their record on contracts — and they have the nerve to raise the issues of Seal Rocks and public transport contracts. The government is now cleaning up their mess. The genesis of the problems in both those failed contracts was in the previous government's drafting of them.

Mr Smith interjected.

Ms GREEN — It was their fault. Let me recall another one of their little schemes — the failed bid for the 2002 World Cup soccer event. What a joke that was. It would have been a good idea to get it here in Victoria, if they could have pulled it off. Victorians would have welcomed it. But what did the previous Premier, Jeff Kennett, who was a soccer fan, and his mate Ron Walker, the then treasurer of the federal Liberal Party do? They used Victorians' money — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Mitcham and the member for Bass have had their turns. The member for Yan Yean, without assistance.

Ms GREEN — They spent a whole lot of Victorians' money on putting together a bid document before they even found out what the process was. They put out a beautiful, gilt-edged folder — it was the whole gamut of what we were used to with Jeff Kennett. When the Italians saw it they were asking, 'What is this Victoria? Is it a soccer team? Who are they? Their bid documents look beautiful, but what is it about?'. They spent millions of dollars of our money on putting together this beautifully presented bid document before they found out that a sovereign state cannot apply to run the World Cup soccer event. They had not even talked to the national soccer body, and it was not going to back them and the federal government was not going to back them. They spent our money.

Mr Robinson interjected.

Ms GREEN — It probably was stage 2. That is just another indication of the way they spent our money — without proper process and oversight and by just talking to one of their mates.

One of my colleagues referred to the former Deputy Premier, the former member for Benalla, just deciding it was a good idea to have an equine research centre in his electorate — without any research, proper process or probity.

Ms Delahunty interjected.

Ms GREEN — The rowing machine as well. I had forgotten about that; that is right. That is what we had in those seven dark years.

This government is accountable in the way it spends government money, and it will continue to be accountable. The community has recognised that. It does not nobble the Auditor-General. He knows that his future is safe with us and that he can tell us when we have got it wrong, when we will take steps to fix it. We will not silence him, and we will not silence any of the whistleblowers.

As I said, members of the opposition have shown what a joke they are.

An honourable member interjected.

Ms GREEN — Yes, they will continue to sit on that side.

Mr Smith interjected.

Ms GREEN — Oh no, I will be here a lot longer than you will!

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Yan Yean, through the Chair!

Ms GREEN — I look forward to seeing the next matter of public importance the opposition raises to see if it is as ridiculous as the one it has raised today.

Mr THOMPSON (Sandringham) — The motion today is that this house condemns the government for its failure to follow proper financial practices and to exercise probity in its dealing with public moneys, and it quotes a number of examples.

I commence my contribution by quoting an article by Kenneth Davidson of 29 November 2001 in the *Age* headed 'Has the ALP lost its soul?':

> Does the self-perpetuation oligarchy that runs the ALP represent anything except itself? They say they must modify their policies to attract the aspirational voter. Oh really? I would say that they are the quintessential members of the aspirational class.
>
> They are prepared to put the ALP's egalitarian values on the auction block to achieve power.
>
> It was ever thus. As Vere Gordon Childe pointed out in his 1923 classic, *How Labor Governs — A Study of Workers' Representation in Australia*, 'The system of control from below adopted by the Labor Party from its inception has proved necessary by the selfish and cowardly opportunism which has distinguished the workers' parliamentary representatives'.

I turn to a couple of matters that go to issues of probity in government. The first is the Labor Party's commitment to build the Dingley bypass when, as Leader of the Opposition, Steve Bracks, stated the Labor Party commitment on the matter, as quoted on 17 May 1999 in the *Mordialloc Chelsea News*:

> If we were elected last time (in 1996) we would have built the bypass and if elected we will do it.

Later, also as Leader of the Opposition, in a press release of 10 September 1999 he said:

> Labor has committed an initial $30 million to build the Dingley bypass between Warrigal Road and the Springvale bypass — and that road would be toll free.

Not only today is it toll free, it is road free!

Another spokesperson, who is unfortunately no longer in the other place, the Honourable Pat Power, is quoted in the *Mordialloc Chelsea News* of 13 September 1999:

> A Labor government would immediately start work on the Dingley bypass from South Road to the Springvale bypass with an initial $30 million funding.

Later, at a business breakfast to a large community audience in the City of Kingston, and as reported in the *Long Beach Gazette* of 29 October 1999, the Premier said:

> The Dingley bypass will be completed with funding from the $240 million the government would release from the Transport Accident Commission.

Where is that road? Where is the funding? It has been banned, abolished, lost — and its absence stands as a great hallmark of a Labor lie on the Dingley bypass.

One only has to turn to the issue of the Scoresby freeway. The current Treasurer, in parliamentary debates in 1995, noted:

> Like Fagin and the Artful Dodger, the Premier's hand is in the pocket of every Victorian, searching for more money in taxes and charges.

These words echo in this chamber today.

The current Minister for Transport, in parliamentary debates on 12 May 1998, in relation to freeways and tolls stated:

> The only way they —

families —

> will be able to deal with it is if they are prepared to make cutbacks in their personal budgets, because one day they will be travelling free and the next, once the green switch has been thrown, they will have to pay substantial tollway charges.

This is a message for people whose electorates abut the proposed Mitcham–Frankston tollway.

On that day the honourable member also said:

> For a privileged few in our community, the lucky minority whose cars are supplied and whose motoring costs are met as part of a salary package, there will be no real difficulty, but for the bulk of people there will be substantial costs.

Yes, there will be substantial costs for people who live adjacent to the Scoresby freeway.

On 3 October 1995 in parliamentary debates the Treasurer, then the Leader of the Opposition, said:

> … major long-term contracts should be consistent with pre-election commitments and directions.

What were the pre-election commitments and directions in relation to the proposed Scoresby freeway? That there would be no tolls whatsoever, that it would be a toll-free road! In the light of Kenneth Davidson's comments about selfish and cowardly opportunism, this might be the possible explanation for the reason that the Labor Party reneged on its original pre-election commitment about the toll on the freeway.

I would like to point out some other remarks. The current Minister for Transport, in voicing his vehement opposition to tolls, said:

> For many working people the monthly or quarterly toll bills will be greater than their electricity bill.

On 11 October 1995 the now Treasurer said:

> I refer to a 1993 Treasury submission to the industry commission which warned against the use of tolls on roads in Melbourne describing them as problematic because of the capacity for widespread avoidance by using existing roads.

It will be interesting to see how the electorates between Mitcham and Frankston adjudge the policy promises of the Labor Party and the total disparity between promise and performance. When in opposition members of the Labor Party set a high high-jump bar, and now in government they are a group of limbo line dancers where they have reduced the bar and reversed their policy commitment.

A number of issues record the ALP's hypocrisy. One is in the area of commercial confidentiality. In opposition the Labor Party made great strides about the restoration of rights and Labor's guarantee for every Victorian where it promised to end the commercial confidentiality blanket that hides government contracts from public. However, Labor has failed to divulge the details of the Virgin Blue Airlines offer, the National Australia Bank Homeside mortgage processing centre bid and the Heineken Golf Classic. Labor promised openness and transparency, yet in the case of opposition briefings they were delayed, obfuscated and only partly delivered when the media started to put its spotlight and focus upon it as an issue.

In relation to the Reeves affair one only needs to quote John Ferguson of 28 November 2001 in the *Herald Sun*:

> The funny part of this little affair is that it is no great surprise that a Labor government has gone for a mate for a big job — the ALP does that. The surprise is how badly it has been handled.

There are other issues too, such as the ambulance inquiry. Ewin Hannan of the *Age* noted:

> It is not hard to conclude a judicial inquiry could have achieved the same result in less time and at less cost. On balance, the commission has not been a responsible use of the public purse. A hollow finale to an expensive exercise.

In relation to education, the promise to cap class sizes turned out to be false. The *Australian* noted a couple of years ago that a Bracks Labor government would spend the financial inheritance of the Kennett government rather than build upon it. That is evidenced by the financial position of the state today.

There is also the preparedness to abandon promises, as is the case with the promise to cut unemployment. The election commitment was to reduce it to 5 per cent by 2003, but the government has said in a press release that it will not reach that target. It has abandoned a key election pledge.

There is also the question of dodgy accounting with the shift of $20 million from Victoria's $180 million Regional Infrastructure Development Fund to the state's $96 million rail standardisation program.

Then there is the issue of Seal Rocks. The opportunity to develop a world-class tourist resort that would have been of benefit to the people of Phillip Island and eastern Victoria was abandoned. An editorial in the *Herald Sun* of the day noted:

> Ministers such as Sherryl Garbutt, John Thwaites and Rob Hulls deserve close scrutiny over their roles.

Finally, there is the issue of the money-syphoning, round-robin arrangement that was investigated by the independent Auditor-General. His conclusion was that that particular scheme lacked transparency, and in particular that the dealings of two government ministers lacked transparency. Labor has shifted the high-jump bar, which it promised to raise in opposition, to a low-level limbo bar in government.

Business interrupted pursuant to sessional orders.

UNIVERSITY ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 1 May; motion of Ms KOSKY (Minister for Education and Training).

Mr DIXON (Nepean) — The opposition will not be opposing the University Acts (Amendment) Bill, but opposition members have a number of comments to make about it. The bill makes amendments to a whole series of university acts. Each university in Victoria has its own act, and most of the amendments will work on the acts of the individual universities, some in more ways than others.

The university acts that will be affected by this bill are the Deakin University Act 1974, the La Trobe University Act 1964, and the Melbourne University Act 1958 — and I pause to wish Melbourne University a happy 150th birthday. It is an incredible institution of worldwide renown, and it will have a number of celebratory activities, especially during this month. The bill will also amend the Monash University Act 1958, the Royal Melbourne Institute of Technology Act 1992, the Swinburne University of Technology Act 1992, the University of Ballarat Act 1993, the Victoria University of Technology Act 1990 and the Victorian College of the Arts Act 1981.

The bill makes a number of changes which, as I said, vary from university act to university act. I will give a quick summary of the changes, which all come about from the review of university governance that this government undertook last year, and the government has acted on the recommendations made in that review. It will insert and modify the objects of each university, so they will state that each university will pursue the benefits of any knowledge and, in addition, promote critical inquiry within both the university and the general community.

The bill will also allow certain members of university councils to receive payment, and it will make sure that council members focus on furthering the purposes of the university and the council. It will prohibit them from making improper use of any information they might have acquired at a council meeting or during their business there and from obtaining any advantage from such information. It will straighten out the manner in which the pecuniary interests of council members are disclosed. The bill also gives the Auditor-General some new powers to audit corporations that are associated with universities. It will also allow universities to take up to 5 per cent commission from trusts that are in their name to administer those trusts. Finally, it will change the function of university visitors so that it has ceremonial value only. I will tackle each of these and comment on them as I go.

The requirement that a university has to pursue the benefits of knowledge, and the additional requirement that it promote critical inquiry within the university and

the general community, both need to be in a university act. Every facet of a university should be focused on in those aims. I was surprised to find when I was given a briefing on the bill that they were not in the university acts. Most schools — and I have been associated with lots of schools — have their core beliefs and values listed. It is one of the very first things a school does, and it updates and reviews them. I was surprised that the universities had not done this; and I have no problems with a variation across universities, because they are different places and they are there for different reasons. So I was surprised that universities asked — and were told in some cases — to add these objects to their acts.

It may be a veiled reminder to them, a veiled threat to remind them not to pursue too many commercial arrangements and just to concentrate on education. The first and foremost job of a university is to concentrate on education, because after all they are educational institutions, but the reality of universities is that they sometimes need to enter into commercial arrangements to get funding and to broaden their base. I think that is good, but the extent to which individual universities do that is the object of some debate on both sides of this place. I take it at face value that these objects are there now just because they were not there before and that they are not really a veiled threat reminding universities to keep their eye on the ball, so to speak.

It is also interesting to note the experience of Melbourne University Private, which is waiting with bated breath for an announcement soon about its future. Even though it is not one of the universities covered by this bill, the way it is working to diversify and broaden its base is excellent. It is a model for other universities, and I commend it on that.

The bill allows certain members of the council to receive payment for being members of the council. That applies only to external council members, and it does not include anyone who is the holder of an office of profit under the Crown or university staff, but there are certainly a number of council members who would be eligible to receive that payment. I have some concerns with that. Obviously the universities requested it, because that is what came out of the review of their governance, but it is interesting to note that Monash University and Melbourne University have told me that their councils have voted and their council members are not interested in receiving payments. That is their choice; the bill gives them that choice. I am also aware that just about every other university, bar one, at this stage has actually knocked back that offer. I cannot quite see the congruence. If this is what the universities wanted through the review of governance, why are they all turning around and knocking it back and saying, 'No, we're not interested. We're above that. We're a bit more esoteric than that.'?

I have a feeling that remuneration of council members is something that has been pushed by the government onto the universities; even though they have been given the choice, I think it has been pushed on them a bit. In the briefing I was told that the idea behind it was to encourage a broader base of council members for universities. That could be read as perhaps a few Labor mates and union hacks getting a paid job on the university council. I am sure that is not the case, but it does fit in with broadening the base of university councils.

I think the people on these councils on the whole are really very good council members. They come from a broad sphere of life in academia and the business world, and I think they do an excellent job. I am just a bit sceptical about the reason for that payment.

Mr Honeywood — The government doesn't like volunteers.

Mr DIXON — I am just getting to that. The actual amount is not set in the legislation; it will be at the discretion of the minister. But I understand it will be paid according to bands, and that will perhaps be according to the complexity of the university — there are vast differences in the size of our universities — and the role the council member has within that university council. That might be fair enough, but as I said, I am aware that all universities, except for one, have knocked it back at this stage.

There is an interesting sideline to this. It will make student elections very interesting. They are always interesting, but things will be even more interesting at student election time because there will be two student representatives on university councils. If they are going to receive a nice little earner of $20 000, which is a lot of money for a university student — they could pay their fees up front or give up their part-time job or just make a nice little investment — it will be quite an incentive for a number of students to put up their hand to be on the council. That is okay, so long as that is not the reason they are there. They should be there because they want to represent the student body on that council, not for the money. As I said before, all universities, except one that I am aware of, have knocked back paying their council members.

As I said, I am a bit sceptical about this push by the government, I think, for council members to be paid. If somebody is paid, they are under control. If they are a

volunteer, they are there for different purposes. I just worry about any level of involvement. I know state government has jurisdiction over the governance of universities, but I think this brings in a level of control that is not warranted. That is probably one of two reasons why the universities have knocked back this offer.

The other reason they have knocked it back, I think, is that council members see it as an affront in some ways, because they are not there for the money; they are there for the good of the university, they are committed to that university, and they have something to offer that university. I think all credit is due to them for that.

As I said, the bill makes provision for council members to further the purposes of the council and the university and not to be able to make any improper use of any information they might receive or take advantage of that information. The bill also cleans up the way the pecuniary interests of council members are disclosed. Those provisions are good. Those sorts of things needed to be tidied up. It is probably stating the obvious, but there may be very rare occasions when a council member may abuse their position on a university council and use it for their own advantage or disclose information they should not disclose or hide a pecuniary interest for their own purposes. The sorts of people who are on university councils are not into that because they are there for the good of the university. Anyway, it is in the legislation, and I have no problem with it.

The Auditor-General will also be given power to audit corporations not incorporated under the Corporations Act where the university has a 50 per cent shareholding in the corporation. That is basically giving the Auditor-General a power to scrutinise. Even though the Auditor-General has the power to scrutinise universities — and is doing that at RMIT as we speak — it was fairly vague in the various pieces of current university legislation and this bill clarifies that power. That is a very good measure, because universities are public institutions and they rely on public funding, so the Auditor-General should have a watching brief over them.

But where the current legislation lacked clarity was in reference to overseas entities that various universities have established to varying degrees in different countries around the world. We have just had one that has been quite topical, with the university annual reports coming out last week. The South African campus of Monash University posted a loss of almost $10 million. The university assured me that it expected that and that it will not return a profit until 2006, but it certainly is taking a lot of the university's resources to keep that campus viable and alive. I think Victorian universities exporting their expertise and having campuses overseas is a good thing, but I am very glad that the power of the Auditor-General to watch what is happening with overseas campuses of our local universities has been clarified.

RMIT has a campus in Vietnam that is not having the financial problems the Monash campus in South Africa is having, but for a few years now there have been a number of question marks over various aspects of that campus, such as where it is, its student numbers, the capital works there, its financial arrangements and its financial links with the mother university here in Melbourne. I think that is on track, but it is very important that the Auditor-General has very clear powers so he can look at those and study and report on the operations of those universities, because as I said, there has been a vagueness there and the investments are too big to let go and to have vague legislation about them.

The bill also allows universities to deduct up to 5 per cent commission from the annual income of their trusts for administration costs. Not a lot of universities have trusts, but because Melbourne University has been there for so long — as I said, it is celebrating its 150th anniversary this year — it has over 400 trusts that it has to look after. They have been set up in the names of past students, people who have died and what have you and provide a good sound financial backing to the university. But administering over 400 trusts is quite a load on the finances of the university. Some trusts, especially modern-day trusts, have allowances in the way they are drawn up, in the deeds of arrangement, whereby the administration costs of the trust are taken from the trusts' earnings. But this legislation now allows all universities that have trusts to take up to 5 per cent commission to run those trusts. I think that is something the universities wanted. I know Melbourne University especially requested that. I have no problem with that.

The last aspect of the bill that I wish to discuss is the role of the university visitor. It is quite a quaint role that goes back centuries to medieval times. Other institutions have visitors too, but universities in Australia have one visitor. In Victoria the role of visitor is actually undertaken by the Governor of the state, so each of those universities affected by this bill has the Governor as their visitor.

The visitor's role up to now has been more than just a ceremonial one, that of a person who occasionally visits the university and goes to graduation and other sorts of

ceremonies. The visitor actually has had — up until just about now — a very important and strong role in the life of the university. The students and staff, or anyone associated with the university, might feel aggrieved by something the university has done of any nature. It could be a major matter such as an employment contract or the property rights of a production — for example, in the Victorian College of the Arts students have produced material, and there is an argument over whose intellectual property it is. Is it the students', or it is the university's? Or it could be a minor matter of a course closing down or a course being offered in another campus.

Everybody associated with the university, whether they be staff or students, can petition the university visitor to investigate their complaint. In addition, the visitor can actually intervene and initiate an investigation or anything that he or she might see fit about something that is relevant to the university. So it can come not only from the students and staff but from the visitor himself or herself. If when he is being petitioned the visitor — the Governor — decides to go ahead with the petition, he then usually calls on the services of a retired Supreme Court judge. So it is not just some paid consultant or a barrister down the road; it is actually a retired Supreme Court judge who is often called in to investigate the complaint and to make recommendations. Now when the recommendations are made by that Supreme Court judge to the visitor and the visitor then decides to act and says, 'Yes, I accept those recommendations', they are binding on the university.

Whatever the university visitor says, goes. There are no ifs or buts; it is binding on the university, and that is a very significant power. Because this bill takes away that power from the visitor and makes it only a ceremonial post other alternatives have been put forward, including one that students or staff who may be aggrieved could use the university's own processes. That is fine to a certain extent, but when you have a complaint against the university often it is not in the best interests of the complainant for the university itself to handle that complaint.

An honourable member interjected.

Mr DIXON — Slightly subjective! Another alternative in a narrow band of cases is to use the role of the Victorian Civil and Administrative Tribunal. That would only cover areas in which VCAT has jurisdiction, and there is not a large intersection between those areas and the various roles of the universities.

The main alternative to the visitor is the Ombudsman. He is a semi-worthy alternative, with two major differences that I will come to. Without fear or favour, the Ombudsman will carry out an investigation, and that is good, but it can take quite a long time, and in the end whatever recommendation the Ombudsman makes is only a recommendation. He cannot tell the university what it must do; he can only go as far as making a recommendation. Compare that to the role and the power of the university visitor, whose recommendations are binding on the university. That is a real difference.

Another argument against having the role of the visitor downgraded is that the fact that it has not been used frequently is no reason to say that it should not be used. When it has been used, it has been used well and for good reason. Therefore that role should remain. Perhaps the role has not been used because it is a powerful one, and universities might think twice before making a decision that they know might upset a student or a staff member if the university visitor were to get involved. Not a lot of people are aware of the role of the university visitor, and perhaps that has been the problem. Universities have not let their staff and students know who the university visitor is and what his role is. The university visitor can make a binding decision, and in some instances that has probably prevented the visitor being called on to investigate.

To summarise, the role of the university visitor has in itself been one of prevention, but the fact that it has not been used a lot is not a reason to get rid of it. Basically, this is a loss of accountability, and any loss of a layer of accountability is not good. I am not pleased that it has happened, and I have been inundated with letters and emails from student associations, postgraduate student associations and student unions from a range of universities around this state that are not happy about it. You can understand why, because they are losing a level of accountability and somewhere they can go without fear and favour and at no cost. It does not cost anything to petition the Governor. There might be a cost involved to a university if it takes a matter further, but there is no cost involved in a petitioner going to the Governor with their complaint.

This dilution of the visitor's powers will weaken university governance: I cannot see how it can enhance it. The state has powers over the governance of universities, and this aspect of the bill is the one that most concerns me and a broader group in the community.

I go back to what I said at the start: the opposition does not oppose the bill, although it has two major problems

with it. One is the fact that remuneration will be offered to council members, although that has been nullified to a certain extent because university councils, except for one, have voted that they are not interested in that. That says a lot about the members of university councils. The opposition also has concerns about the downgrading of the role of the university visitor. With those comments, the opposition does not oppose the bill.

Mr MAUGHAN (Rodney) — It gives me great pleasure to speak on the University Acts (Amendment) Bill. As an opening remark, I indicate that I have a great deal of personal interest in education generally and in higher education in particular because I acknowledge the importance of a well-educated community.

There is bipartisan support across the house for doing what we can with the resources available to make sure that we have a well-educated work force and people who are in essence educated for life. I am a great believer in lifelong learning, and I am delighted to see the system that we now have, which through the pathway program enables people, no matter where they start, to achieve whatever they want from an educational perspective. It is stimulating that a person can start by doing, for example, an apprenticeship, and if they then want to pursue further education they can go through the TAFE system and through university and ultimately, if they have the capacity, drive and will, finish up with a PhD. That is what education should be all about, so that anybody who has the will, the desire and the ambition to achieve is able to do so. I support the sorts of measures that provide educational opportunities for young people and the community generally.

As a general comment, we can be proud of the education system in Australia and in this state. I hope that on some of these issues we do not waste too much time trying to score cheap political points. There are points that divide us — there is no question of that — and we can make our political points, but we need to reinforce the fact that successive governments have improved educational opportunities in this state and that by any standard in the world we have a very good education system.

I would like to indicate my personal interest in further education by saying that two of my four children are graduates of Melbourne University. Three of the four spent some time at Trinity College at the University of Melbourne, and my son was senior student at Trinity.

In addition, I have had a long association with the University of Melbourne — firstly, as a member of the animal experimentation ethics committee associated with the school of agriculture, and secondly, as a member of an advisory committee that was associated with Mount Derrimut, part of the school of agriculture at the university. In addition to that, I have had a long association with what was the Institute of Land and Food Resources, and in particular with agricultural education at Dookie, Longerenong and Glenormiston, as well as other campuses around the state. It is not something I have just come to since I have been in Parliament. However, since coming to this place I have been privileged to serve on the council of Swinburne University and so have gained another perspective on the running of universities. It was a period that I found very rewarding and stimulating. I learnt a lot about the running of universities and hopefully was able to make a contribution.

The objective of the bill is to improve the quality of higher education in Victoria and to change the government's arrangements with universities in this state. It is worth noting that in the eight publicly funded universities in Victoria there are close to 160 000 students doing undergraduate degrees of various sorts as well as another 55 000 postgraduate students. The number of different courses available in our Victorian universities — there are nearly 1000 — is mind boggling.

It is worth noting in passing the number and proportion of overseas students we now have. Around 21 per cent of the students in our universities are overseas students. That is important to the economy and is to be encouraged. Sometimes we think that overseas students take places away from our Victorian students, but further on in my contribution I will indicate that I do not believe that is the case and that we should encourage overseas students for a range of different reasons.

I might also indicate that I welcome the extension of Victorian universities to overseas campuses, which includes holding graduation ceremonies overseas. In the case of Swinburne, for example, I was privileged to attend the graduation ceremony in Kuala Lumpur with students from Singapore, Malaysia, Thailand and various other countries from the region. It is a little unrealistic to expect students who have finished their studies and gone home to then come back to Melbourne for the graduation ceremony. It is great that universities are increasingly going to regions where their students come from. In that case, from memory there were about 100 graduates from Swinburne University who had their graduation ceremony in Kuala Lumpur.

The bill before the house arises from a review of university governance commissioned by the Minister for Education and Training when she assumed responsibility for universities in this state. A number of recommendations came out of the review, many of which are being implemented in the legislation.

The bill does a number of things. It is not legislation that makes dramatic changes; instead it is about incremental change. It is also about positive change, which we in the National Party support. The bill strengthens a university council's control over commercial operations at the university. Increasingly, universities are becoming involved in a range of commercial operations. It can involve engineering projects, social projects of various sorts or the development and application of gene technology, as well as a range of other things that we could think about. It is good that the universities' control over those commercial operations is to be strengthened. The legislation amends each university act to add further objectives. I quote from a few at random, as outlined in the explanatory memorandum of the bill. For example, the Swinburne University of Technology Act will be amended:

> … by inserting a new object for the university to promote critical inquiry within the university and the general community.

Something similar applies to the University of Ballarat. The University of Melbourne amendments are far more extensive, because, strangely enough, it does not have objectives in its university act. The new section provides that the objects of the university will include:

> … to provide and maintain a teaching and leading environment of excellent quality offering higher education at an international standard;
>
> to undertake scholarship and research and to apply that scholarship and research to the advancement of knowledge to the benefit of Victorians, Australian and the international community;
>
> to equip graduates to excel in their careers and to contribute to the community;
>
> to serve the Victorian, Australian and international community and the public interest by enriching cultural and community life, by elevating public awareness of educational, scientific and artistic development, and by promoting critical enquiry within the university in the wider society.

Of all the objects of the various university councils, it seems to me that that is the most holistic and demonstrates what the objectives of a university should be about.

This legislation strengthens the student grievance process, and as part of that makes the role of the university visitor, which was part of that process, a purely ceremonial one. It clarifies the Auditor-General's ability to audit commercial activities associated with Victorian universities. That is as it should be, and it is important that that be clarified to make it perfectly clear that the Auditor-General has a role to play in overseeing any of those commercial activities. It also allows universities to charge an administration fee for the trust funds which it has under its control.

It is worth noting in passing that Melbourne University has of the order of 400 separate trust funds to administer on a day-to-day basis. Clearly there are costs associated with that, and it is perfectly reasonable that there should be the capacity to charge administration fees.

I am delighted to see the number of universities that now have campuses in country Victoria, because it is fair to say that country students have been underrepresented in the tertiary education sector for many years. Traditionally that was partly because secondary colleges in country Victoria were not up to the standard required to achieve university entrance for their students. That has changed dramatically in recent years, and we now have secondary colleges in country Victoria that are producing excellent students who have been able to get into law, medicine, engineering and other disciplines at the very best universities. There is no longer a problem with country secondary colleges being able to produce students to the standard required.

Some students still have a problem getting access to a university within reasonable distance of their place of residence without incurring considerable cost — which for many families is simply not affordable. I therefore welcome the establishment of university campuses in various parts of country Victoria such as Ballarat, Bendigo, Echuca, where we have Victoria University, Shepparton, Wodonga and Dookie, which is a campus of Melbourne University, and so on right around the state. That makes it far easier for students from country Victoria to obtain a tertiary education without incurring the enormous expense of having to come to Melbourne, with all the residential and other costs involved in that.

Earlier I mentioned the number of overseas students in our Australian universities, which I welcome. Many of them are here on scholarships, but most of them are full fee-paying students. I have no problem with their being on scholarships, and I hark back to the scholarships that Australia offered following the Second World War under the Colombo Plan and those sorts of projects. I

think we have established very good relations with overseas countries as a result of their students coming to study in Australian universities and then going back and playing very significant roles in their own countries in commerce, government and education. I think that has been a very good move.

I think the scholarships have helped improve Australia's links with the home countries of those students and helped increase our understanding of those cultures and those communities, which will probably ultimately lead to trade with those countries. Certainly it has enhanced peace and goodwill between those communities.

Overseas students add to the cultural diversity of a university and therefore enrich the experience of the Australian students. As I said earlier, I reject the notion that overseas students are denying Australian students places at university. That argument does not wash, and I think the contrary is true. It enables a university to generate funds, some of which can be used to provide further places and further scholarships for Australian students within that institution. It also increases the critical mass of that university and therefore enables it to offer a wider diversity of courses.

I think this legislation is sensible and adds to the progress that has been made in tertiary education over the years. It is incremental legislation that is supported by the general community and by the National Party.

Ms BARKER (Oakleigh) — The University Acts (Amendment) Bill 2003, as has been outlined, implements legislative amendments flowing from decisions taken by the government following the review of university governance established in December 2001 and completed in May 2002.

While the review arose from the concerns of the Auditor-General about the role and accountability of university councils and their ability to effectively manage subsidiary companies, a wide range of matters regarding university governance were also canvassed.

It is important to note that the review process, the consultation that took place, the issues paper and the report itself were and are very extensive and very comprehensive. The members of the review panel are to be commended on that comprehensive report and the way in which they undertook that work.

The bill ensures that all the Victorian university acts will include an objective that the university serve the public interest by promoting critical inquiry within the university and the general community. This is an important purpose of the bill, because it focuses on the primary and important function of our universities, which is, of course, education, while they expand their commercial activities. Importantly the bill will provide consistency across each of the university acts and the Victorian College of the Arts Act.

It also provides consistency through the insertion of new sections to ensure that council members act only in the best interests of the institution — I am sure they do, but this will ensure it — rather than in the interests of the constituent body or the person who elected or appointed them.

Clause 4 amends section 8 of the act by providing that certain members of the university council are eligible to receive payment for their membership. It is clear that it is not intended to remunerate any person who is an employee of the council or an employee of the Crown, and those prohibited from receiving that remuneration are clearly detailed in the bill.

The reason for this decision is laid out in the government's response to the review. To use an example, independent members of the council must take time in what are often very busy professional lives to work on university councils. If one looks at directors of public companies, one sees that some parallel comparisons can be made. Most statutory bodies, both state and federal, also have levels of remuneration for their members.

It is important, however, to emphasise that this is a decision for the relevant council. The minister will consider the decision of the council and look at the levels, consistent with the cabinet guidelines. The remuneration levels will take into consideration the size and complexity of the university. There will also be an assessment of the effectiveness of these payments, which will take place within the first five years of this decision. Again, it is important to emphasise that this will be a decision for the relevant councils.

A further change in the bill has been outlined by the honourable member for Nepean — and I should add that the member noted that students might wish to stand for council if they are going to be remunerated. I have every confidence in our excellent students that they will stand for council for exactly the right reasons, and that is to contribute to the university they are at.

As has been outlined, a further amendment in the bill will change the role of the university visitor to be a ceremonial one. There have been some concerns expressed about that, there is no doubt about it, but I am sure that the opportunity to go through the Ombudsman and, where it has jurisdiction, to the Victorian Civil and

Administrative Tribunal if a grievance cannot be dealt with at the university level will provide good process.

I should add that the Ombudsman's office regularly deals with complaints from university staff and students, so the Ombudsman's staff understand the sector which the visitor's assessor, who is generally a retired Supreme Court judge, may not. The Ombudsman's office deals with matters without legal representatives, but an assessor generally has counsel from both sides before him or her, so the Ombudsman offers a more cost-effective alternative. The Ombudsman's office reports to Parliament and those recommendations are rarely not adopted. The university visitor's review function has also been removed in Tasmania and New South Wales, and it is clearly shown that there has not been any substantive loss of right or convenience to members of universities in those states.

While mentioning the Ombudsman's office I, along with, I am sure, all members of Parliament, wish Dr Barry Perry who is at present hospitalised every best wish for the future. May he get better very quickly.

As I indicated at the start of my contribution, the review was undertaken in response to concerns expressed by the Auditor-General regarding the management of their subsidiary companies. These concerns have been documented on a number of occasions. In its submission to the review the Auditor-General's office reported that it had received advice that companies established overseas are not necessarily companies within the meaning of the Corporations Law of Victoria, and this cast doubt on the Victorian Auditor-General's mandate to audit those companies. The bill clarifies the right of the Auditor-General to audit and investigate in regard to that. Everybody is in furious agreement on that.

It is recognised that the commercial nature of activities undertaken by universities has increased dramatically and there is no criticism of that. They assist with funding and research undertaken by universities, but, as I say, this bill removes any doubt in the mandate of the Auditor-General and represents an increase in the public accountability of Victorian universities. It provides a strengthening of good governance.

It has also been recognised that with the increasing number of trusts administered by universities and with the administrative and time costs associated with that there should be an opportunity given to amend the university acts to provide for the management of those trusts. This administration fee will not exceed 5 per cent. As the member for Nepean outlined, this matter particularly relates to Melbourne University which has over 400 trusts to administer on a daily basis. The provision is extended to ensure consistency.

I also note that the member for Nepean and others in the other place commented that this year marks the 150th anniversary of Melbourne University, which is a significant anniversary. Melbourne University is a very historic and important component of our state's history. It shares its 150th anniversary with another historic and important component of our state's history — that is, the area of Oakleigh which was named as the Oakleigh shire 150 years ago this year.

In conclusion, as all members who have spoken on the bill would know, the review of university governance was a comprehensive and large report. The bill is fairly lengthy, particularly principally due to the amendments to each of Victoria's university acts and the Victorian College of the Arts Act, but the intent of the bill does not require a lengthy explanation. It is designed to strengthen governance arrangements in our universities and strengthen accountability.

Our universities are very large institutions, and the member for Rodney outlined the number of students studying at them. They are also an important component of our state's education system and are very important to our economy. They are very important to the future of our young people and therefore our state. This bill will enable them to move forward with confidence. I commend the bill to the house.

Debate adjourned on motion of Mr HONEYWOOD (Warrandyte).

Debate adjourned until later this day.

Sitting suspended 12.57 p.m. until 2.04 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Road safety: funding

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. Given that both the Treasurer and the Minister for Transport said yesterday that road safety is a priority for the Labor government, why has the highly successful and lifesaving road safety initiative, the black spot program, been cancelled?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question, and yes, road safety does remain an extremely high priority on this side of the house. In fact we want people to comply with the

law and slow down on our roads. That is certainly what we have been about.

I believe anyone in a leadership position in Victoria who encourages speeding on our roads is being totally irresponsible. I am very pleased that we have an objective to reduce the road toll by 20 per cent over the coming years. I am also pleased that we now have the lowest road toll for some years, particularly in Melbourne. We have paid particular attention in this budget to the country road toll, and part of the increased motor registration fees will go into the Better Roads trust, with $10 million of that going into improvements on the kerbing and other areas of country roads which will make sure those roads are safer in the future.

Mr Mulder interjected.

Mr BRACKS — The only roads the member for Polwarth could identify are in his own electorate! Speaker, this is a budget that is good for road safety, for roads and for Victoria.

Mr Doyle — On a point of order, Speaker, I did not think the answer was finished. On the point of relevance, I do not understand how you can answer a question about black spot funding without mentioning black spot funding.

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

Budget: job creation

Ms OVERINGTON (Ballarat West) — My question is to the Premier. Will the Premier please inform the house how the 2003–04 budget will be a further boost for job creation in Victoria?

Mr BRACKS (Premier) — I thank the member for Ballarat West for her question and for her commitment to making sure that Ballarat has job-generating projects in the future. I also want to indicate that this budget is good for jobs in Victoria. Since the government was elected and came into office in 1999 Victoria has been the standout performer when it comes to jobs around Australia. Since October 1999 employment has grown by some 8.2 per cent, which is higher than the national average. We now have 182 500 more jobs in just three and a half years. I think many members who were here when the previous government was in power remember that its objective over a four-year period was to have 150 000 new jobs. That was its objective. In just three and a half years the Labor Party has achieved more than that — 182 500 new jobs in Victoria.

We now have the second-lowest unemployment rate in the country, at 5.5 per cent, which is below the national rate of 6.6 per cent. This budget builds on that good performance we have seen over the last three and a half years. It builds on it in several areas: firstly, it is expansionary in that it goes for a significant increase in infrastructure with $2.5 billion each year for the next two years — the highest spending on infrastructure in Victoria's history. Secondly, it goes to business costs which will generate jobs. This budget continues the trend of this government to reduce payroll tax in Victoria. We have now brought down payroll tax by some 9 per cent since we came into office. We now have, at 5.25 per cent, the second-lowest payroll tax in the country, and we are extremely competitive.

It is also a budget that is about funding and resourcing innovation to make sure we have the best science, technology and innovation system in the state. That is going to assist in creating a climate for job generation in the future by developing new industries on the back of an innovative economy.

We have also targeted new employment programs. I congratulate the Minister for Employment and Youth Affairs on ensuring that we have targeted employment programs reflecting the fact that the unemployment rate has come down, but we still have pockets of high unemployment in certain areas around the state. That is why we have targeted the new Jobs for Young Victorians program with 1100 new jobs to be created in the future. That is why we have reformed and changed the payroll tax system for apprentices and trainees to a completion bonus rather than a tax benefit at the start of that process.

I also congratulate the Master Builders Association of Victoria (MBAV) for its support of our program. The association has called for this for some time. It said:

> Our members have long argued this is a necessary step to reducing the critical skill shortage currently affecting the building industry …
>
> … MBAV congratulates the government on adopting a completion bonus scheme, which will pay bonuses to employers when apprentices or trainees complete their qualifications.

It will be better value for taxpayers money. We will know that someone has completed their training — not just started — and we will know that they will go on to a new career in the future.

This is a job-generating budget that will continue the record we have had over the last three and a half years, giving us an unemployment rate better than the national

average and generating more jobs. I think it is a good budget for jobs and a good budget for Victoria.

Apprentices and trainees: payroll tax exemption

Mr RYAN (Leader of the National Party) — My question is to the Minister for Employment and Youth Affairs. Can the minister advise the house of the outcome of any assessments she has actually undertaken on the likely impact on job opportunities for young people arising from the scrapping of the payroll tax exemption for apprentices and trainees?

Ms ALLAN (Minister for Employment and Youth Affairs) — I thank the Leader of the National Party for his question. As the Premier has just indicated to the house, the government is refocusing and retargeting its employment programs as part of the new package Jobs for Victoria. To inform the Leader of the National Party, as part of this package we are seeing an additional $155 million of funding going into new and refocused employment initiatives right across Victoria. We remember that the Leader of the National Party was a member of a government that was not interested in jobs growth in country Victoria.

Mr Thwaites interjected.

Ms ALLAN — As the Deputy Premier has reminded me, the Leader of the National Party was part of a government that had a Premier who called country Victoria the toenails of the state, that was not interested in growing jobs in country Victoria and failed country Victoria dismally in this area. When you consider that since 1999, as the Premier has just indicated, employment in Victoria has risen by over 180 000 — —

Mr Doyle interjected.

Ms ALLAN — I do not need to slow down to enjoy myself, Robert!

It has risen by over 180 000 people, or 8.1 per cent. In our second term we will continue to grow jobs right across Victoria. The Leader of the National Party particularly refers to the changes in the area of payroll tax for apprentices and traineeships. I am pleased to note for the member's benefit that that is part of a package we are delivering with my colleague the Minister for Education and Training. That is part of our $155 million in additional funding right across Victoria, because we are committed to supporting young people, in particular, to get jobs.

Mr Ryan — On a point of order, Speaker, on the question of relevance, the question was directed to an outcome of any examination — —

Honourable members interjecting.

The SPEAKER — Order! There is too much audible conversation while the member is making his point of order.

Mr Ryan — It was directed to any examination or inquiry by the minister as to the impact of this policy on job opportunities. That is the area to which the minister should properly be directing her answer, rather than the usual tired old rhetoric.

The SPEAKER — Order! In relation to the point of order, I ask the minister to come back to answering the question.

Ms ALLAN — The member asked about the impact on job opportunities. What we are seeing — —

Mr Ryan interjected.

Ms ALLAN — Indeed we have had a look at it. I have had a close look at it with my colleague the Minister for Education and Training. This change in the apprenticeships and traineeships is part of our package Jobs for Victoria and Jobs for Young People. It will really provide improved opportunities for people right around Victoria. That is why we have made these changes — to make improvements right across Victoria, while we have introduced Jobs for Young People, a program specifically targeted for young people in local government.

We are continuing. We have a new community jobs program, a recommitment to the community jobs program which has provided excellent opportunities. It is enormously hypocritical for the Leader of the National Party to come at this late hour on job opportunities for Victorians.

Mr Ryan — On a point of order, Speaker, I have inquired about the outcome of any assessment that was undertaken by the minister. We have heard absolutely nothing about that issue. I ask you, Speaker, to tell the minister to answer the question.

The SPEAKER — Order! I understand that the minister has concluded the answer to the question.

Government: financial management

Ms BEARD (Kilsyth) — My question is to the Treasurer. Can the Treasurer inform the house how the 2003–04 budget is delivering on the Bracks

government's commitment to sound financial management?

Mr BRUMBY (Treasurer) — I am certainly delighted to receive that question from the honourable member and to answer it. Can I say that the budget that was brought down yesterday is fiscally responsible and locks in substantial and sustainable budget surpluses going forward.

For 2003–04 there is a surplus of $245 million, and going forward an average of $391 million. As the Premier has said today, we are able over the next two years to finance more than $5 billion of new infrastructure spending without one additional dollar of debt — all of that with cash surpluses and a sustainable recurrent budget surplus.

I was also asked about the fundamentals of this budget in terms of financial responsibility. I will provide the house with some indicators of the financial condition of this budget. Long-term borrowings to total assets were 16 per cent in 1999–2000, the last year of the Kennett government; today they are 12.3 per cent; and in 2006–07 they will be 11.6 per cent. Total liabilities to total assets were 57.5 per cent under the Kennett government; under the Bracks government they will be down to 50.2 per cent. Unfunded superannuation to gross state product under the Kennett government was 7.7 per cent; today it is 7 per cent; and in 2006–07 it will be down to 6.6 per cent. Borrowing costs to total revenue in 1999–2000 under Kennett were 2.2 per cent; today they are 1.8 per cent; in 2006–07 they will be 1.6 per cent. On all of the key financial indicators going forward this government is outperforming the Kennett government.

Last night, after the budget was delivered, Standard and Poor's confirmed Victoria's AAA credit rating. You can only do that if your financial conditions are extremely strong.

We have also had endorsements, as the Premier has said, from a whole range of industry and commercial groups: from the Master Builders Association, from the Australian Industry Group, and from the Victorian Employers Chamber of Commerce and Industry, from Neil Coulson, who said:

> The government has delivered a financially prudent budget with a better-than-expected surplus …

I want to conclude my answer with an article from the *Geelong Advertiser* of 8 March this year. A commentator was quoted as saying:

> I think the Labor Party had convinced them that on the major drivers of family and community concerns, whether it's health or education or law and order, that they had better answers than we did. And we've got to acknowledge that. And that means both working hard, and also not carping and whinging.

The only person who has been out carping and whingeing about this budget is the person who made that statement. It was the Leader of the Opposition! Yesterday we heard from the Leader of the Opposition that 'Victoria is on the brink'. I heard that and I saw that last night. It reminded me of another expression once made famous by the Leader of the Opposition: 'Hold onto your hats!'.

Budget: capital works

Mr CLARK (Box Hill) — My question without notice is to the Premier. Will the Premier confirm that in yesterday's budget his government has committed to complete only 8 out of 51 of its election capital works promises?

Mr BRACKS (Premier) — I thank the member for Box Hill for his question, because it illustrates very clearly and very succinctly the difference between the government and the opposition. When the opposition sees a major project it sees an icon in the centre of the city. When we see a major project we see a hospital, we see a school and we see a police station. I refer the member for Box Hill to budget paper 2, which not only specifies the works which will be undertaken but also reiterates the commitments we made at the last election, which will be delivered in full over the full term of office of this government.

Schools: government initiatives

Ms NEVILLE (Bellarine) — My question is to the Minister for Education and Training. Will the minister advise the house of the impact education initiatives referred to in the budget, including the extra 700 teachers and staff, will have on educational outcomes for young people in Victoria?

Ms KOSKY (Minister for Education and Training) — I thank the honourable member for Bellarine for her question. It would be good indeed to get a question on education from the organisation that said education was its no. 1 priority — I think it was the opposition! But when we said education was our no. 1 priority, we meant it. We meant it! We put in the resources, we put in the programs, and we are getting the results.

Yesterday's budget was fantastic for education — $422 million extra for education, and that comes on top of the $2.75 billion invested in education since we

came to office. We are very serious about education. We are serious about the investment, and the results so far are terrific. We have got class sizes down, we have got retention rates up and we have got literacy and numeracy results up. The results are terrific, and they are a consequence of the investment and the programs we are putting in place in education because we are serious.

In yesterday's budget we committed $82 million over four years for 450 extra teachers to support specialisation and excellence in our schools. We have also got $49.5 million for 256 welfare officers in our primary schools. The opposition whinges and whines and carps and moans.

Honourable members interjecting.

Ms KOSKY — Who's going to miss out? I will tell you who will miss out: the kids in our schools if you ever get elected.

The SPEAKER — Order! The Minister for Education and Training will address her comments through the Chair.

Ms KOSKY — That is an extra 700 teachers and staff for our schools in Victoria on top of the 4000 additional teachers and staff that we had already committed to in our first term. We are serious about education.

We have also committed $137 million for capital works, which includes new schools, construction and completion of upgrade of facilities, reinstatement of schools that have been damaged by fire — —

Mr Perton interjected.

The SPEAKER — Order! The member for Doncaster!

Ms KOSKY — Specialist facilities for secondary schools, upgrade of equipment for TAFE institutes — —

Mr Perton interjected.

The SPEAKER — Order! I have just called the member for Doncaster to stop interjecting. I suggest he follow the Chair's advice.

Ms KOSKY — We have also got money in this budget for the two education precincts at Maryborough and Gippsland, which will deliver improved educational outcomes for students.

When you consider that this is our first budget of the second term, education is looking very good over the next four years in the hands of the Bracks government. All you have to do is look at what some of the newspapers said about education in the budget. They did not whinge and whine and carp and moan, as the shadow opposition has done. Headlines such as 'Big tick for schools — jobs for 450 new teachers' and statements such as:

> Teachers' union head Mary Bluett said —

not always a strong supporter of ours, I have to say —

> the budget continued the slow and steady rebuilding of the education system.

An honourable member interjected.

Ms KOSKY — She does not even talk about you!

Another headline is 'Budget boost'. The newspapers know that this is a terrific budget for education. We know that it is a terrific budget for education. And when I was with the Premier and the Deputy Premier this morning in a primary school, the people there know it is a very good budget for education. It would be really nice if the opposition, in saying that education is its no. 1 priority, could at least ask a question about education.

Federation Square: Auditor-General's report

Mr HONEYWOOD (Warrandyte) — I refer the Premier to the Auditor-General's report on Federation Square in which he details costs blow-outs because of delays, rising costs, funding uncertainty and shortfalls, an inability to pay contractors and the inability of Federation Square to service a $25 million loan. Does the Premier agree with the response of the Secretary of the Department of Infrastructure that the Auditor-General's report and conclusions are, and I quote, 'misleading' the public of Victoria?

Mr BRACKS (Premier) — The Auditor-General's report highlights the costs of Federation Square. The costs include not only the capital costs but also the fit-out costs, which have been budgeted for separately in other departmental budgets for the National Gallery of Victoria, the Australian Centre for the Moving Image and other tenants on the site. When you deduct and take those matters off it does show another cost requirement.

The Auditor-General quite rightly indicates that that shortfall can be met from other sources including private sector sponsorship and other areas. I quote:

> … other sources such as private sponsorship … will be needed from June 2003 to meet remaining project commitments.

The Auditor-General reports on the total project costs. He also reports on how any change would be met. I can indicate to the house that it will not be met by the government. We have committed all that we are going to commit to Federation Square.

Mr Honeywood — On a point of order, Speaker, the question related to the secretary of — —

The SPEAKER — Order! What is the point of order?

Mr Honeywood — On the issue of relevance, Speaker, the Premier has not addressed the major part of the question, which relates to comments from a senior public servant about the Auditor-General.

The SPEAKER — Order! The Chair cannot direct the Premier how to answer the question. I understand the Premier has concluded his answer at this stage anyway.

Budget: cancer services

Mr LIM (Clayton) — Will the Minister for Health advise the house of the impact the major new health initiatives referred to in the budget, including the extra funding for cancer services, will have on health outcomes for Victorians?

Ms PIKE (Minister for Health) — I thank the member for Clayton for his question. Yesterday's budget continues the massive investment that the Bracks government is making in the health and wellbeing of all our Victorian citizens. There is $1.4 billion of additional funding not only for capital infrastructure but also for health services, preventative services and a whole range of other services to support our community. One of the particular areas that we have had a great commitment to over time and continue to have a commitment to is additional funding and support for cancer services.

We know that one in three Victorians will develop cancer before the age of 75, and over a quarter of them will die from it. So cancer is a very feared illness. It has terrible physical effects, of course, but it also has profound psychological effects and can cause great economic hardship for families.

We have as a key priority improving and upgrading our cancer treatment services and investing in prevention and treatment programs. We are also working more collaboratively with our cancer service providers. We all know we have something we should be very proud of in Victoria, and that is our world-renowned cancer research institutes.

In its first term the Bracks government opened new radiotherapy centres at Bendigo and Ballarat, replaced ageing equipment at the Austin and Repatriation Medical Centre and implemented strict tobacco reforms — and it has an ongoing agenda to bring down the alarming smoking rate and to protect Victorians from unwanted exposure to tobacco smoke. We are very proud of those initiatives.

We have also increased funding for breast and cervical cancer screening services, and most importantly, we have increased support for cancer research institutes through a 50 per cent boost to infrastructure funding.

This package of initiatives has helped us in our fight against cancer, and in this budget we see further funding commitments. An additional $43.5 million was announced yesterday for Labor's four-year cancer action plan. Of that $43.5 million we will see $19 million provided for radiotherapy services and two new radiotherapy bunkers at the Monash Medical Centre at Moorabbin. We will see $10 million provided to replace radiotherapy units at the Alfred Hospital and the Austin and Repatriation Medical Centre. We will also see $4 million provided to establish the ministerial council on cancer to help lead our efforts in cancer research. Most importantly, on top of all of that $10.5 million will be provided over four years to enhance our breast-screening program.

Victorians already receive a world-class range of support services for cancer care. We know the incidence of cancer is rising, but there is evidence that the number of cancer deaths is decreasing as a result of the improved treatments that have come about from these investments.

I reiterate to the house that the Bracks government remains committed to this very important area as part of the overall enormous boost to investment in the health care system in this state.

Wind farms: Portland project

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. I refer to the government's confusion about conflict of interest concerns regarding Pacific Hydro projects. Specifically I refer to the statement by a spokeswoman for the Premier as reported in the *Age* of Tuesday, 6 May, that no-one in the government had been aware of Mr Mike Fitzpatrick's link to Pacific Hydro.

Can the Premier confirm that he attended the opening of Pacific Hydro's Codrington wind farm on 20 July 2001 with the chairman of Pacific Hydro, Kingsley

Culley, and a non-executive director and shareholder, Mr Mike Fitzpatrick. I have a photo for your album there.

Mr BRACKS (Premier) — I can indicate to the house quite clearly and unequivocally that there is absolutely no conflict of interest in the work that Mr Fitzpatrick did. Mike Fitzpatrick and the rest of the Infrastructure Planning Council did an excellent job on behalf of our government. They did an excellent job in advising us on the policy going forward on infrastructure spending.

Mr Doyle — On a point of order, Speaker, relating to relevance and debating, there is no doubt on this side about Mr Fitzpatrick's integrity; but this question related entirely to the government's handling of the conflict of interest question and whether or not it was telling the truth when these matters were first brought to light.

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

Mr BRACKS — I think that was a try at a supplementary question. It was not a requirement of the Infrastructure Planning Council that it make the operational decisions; they are separate and distinct. However, I refer to another matter.

The government in Victoria, as distinct from the opposition, has had a longstanding policy of favouring wind power as an alternative source of energy. We had that as part of our election campaign going back to November 2002. We have had an unchanged policy. The policy and operational matters are separate. I reject any claims by the opposition that there was a conflict of interest: there was absolutely zero, none!

Budget: rural and regional Victoria

Mr HOWARD (Ballarat East) — My question is for the Minister for State and Regional Development. I ask the minister whether he will outline to the house some of the major initiatives in the state budget that will benefit small country towns across Victoria.

Mr BRUMBY (Minister for State and Regional Development) — I thank the honourable member for his question. As members know, in the policy of growing the whole state, growing country Victoria has been a central focus of the Bracks government since its election. This year we are seeing population growth of 1.2 per cent per annum in country Victoria. That is fantastic; it is the best in over a decade, but we need to do more. So in yesterday's budget we announced a number of new initiatives designed not just to grow country Victoria but to put a specific focus on the small country towns and communities that are so much the lifeblood of country Victoria.

An amount of $20 million was announced for the Small Towns Development Fund over four years. For the first time we have a purpose-built fund directed towards economic development in small country towns. But there are other initiatives as well, including $10 million over four years for the Community Regional Industry Skills program to address skill shortages — again a real focus on the small country towns; $6 million over four years for the Skilled Migration program to get more skilled and business migrants into country Victoria; and $1.5 million for the Living Country Racing program. This is a fantastic program, and race clubs right across the state — Buchan, Gelantipy, Yea, Merton, Woolamai and all of those places — can apply for funding under that program. Another initiative is $70 million to expand natural gas across country Victoria.

Mr Ryan interjected.

Mr BRUMBY — Where did we get that idea? After you privatised the industry and after you tried to close it down, we decided to expand it.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order, and the Treasurer will address his comments through the Chair.

Mr BRUMBY — If you're opposed to it, it must be good.

Mr Ryan interjected.

Mr BRUMBY — What, that if you're opposed to it, it must be good? It is something I have learnt from years in here watching you rabble over there.

The SPEAKER — Order! The Treasurer will address his comments through the Chair. I shall not warn him again.

Mr BRUMBY — Yes, Speaker. Other initiatives are $3.9 million towards the expansion of Rural Ambulance Victoria to places like Ballan, Cobram, Kyabram, Mansfield, Omeo and Mallacoota; $7 million to help bush nursing hospitals right across the state; and $12 million extra for country tourism — so whether it is Port Fairy or Mallacoota, wherever it is across the state, it will benefit from that program. There is $4 million to improve maternity services in rural hospitals; $18 million for building improvements in

small country schools; and $6 million to replace poorly equipped police stations at Bannockburn, Edenhope, Mount Hotham, Myrtleford, Nyah, Robinvale, Tallangatta, Mitta Mitta, Swifts Creek and Woods Point.

This is a big program across the state. Today's issue of the *Weekly Times* has an accurate summary in its headline, 'Water, ports, weed control share the budget spoils — steady hand'. That is what it is for country Victoria — continuing to invest in country Victoria, particularly those small towns.

We are seeing major investments in Portland, linking up the port, the road and the standard gauge network, as well as major investments in Geelong. We are doing what the Kennett government could never do.

These initiatives really give focus to the task of rebuilding country Victoria. There is a special emphasis on the small towns that are so much the lifeblood of country Victoria. Certainly this will support that continued resurgence of country Victoria that we have seen under four years of the Bracks government.

VOCATIONAL EDUCATION AND TRAINING (TAFE QUALIFICATIONS) BILL

Second reading

Debate resumed from 1 May; motion of Ms KOSKY (Minister for Education and Training).

Mr DIXON (Nepean) — The opposition will not be opposing the Vocational Education and Training (TAFE Qualifications) Bill. The bill basically does two things: it enables TAFE colleges to award graduate degrees and also allows the Victorian Qualifications Authority to delegate its authority to accredit training courses to providers. This power that will be given to the VQA to accredit training providers to self-accredit training courses certainly is a good move that allows flexibility in the training market. It is very important that training providers are able to react quickly to local needs and also to industry needs without having to go through a long process of accreditation. Now they will be able to do that. Once they have been given the okay by the VQA they can react quickly and provide the training services that are needed.

There will be some controls over this, which I think is very important. The courses that are offered will be subject to quality audits, and these will be unannounced. It is not just any sort of mickey mouse course that can be offered by a training provider — it has to fit in with the qualifications authority and what it sees as the basic standards so that good quality training is still provided. But because it essentially takes out a layer of bureaucracy and gives flexibility to training providers we have absolutely no problem with it at all.

The major part of the bill will allow TAFE colleges to confer degrees. There have been various arguments for and against this, and I shall cover some of them. The courses for which graduates will have degrees conferred on them by TAFE colleges will not be subject to higher education contribution scheme (HECS) funding. They will be fee-for-service courses only. Therefore, if you are going to attend a TAFE college that is offering a degree course you have to pay up front; no HECS funding is provided, so you have to pay fully for that service. That might be fair enough, but I detect a note of hypocrisy. Members on the other side have been rather vocal in condemning the federal government whenever any fee-paying students or fee-paying training courses are mentioned, saying that it is undemocratic, the end of the world as we know it, anti-education and anti-study. Yet here we have the state government allowing TAFE colleges to offer these courses, but they have to be full fee paying. It is not just me; a number of other people have pointed out this bit of hypocrisy to me, and I find it quite amusing.

In fact what some people may be saying — I would not be one of them, of course — is that perhaps this is a way of hiding the fact that there is not a lot of extra money going to TAFE colleges. When I looked at the tertiary education and training budget I noticed that it has been increased by only 1.9 per cent, which is lower than the rate of inflation. Overall that will have a real effect on funding to TAFE colleges, so to make up for the funding shortfall from the state government the TAFE colleges can actually collect some money from full fee-paying students paying up front. I know students, student organisations and student unions see that for what it is worth. The opposition essentially has no problem with that; it is just that we find the hypocrisy of what this government has been saying about the federal government for so long slightly breathtaking.

The degrees that will be offered by the TAFE colleges will be vocational degrees. They will be in areas that are vocation oriented. They will be in niche areas. They will be degrees offered in areas where universities do not offer degrees normally, and they will be in areas like aquaculture, viticulture and information technology. They will be offered at colleges that really have quite an expertise in the area and are probably already offering advanced diplomas in the area.

They have been able to establish a reputation in the state, and even internationally in some cases, for some of the vocational courses that they offer. For TAFE colleges this is a further incentive they can use to attract full fee-paying overseas students to do their courses.

We will be watching very carefully to see that the courses that are being offered as degrees at TAFE colleges remain vocationally oriented. The last thing we want is for the role of TAFE colleges to expand too much onto the ground normally covered by universities. I do not think duplication and overlap are healthy for education in this state. So they should remain on that vocationally oriented pathway. The number of pathways might change as TAFE colleges develop expertise in various areas and decide to offer degree courses. That is fine as long as they stay with that vocational education capacity and keep within the limits.

Some of our TAFE colleges — and I pay tribute to them as I travel around to them — already have incredible expertise. As I said, they have wonderful reputations, even internationally in some cases. I think of Holmesglen, which I am visiting next week, and the hospitality course it offers. Holmesglen really has an opportunity to go that extra step and provide degrees in other areas too.

A lot of vocational education degrees will be offered in areas that are part of a broadening and expanding employment market. For example, look at the hospitality industry and how incredibly it has grown over the last number of years. I look in my electorate at the growing number of hospitality people working in that industry and the opportunities there are for employment. That has been duplicated right around the state. So as the industry which these people are going into expands, and as the work that is required of them expands, it will need people who are better qualified and who have real expertise at an advanced level.

Five years ago there was certainly no need for a degree course in the hospitality industry, for example, because most of the people in the industry — and there was a lower number of people working in that industry — were working at lower levels. You were basically a waiter or a supervisor; there was not much in between. Now it is a rapidly expanding field, and therefore degree courses are warranted. But it is important, as I said, that these vocational courses stay within that domain and do not duplicate courses that universities are offering. I know universities have some concerns about that possibility.

TAFE colleges are very appreciative of the move; it is something they have been asking for for quite a while. They are not all jumping on the possibility of doing that next year; there will just be a few that will take it up and start offering those courses next year. Some of them are going to sit and watch and wait to see what happens, but a few of them are ready to jump right in and offer those courses next year. In most cases the ones that are prepared to do that are more than ready to take the extra step.

I have received an email from Robert Smillie from the Bendigo — —

An honourable member interjected.

Mr DIXON — You do the same? It has two l's. Yes, my English tells me to call him 'Smillie' — anyway, that is what we will call him. I am sure I will meet him and that when I do he will smile at me.

He is the chief executive officer of the Bendigo Regional Institute of TAFE, and I will read a paragraph that he wrote to me:

> There is strong demand in industry for degree programs that focus upon knowledge and skills rather than the more theory-based products often available in universities. This institute is experiencing demand for such products in the areas of IT networking, viticulture, mining and hospitality management. Industry is looking for a 'hands on' degree that essentially takes the practical training available in TAFE diplomas to a higher level. Technology is taking the skill and knowledge levels required in these areas to more advanced levels, hence the need for degrees.
>
> Degrees in TAFE institutes should flow from TAFE diplomas where it is logical for them to do so.
>
> This would be the case in a relatively small number of study areas that are not specifically catered for by current university programs. The intent is not to replace university degrees but to offer a different product where appropriate or where the university product does not meet vocational needs.

That is a good summary of what TAFE institutes are saying, and if they stick to that the opposition is more than happy to support them.

The University Acts (Amendment) Bill came about in response to a review of university governance; this bill is in response to the minister's statement last year on *Knowledge and Skills for the Innovation Economy*. That is its background and there has been a fair degree of consultation. It has been out there in the workplace and in industry for a fair while and it is certainly no surprise to them.

TAFEs will not have the autonomy to say, 'This is what we will do and away we go', and neither do universities. The bill does not provide any automatic

right to TAFE institutes to offer degree courses. TAFE councils will need to satisfy the same quality processes that universities do under the Tertiary Education Act. TAFEs will have to go through their educational foundation, course content, and lecturers and their qualifications. All those things have to meet the same criteria as a university degree course. That will add quality to the degrees offered by TAFE institutes.

There has been a slight exaggeration in saying that this is an Australian first; I am aware that it is about to happen or is happening in South Australia. A number of private organisations and religious institutions that are not universities have been offering degree courses and doing a good job — for example, in theology. It is not something brand new, although it is fairly new in Victoria.

While not a concern, something that needs to be watched is the fact that there is a fundamental difference between TAFE institutes and universities. By their very nature universities have a strong foundation in teaching and especially in research. That can impact not only on the culture of the institution but also on the faculty. It is no fault of a TAFE institute that it does not have that foundation and background; that is what universities have. We must be careful that that does not impinge on the quality of degrees being offered by TAFE institutes. Degree courses will have to be accredited and hopefully that is a fail-safe mechanism. But a TAFE background is very different to that of a university and lacks educational and research depth.

Some TAFE institutes are already world leaders in niche vocational areas, and I hope if they offer a particular degree course that they will expand into some major research to enhance and broaden their reputation in that niche area. It is already happening and should happen even more broadly. Initially there may not be a financial reward for TAFE institutes to tackle this sort of research, but it is important not only for the content and the delivery of courses but also for attracting world-class lecturers to develop and deliver the courses.

It will be interesting to see what differentiation there might perhaps be in pay scales between lecturers in TAFE institutes delivering degree courses compared to lecturers delivering an equivalent course in a university. I do not think that question has been adequately answered; it is certainly a question that a few of the staff members that I have come into contact with in universities and TAFE institutes have been interested in knowing the answer to.

Ms Kosky — We are all interested in pay!

Mr DIXON — Yes, we are all interested in pay.

One must look at the history and levels of education in Victoria to see the growth of our TAFE institutes — what they were to start off with and what they are now. I am not quite sure whether it is a concern or an evolution that we are broadening the role of our TAFE institutes too much. If the safeguards are in place for TAFE institutes to remain in vocational areas and not offer degrees in education, medicine, law and some of the broader areas, we can safely say that they are not broadening their base too much. It is important that the TAFE base is restricted to vocational education and universities remain doing the things that they are good at doing.

Some people connected with universities are saying that we may end up with a two-tiered system of degrees which could devalue a university degree and it will take a careful marketing exercise for that not to happen. There will be two quite separate sorts of degrees: vocational and academic. That point must be made strongly and I trust universities will not pursue it to the detriment of TAFE institutes. I also trust that TAFE institutes do not exploit the fact that they offer a degree, comparing themselves to a university. Just like in schools, there are young people with an academic bent and young people with a vocational bent and we should value them equally.

We should equally value what they can attain, and we should equally value their contribution to the work force. They have different backgrounds and educational opportunities, and different family backgrounds and interests. There is nothing wrong with having degree courses to cater for those who would like to go down the vocational path, as long as that is kept separate from what happens in universities.

Through the member for South-West Coast I received a letter from Barrie Baker from the South-West Institute of TAFE. He took the time to say that he was very happy with the legislation, like all the TAFE institutes. He pointed out — and it is a trap I fell into halfway through my speech and hopefully have changed — the trap of calling TAFE institutes ‘colleges’. They are institutes. He pointed out to me that some of the documentation from the department has not been consistent in its use of the term. They see themselves as institutes, not colleges, so I pass that on to the minister. I think it is fair comment.

Reflecting on the changes in the various state education institutes and their development, I realise that some people still operate with the old labels — for example, ‘grade 3’ instead of ‘year 3’; and ‘high schools’,

although we still have some high schools, instead of 'secondary colleges'. A lot of people in the department still use the wrong labels. Yes, they are only labels, but they can be important in reflecting status and an understanding of what an institute offers and to what level it offers degrees or whatever qualification it might be.

Another strong argument TAFE institutes have put forward is that if they do not offer degree courses in these areas, with their expertise, no-one will. It would be a track that a university would not go down, but a TAFE institute would be prepared to go down that track if it had the expertise and the course is accredited. With the complexity and growing vocational employment and industry opportunities out there, it is important that we start to develop degree courses in some of these niche areas. It is the job of the TAFE institute to do that, not the job of the university. That is a good, strong argument put forward by representatives of our TAFE institutes.

TAFE institutes have a lot of expertise. Those that intend to offer degree courses already have real expertise in those areas and will build on that. It gives them an opportunity to show some educational leadership in this country and internationally. International education is a major part of the education industry, not only in terms of attracting students to our country but also in exporting our expertise, research facilities and personnel, and exporting our institutes by establishing campuses overseas. If the TAFE institute has an international name in leadership, that adds to the success of international students and scholars coming to this country and to the export of our academic excellence.

I did not receive a huge reaction from universities when I asked them about the legislation. Those I spoke to were not happy with it for the reasons I have outlined, especially the idea of two levels of degrees in this state and the overlap into the work of universities — that is what they are most concerned about. The Australian Vice-Chancellors Committee has those concerns. I and a number of the members of my party also have those concerns. The opposition will not oppose this legislation, with the proviso that TAFE degrees stay within the vocational educational sphere and do not go into the academic sphere that is so well covered by universities. With that proviso and those words, we do not oppose the bill.

Mr MAUGHAN (Rodney) — I am pleased to follow the member for Nepean in making some comments on the Vocational Education and Training (TAFE Qualifications) Bill. Speaking on the universities legislation earlier today I spoke about my interest in education. I do not intend repeating that — —

Mr Dixon interjected.

Mr MAUGHAN — Have a look in *Hansard* and read it. I will save the house the time and the difficulty of me expanding on that yet again, except to say that the legislation is a positive step in the right direction.

As I said earlier today, we have an education system in this state that we can and should be proud of. It provides wonderful opportunities for not only young people but also a lot of mature-age people who are going back to study, and that should be encouraged. It is not only our secondary education system, our TAFE system and our universities but also our community education, our University of the Third Age and all of that which helps to make this country a better informed country and to enable people to have more satisfying and productive lives.

The legislation before the house today is another small step in that direction. It is a small bill with only six clauses, and I quote from the purposes of the bill:

> The main purposes of this Act are to amend —
>
> (a) the Vocational Education and Training Act 1990 to enable TAFE Colleges to conduct courses in higher education and issue higher education awards …

For that you can read 'undergraduate courses to be run by TAFE institutes'. I think that is a very commendable objective.

The second objective, as set out in the purposes of the bill, is to amend the Victorian Qualifications Authority Act 2000 to make further provision for delegations to registered providers.

That is really all this simple piece of legislation does. But it makes one wonder what happened to the more extensive provisions that were in the bill that was introduced in 2002 but not debated because of the proroguing of the Parliament before the last election. I can hear the minister saying that there were provisions in that bill that addressed issues which we need to deal with. One of those concerns teachers who are found guilty or are convicted of committing a sexual offence against a child. The minister indicates that she will deal with that, which I very much appreciate, because it was a very critical part of the former legislation that has not been included in this bill.

I quote from the minister's former second-reading speech — and I agree entirely with the sentiments expressed there:

> … the department is legally responsible for the day-to-day care of the children in its schools.

Of course it is.

> Paedophilia is the antithesis of this responsibility, as well as being abhorrent and offensive to the general public.

Everybody in this house would agree with those sentiments, I am sure. The previous bill provided that a person convicted of a sexual offence against a child would, irrespective of the date of that conviction, be ineligible for employment in the teaching service. That is as it should be, so I am pleased that the minister is going to deal with that issue.

The other provision that was in the previous bill but has not been included in this bill is related. It deals with mandatory reporting, and again I would be interested in the minister's comments on that issue. In Echuca we have a very new and much appreciated TAFE facility which I hope during the current year the minister might have time to officially open. It is a great facility, and we are very proud of it. However, without wanting to make any political mileage out of it, because I get a bit tired of the point scoring that goes on in this house, much of which is mythical, I make the point that many of these projects have had a long gestation.

This particular facility has been talked about for many years. The previous government made a commitment to enable this project to proceed, and to its credit this government has brought it to a conclusion. I simply make the point in passing that we often want to take credit for facilities which are recently opened but the genesis of which goes much further back. I will give credit to this government for the things it has initiated and done, but I make the point that many of these facilities go further back. I am going to the opening of a brand new secondary college at Cohuna on Friday, which this government has brought to a successful conclusion — and I applaud and support that — but the proposal for and work on which goes back about seven or eight years. An enormous amount of work has been done, and it is great to see it now come to a successful conclusion.

Likewise I give full credit to the member for Seymour, who worked very hard to get a primary school for Heathcote that was initiated by this government. It is in part of the electorate that I now represent, but the member for Seymour did the hard work on that, and I hope he gets due recognition and maybe even the honour of opening the facility, because without him it probably would not have happened.

This legislation is important, because it provides yet another opportunity for country students to undertake undergraduate courses in a variety of different disciplines. One that I note would be of interest to students in my electorate and in other parts of country Victoria is viticulture. In one area of my electorate alone about 10 000 hectares of vines have been planted in the past 10 years. The viticulture industry is very important, and we have a need to train the people involved in it. Likewise, but to a lesser degree, in aquaculture, which is also very important. There are large numbers of people employed in the hospitality industry in the Rodney electorate — in Echuca, in particular — and the information technology industry is of course booming everywhere. There is a need to create opportunities for country students to go to a TAFE institute and, through this legislation, undertake undergraduate courses in those various disciplines, which, as I understand it, will include different niche areas of study from those provided by the university stream.

I welcome the changes because of the opportunities it will provide for country students. When she sums up I would like the minister to respond to the issues that were raised by my colleague in the other place, the Honourable Peter Hall, based on issues that were raised with him by Russell Summers, the education vice-president of the Swinburne Student Union. I note that Russell Summers also wrote to the minister. I think it was a little unreasonable to expect a response in the time he did. Nonetheless, he still has not had a response from the minister. The issues were raised in the other place, and I hope the minister might respond to some of them when she sums up.

Another important issue raised in that letter was about the need to clearly spell out the pathways from secondary education through TAFE to higher education. I spoke earlier today about the importance of those pathways so that people who have the ability, the drive and the interest should be able to, and in most cases can, start off with an apprenticeship and go through a TAFE institute or a university and finish up with a PhD. I would like some assurance that the courses we are discussing in this legislation will enable that to happen.

As I say, this is a relatively minor piece of legislation, but it is an important step in the right direction. In providing small but positive change it offers increased opportunities for country students, and for that reason the National Party supports it and wishes it a speedy passage.

Ms BUCHANAN (Hastings) — It also gives me great pleasure to speak on the Vocational Education and Training (TAFE Qualifications) Bill 2003. Before I move into the guts of my presentation I want to refer to an issue that the member for Rodney has raised. I reiterate that the provisions relating to the registration of teachers convicted of a sexual offence will now be dealt with in another bill, as will be mandatory reporting. It is worth bringing that to his attention at this stage, because I welcome his interest in the bill, as I also welcome the interest of the preceding speaker, the member for Nepean.

As I indicated, I am happy to be standing here talking in support of this bill, the intent of which I see as being very clear. It will empower TAFE institutes to seek accreditation to offer undergraduate degrees. In summary this means that TAFE institutes, in cooperation with and with the support of the Bracks Labor government and industry, can be responsive to industry demands and can ultimately ensure that Victorians have access to educational opportunities that will have productive employment and economic outcomes.

I will talk briefly about the background to this bill. Firstly, a similar bill was introduced into the 54th Parliament but lapsed when the Parliament was prorogued because of the November 2002 election. This bill has its basis in the definitive document released in June 2002, being the ministerial statement on *Knowledge and Skills for the Innovation Economy*, and consequently the result of extensive consultative reviews.

I would like to quote from this document because it is superb. The people involved in bringing it together certainly deserve all the credit they can get. It states:

> Above all, the creation and commercial deployment of new knowledge is the key source of comparative advantage for a modern economy. The economic — and indeed social — success of individuals, regions, states and nations is coming to depend on the quality of their human resources: what people know and can do, their creativity, their ability to adjust to change, and to innovate.
>
> The innovation economy is an economy that can apply its rapidly increasing knowledge effectively in work and social situations to increase productivity and general wellbeing, and to create and apply new knowledge. It values cross-cultural skills — for global trade and other cross-cultural exchange.

In relation to the policy framework the document further states:

> To develop an innovative state, VET will assist the creation of an economy that:
>
> has an educated and highly skilled work force;
>
> is a leader in knowledge creation and innovation;
>
> is integrated and networked locally;
>
> has high levels of enterprise formation and business growth;
>
> is internationally integrated; and
>
> has a business environment and infrastructure base that facilitates business success.

I consider that this excellent document, approved by the social development committee of cabinet in June 2002, provided the framework for promoting innovation in training, identifying and responding to new and emerging skills and responding to industry demand. I now go to the detail of the clauses in the bill which initiate the implementation of this very proactive framework.

Clause 3 relates to ministerial directions. As indicated earlier, one purpose of the bill is to allow TAFE institute councils to have the same opportunities as private providers to offer and confer higher education awards and qualifications, with the qualifier being that it is restricted to undergraduate degrees with a vocational focus. That relates directly to the issues of concern that were raised by the member for Nepean.

The framework upon which this bill is based, with a focus on the vocational components, will mean that the member need not be concerned about the devaluing of university degrees, which was the concern he expressed. The written direction from the relevant minister is the way in which this will be implemented. That is important to note.

Clause 4 deals with higher education. The clause states that the bill will amend the function of the TAFE institute councils to include the offering and conferring of higher education courses and awards provided they first obtain approval to do so under the Tertiary Education Act 1993. Again that quality assurance framework is in the bill to ensure there is no devaluing of the excellent university courses currently being offered.

Clause 5 adds to the range of organisations to which the Victorian Qualifications Authority may delegate. The intent of the clause is for the registered training organisations to have more flexibility to meet local needs and to self-accredited courses, which I think will drive that innovation even further within our knowledge economy.

What do these collectively mean? From the government's perspective this means that TAFEs will have to apply for approval under the Tertiary Education

Act, just like any other private provider, to offer degree courses. That is the first safety mechanism. If they are approved under the Tertiary Education Act the TAFE institutes will be able to deliver degrees as part of the training and development of the Victorian work force and in enhancing the already excellent economic growth that Victoria is experiencing.

In addition TAFEs need to demonstrate significant expertise in the field of the course they are applying for, that the degree they intend to offer will provide high-level vocationally oriented degree qualifications and that the degree is in response to industry and student demands. What the government is looking at through the bill are quality-targeted courses for quality-targeted outcomes. That is a very important point. This quality of vocational training will be maintained through the adherence to the process, as outlined under the Tertiary Education Act and by the Victorian Qualifications Authority.

I briefly mention the benefits to Victorians. They are numerous, but I will only go through a few. As well as the capital intellectual value that Victorians will accrue, as underpinned in the ministerial statement on *Knowledge and Skills for the Innovation Economy*, this bill will position TAFEs to respond efficiently and effectively to emerging needs and demands, but, most importantly, to ensure they do not lose their primary focus on vocational education and training as opposed to the concerns raised earlier by the member for Nepean.

The degrees offered by TAFE institutes will be full fee-paying degrees and that, in itself, will be an economic boost to Victoria. Because the degrees will be self-funding, no financial support will be required from the Victorian government, and that is an important initiative to note. Industry will drive the sorts of degrees that will be offered by TAFEs. They will be able to be the vesting bodies into these institutes.

I again refer to the issues raised by the member for Nepean. I do not consider that the provision to allow TAFEs to offer these sorts of undergraduate degrees will devalue university degrees, because the focus of the TAFE degrees will always be vocational. They will not be in direct competition with universities and the quality audit framework will prevent that.

It will attract more overseas students, which was an issue raised by the member for Rodney in debate on this bill and the bill amending the University Acts (Amendment) Act earlier today. That will be a great economic boost to Australia and will lead to the sorts of issues he alluded to about establishing links with other countries, giving further opportunities for trade and so on.

The member for Nepean also commented that the students would be full fee-paying students, and it is important to note that since the Bracks government came to power it has invested $250 million in new funding to TAFE and training organisations. This bill allows TAFEs, as they go through a rigid quality assurance process, to offer a vocational environment that is responsive and customised with respect to the training and vocational courses it can offer.

The bill enables the vocational and training sector to be more responsive to the training requirements of both individuals and businesses. Some of the businesses already referred to include environmental technology, aerospace, manufacturing, mining, hospitality, viticulture, aquaculture, information technology and biotechnology. A lot of those are important to the electorate of Hastings.

This bill further builds on Victoria's reputation for being the centre of innovation with a progressive, fair and sound economy and with the best education system the country has ever seen even though it was kicked in the guts during the 1990s. I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until later this day.

SAFE DRINKING WATER BILL

Second reading

Debate resumed from 10 April; motion of Ms PIKE (Minister for Health).

Mrs SHARDEY (Caulfield) — I rise to contribute on behalf of the Liberal Party to debate on the Safe Drinking Water Bill. This bill will make provision for the supply of safe drinking water through a new requirement that water suppliers and water storage managers prepare risk management plans in relation to drinking water — that is, to create a testing and a reporting requirement for the first time. The bill also aims to make the process of safe drinking water regulation more transparent.

The background of this legislation came through a couple of reports and a discussion paper. The first was a new regulatory framework for drinking water quality in Victoria, a consultation paper put out by the Department of Human Services in August 2000. The consultation process took place over that year and the

following years. The second was the Auditor-General's *Report on Ministerial Portfolios* in May 1999 looking at safe drinking water, and I will refer to that later. The third was a Productivity Commission report, *Arrangements for Setting Drinking Water Standards*.

The Auditor-General's report described the testing and monitoring of water for both Melbourne and non-metropolitan areas. Paragraph 3.5.12 on page 227 of the report in relation to the testing and monitoring of water quality in metropolitan Melbourne states:

> The three retail water companies are required, under their licence agreements and customer charters, to provide water which:
>
> > is clear and free from objectionable odour and taste;
> >
> > meets the health-related parameters of the NHMRC 1987 guidelines; and
> >
> > is at least of equal quality to that provided by Melbourne Water before the retail water companies began operating on 1 January 1995.

In reference to Melbourne Water paragraph 3.5.14 states:

> In accordance with its 1997–98 memorandum of understanding with the Department of Human Services, Melbourne Water was required to:
>
> > provide high-quality drinking water that consistently meets the NHMRC 1987 guidelines, as defined in the operating licences of the retail water companies; and
> >
> > undertake water quality monitoring and testing using independent laboratories accredited by the Department of Human Services.

In relation to non-metropolitan water I refer to paragraph 3.5.30 on page 231 of the Auditor-General's report which states:

> As with the metropolitan water sector, accredited water testing laboratories are engaged by non-metropolitan water authorities to undertake a systematic program of water sampling in accordance with the regulations. However, the quality of water supplied by the authorities is tested against the WHO 1984 guidelines rather than the NHMRC 1987 guidelines.

I wish to read into *Hansard* some of the issues about water quality in metropolitan Melbourne that were noted by the Auditor-General. Paragraph 3.5.16 on page 228 of the report states:

> The NHMRC 1987 guidelines were intended to provide:
>
> > day-to-day operational values which ensure the water supplied does not carry any significant risk to the consumer;
> >
> > a basis for the design and planning of water supply augmentation and water quality improvement works; and
> >
> > a benchmark for assessing long-term trends in the performance of the system.

Paragraph 3.5.17 states:

> The microbiological component of the guidelines require no faecal or other coliform per 100 millilitres of water to be identified in 95 per cent of water samples …

The report states that the Auditor-General found that water in Melbourne was of a very high quality. However, he found that the 1998 audit of country Victoria saw weaknesses in the standard achieved because 40 per cent did not fully comply with World Health Organisation 1984 guidelines. He recommended that consideration be given to establishing a separate monitoring body to cover the whole of the water sector.

Subsequent to this the Kennett government undertook a huge investment program in terms of improving town water quality in country Victoria and spent some $1.3 billion on these programs. The Productivity Commission made some comments about the system of setting water standards in Australia. I thought it would be interesting to note this because the way standards are set in this country are somewhat different from the way it is done overseas.

I refer to page xxx of the Productivity Commission's report, *Arrangements for Setting Drinking Water Standards*, under the heading 'Promulgation and enforcement':

> The institutional arrangements for promulgating and enforcing standards differ among countries. In the US, the EPA promulgates standards on a national basis, whereas in Australia and Canada, standard promulgation is the responsibility of state (and territory) and provincial governments respectively.
>
> In France, the UK and US, central governments retain a strong role in regulation, even where enforcement functions are devolved to state or regional levels. The opposite is true in Australia, New Zealand and Canada.
>
> There is institutional fragmentation within jurisdictions in promulgating and enforcing standards in Australia. Health departments, water resources departments and the water suppliers are all involved. This sharing of responsibility potentially lessens accountability for public health outcomes.

It is clear that in Australia we have a system which is not a national system; it is a state-based system. The issue is raised as to whether this can lead to fragmentation and therefore lack of accountability in terms of health outcomes.

I note that under competition policy a separation between regulation and enforcement was suggested. This is not going to take place under this particular bill, where regulation and enforcement are being carried out by the one body. However, auditing will be separated. I would now like to turn to the bill and discuss its requirements in a little more detail.

Firstly, the bill will require each water supplier to develop a risk management plan. There will be guidelines on how this is done under the regulations under this act. Each plan must be lodged with the secretary of the department, and it must be audited. The auditor must provide a certificate, and if he believes a certificate is not warranted, he must notify the secretary of the department within five days.

Secondly, the bill obliges specified individuals to report to the secretary immediately they have reason to suspect or believe that drinking water may cause illness or pose a risk to human health. The Liberal Party was concerned that it would have been better for an organisation to have to inform the secretary, not merely an individual. The answer to that question was a little strange, in that it was said that individuals were perhaps more likely to inform the secretary than an organisation. I am not sure that that was an appropriate response, but in any event that is what was said.

Thirdly, the bill will for the first time cover the three metropolitan bodies, Melbourne Water and the 15 regionally based urban water authorities, as well as Parks Victoria and the alpine resorts. Fourthly, a water supplier must ensure that drinking water meets the Australian drinking water guidelines but will within those guidelines be subject to a regulatory impact statement that will examine the cost and the benefits of any regulatory steps. This is a risk management approach rather than a complying-with-standards approach. The Australian drinking water guidelines are published under the auspices of the National Health and Medical Research Council (NHMRC).

Fifthly, there are provisions for variations in drinking water standards, as well as a process to achieve this. I will talk about that later, because the opposition has some concerns about a process of community consultation which is supposed to ensure that any variation is agreed to by the public. We have some concerns about it not being accurate and about it being very cumbersome.

Sixthly, the secretary will have the power to issue enforcement notices that must be implemented by a water supplier. Seventhly, each water supplier will be required to provide the secretary of the department with a comprehensive report on the quality of its water and to report on testing results throughout each year. These reports will be made public. The opposition has some concerns about the cost of this, which I will talk about a little later, and wonders if these reports could be more sensibly incorporated into the annual reports of the authorities.

The next requirement is that the secretary must provide a statewide annual report on water quality and on his activities throughout the year, and the minister must table this report in Parliament. The bill also provides that each water supplier and manager must pay a levy for the administration of this bill, and it is the minister who will determine what this levy will be.

I wish to make it clear that this bill does not set standards for water quality; that will be done by regulation under the act, and that is an important element.

I also make it clear that the opposition is supporting this piece of legislation. We and the broader community very much support ensuring that our drinking water is of the highest quality. I am sure all Melburnians believe that our water is probably the purest in the world, and we are proud of that fact. When travelling outside Australia many of us probably do not drink the local water but drink bottled water instead. Here in Victoria we have great confidence in our water, and that is important.

There are some issues I wish to raise about this piece of legislation. The first is the concern about the cost impact of implementing the legislation and about that being passed on to consumers. There is always concern about additional costs. In this budget we see that by and large taxes and charges in Victoria will rise and that they will be indexed so that they will continue to rise forever. People are very concerned about this. The current government when in opposition on many occasions expressed its view that we were a highly taxed community. It seems that we will continue to be a highly taxed community, and the opposition will be looking at all the issues that relate to costs being passed on to consumers — and this is one of them.

The areas in which we believe costs could be incurred are as follows. The first relates to a unit that will be established within the Department of Human Services to administer this act, and we understand that nine additional staff will be required. Water authorities will face compliance costs, and they will have to issue a large number of reports. They will need additional staff to fulfil those requirements and to ensure that their risk management plans are completed and submitted.

The opposition asked for a copy of the economic impact statement that I believe was done in conjunction with this legislation. The government has denied us access to that, but we will be asking for it once again. I would like to ensure that the minister understands that the opposition would like to see the economic impact statement. As this bill is going into the committee stage I flag our intention to look for an answer as to why we cannot have the economic impact statement or have the minister agree to give it to us. Also on the subject of requests, the opposition is also looking for a copy of the Parks Victoria submission on this piece of legislation.

The second issue I raise is that the bill does not set water standards. Clause 17 makes it clear that a water supplier must ensure that all drinking water complies with regulations made under the act. We understand that the standards will be based on the Australian drinking water guidelines. However, it is not clear whether the standards under the regulations will be the same as the Australian drinking water standards or some other version of the NHMRC standards.

To clarify what I mean, I refer to page 226 of the Auditor-General's May 1999 report, which states:

> The WHO 1993 guidelines (an updated version of the WHO 1984 guidelines) have been modified for Australian conditions by NHMRC and the Agriculture and Resources Management Council of Australia and New Zealand to create Australian Drinking Water Guidelines [1996] …

I would like the minister to make it clear whether this is the version that will be used or whether the NHMRC 1987 guidelines are to be used. We are interested in that.

This bill proposes a risk management approach to water standards rather than an adherence to a strict set of compliance standards. In other words, the bill requires there to be an analysis of risk if any variation in the standard of water is proposed, in consultation with the community and while ensuring there is no risk to public health. This is made clear in clause 19.

It raises issues about how consultation will take place, especially in areas where there is a large community. For instance, if a variation in the standard of water in the city of Melbourne were proposed, I believe it would be very difficult to consult with the broader community in relation to any aesthetic issues — say, its colour or taste.

In country communities water aesthetics, as my colleagues later on will explain to the house, can be different to those we have in Melbourne. The member for Benambra will explain the levels of E. coli which cause that to occur. Perhaps the minister will explain how consultation processes will occur to ensure that they are not cumbersome and do reflect the will of the community.

A new bureaucracy will be established within the DHS rather than a separate monitoring authority, as suggested by the Auditor-General, and under competition policy. As I said before, we are told that some nine public servants will make up the unit to cover this area, but we have no idea from the government as to what the cost of this unit is going to be with the implementation of the legislation. We ask the minister to clarify the situation.

The next issue is in relation to small local suppliers, particularly in country areas. Is the minister aware of any small country towns which have their own cooperative water supply which will be required to comply with this legislation? Has the minister examined the possibility that compliance with this new legislation will make the operation of any of these small cooperative water suppliers unviable, thus putting at risk the actual supply of water to country communities? There is some concern that small cooperatives will perhaps find the regulation and the costs of compliance with the legislation such that their businesses will become unviable. They would close down and thus deny country people access to water.

The last issue I wish to talk about is the effect on Parks Victoria water supply in our national parks. I understand Parks Victoria has undertaken a high-level risk assessment of its water supply systems around Victoria and identified that a number of risks exist at present. I ask the minister to detail to the house what these risks are. I also ask the minister for a copy of Parks Victoria's submission. It was in a request I made earlier, but I want to reinforce that request.

Also in relation to the water supply provided by Parks Victoria in national parks, DHS has claimed that such water would not be regarded as drinking water under this legislation. I ask the minister to provide the house with a list of all sites from which water is made available to the public by Parks Victoria in these national parks. This list should detail Parks Victoria's examination of the sites and its conclusions as to how water safety will be managed at each site. This is very important. We need to understand the dimensions of the implementation of the bill and whether we are going to see access to water continue in sites which to date the community has had access to through its use of national parks.

In summary, the Liberal Party supports the legislation. We of course agree with the government that it should

do all in its power to ensure that drinking water is safe. However, we have some concerns, and these are mostly in relation to cost. I seek answers to the large number of questions as detailed during my contribution, which I hope will become available during the committee stage of the bill.

My country colleagues also have a number of questions. While still offering support for the bill, I think there are questions they wish to raise specifically as the bill will affect country areas, and particularly small water suppliers in country towns.

Mr DELAHUNTY (Lowan) — It gives me great pleasure on behalf of the National Party to speak on the Safe Drinking Water Bill. I look after health in our party, and I followed with great interest the contribution of the member for Caulfield, particularly earlier when she talked about the work of the previous coalition government.

Before I stood up here today I was thinking about my experiences with safe drinking water. I recall one trip I had to China. Unfortunately I had experienced a bit of a muck-up with the airlines. When I arrived at Beijing I ended up getting to a facility late that night. I was warned about the drinking water. I had to clean my teeth with Pepsi-Cola. It is not very good cleaning your teeth with Pepsi-Cola!

It highlighted to me how lucky we are here in Australia — I have been drinking the water here today — to have good quality drinking water and the importance of having a fairly strong security system in place.

I thank the departmental people — Jane Bowman, Debra Foy, Jenny Giles and Anthony Carbines — for their briefings to me and the Honourable Damian Drum in the other place.

The purposes clause of the bill outlines eight provisions that cover areas such as the supply of safe drinking water, managing risk in relation to drinking water and some types of non-potable water, auditing, disclosure and a requirement to report known and suspected contamination of drinking water to the secretary of the department. The bill also empowers the secretary to enforce the act.

The National Party has consulted widely with organisations including the Victorian Healthcare Association, the Australian Healthcare Association, the Victorian Local Governance Association, the Municipal Association of Victoria, the Australian Medical Association Victoria, Vichealth, the Medical Practitioners Board of Victoria, regional water authorities and local government.

The National Party will not be opposing the bill because it agrees with the principle of having safe drinking water. It is important we have quality water, not only for drinking but also to meet the needs of food consumption. We agree that drinking water needs to meet the Australian drinking water guidelines, which are based on the World Health Organisation (WHO) guidelines. The National Party strongly supports the principles in the bill. I will cover a couple of points and come back to them in detail later.

As was highlighted by the member for Caulfield, this bill is one of the previous coalition government's 1997 initiatives for $1.3 billion of water reform, which included about $410 million for regional authorities to accelerate capital works to improve water and wastewater quality and also for water storage enhancement projects. I will come back to that a little bit later. There are some concerns with the bill, and I will cover them quickly and come back to them later.

Rural water authorities, as we know, also deal with the water destined for drinking. It is all right for places like Melbourne, where we have storages that are locked-up catchments, but in most country areas there are dual-purpose storages that use channels for delivery. The bill is a little unclear about how this is going to work. I know the member following me in the debate will make some comments on that. Some briefing material was emailed to me earlier today to explain the regulations and indicate how that will work. There is some concern out there, and the rural water authorities are particularly concerned about how this will impact on them.

Part 4 of the bill sets out the mechanisms by which the water authorities will pay a levy to cover the costs that are incurred or likely to be incurred by the Secretary of the Department of Human Services. The second-reading speech says they will amount to up to $1.5 million annually. I am hopeful that they will stay at that level, because it is a concern that has been raised with me by a lot of water authorities. They have said that it involves a bit of cost shifting, because they have to pay the bill to consolidated revenue really to cover the costs of the Department of Human Services. It is like paying for someone's expenses. Given that they have no input into controlling those expenses, it is a bit unfair to expect the water authorities to pay. It is a bit of cost shifting, of which state and federal governments are often accused. If we do not watch this it could balloon and get out of control and push a major cost for water onto consumers.

The regional authorities have concerns about the new capital works and operating costs that will be forced on them by this bill. I do not see in the budget papers any support from the government to help in relation to that, and I will come back to that a little bit later.

The rural water authorities have major concerns about the costs involved. The National Party knows water is a finite resource, and nothing highlights that more than what is happening in the country areas because of the drought and the impact of bushfires. Good quality drinking water is vital not only for community health but also for community development. I highlight the work done by the previous government in improving water quality. A great example occurred at Terang, where improved water quality helped the pie manufacturer under the food laws at that time. The food laws were new then, and the improved quality of the water assisted the manufacturers. There are tighter laws in place these days. As I said, good quality drinking water is important not only for community development but also for community health.

Access to good quality water is also important. We have major problems in some areas where we do not have channel supplies. In western Victoria we have to use ground water, and in some areas we even have the problem of small amounts of strychnine being present in the water supply. There are major concerns.

Because of the drought and the bushfires there will be problems with water carting. If we do not have decent rainfall in the next couple of weeks the 12 reservoirs in the Wimmera–Mallee system, which are now down to 6 per cent, will have to implement the emergency plan to cover the cartage of water to 2500 households, which could involve 20 trucks working seven days a week at an estimated cost of between $6 million and $8 million. There is no way those 2500 householders or the rural water authorities could be expected to cover that cost. Importantly, those people need quality drinking water to survive. They are not in a reticulated system. It is an example of what could happen right across the northern part of Victoria if we do not get good rainfall, and it will involve a major cost. The government should help to cover the cost in some way. When we asked a question about it in question time last week the Minister for Water said the government was looking at ways to help water authorities, and I will keep him up to the mark on that matter.

Currently we have drinking water standards that vary across the state. I will quote from the briefing note that was supplied to me by fax this morning. One heading reads, 'How will the variations process work and will variations burden communities and water suppliers?'.

On my first reading of the bill I thought we would have the same drinking water standards across the state in relation to colour, taste, E. coli levels and other bacteria which we need to be aware of. But this note says:

> Variations are a feature of the regulatory framework that allows water suppliers to deliver water to — —

Mr Andrews interjected.

Mr DELAHUNTY — Standard variations, I am informed — but that is not what it says. It says:

> Variations are a feature of the regulatory framework that allows water suppliers to deliver water to local communities where the water has aesthetic characteristics (such as taste) that are preferred by that community and may be different to that elsewhere in the state.

That is more about the aesthetics than about water quality and health issues.

We have 15 regional urban water authorities; 4 rural water authorities; 1 irrigation trust; 3 metropolitan water businesses; and 1 metropolitan authority, Melbourne Water, which is the wholesale supplier. The variations talked about here concern taste and colour, but I think we would all agree that it is important not to give any ground on one standard for health-related matters — that is, the WHO standard or the Australian standard as outlined.

All water authorities will be caught by this bill. They are all covered in relation to the water destined for drinking in the communities around Victoria. I again highlight the concern raised by rural water authorities. Clause 17 of the bill obliges the water supplier — it can be a rural water authority — to comply with the prescribed water quality standards when supplying drinking water and sets out who must be consulted during the process of prescribing drinking water standards. So again it is very prescriptive, and I highlight the concerns of rural water authorities in particular.

The bill outlines the processes and obligations relating to risk management and public disclosure. When I try to sum up the bill I think it is about risk management, and an important part of that is the disclosure not only by the water supplier but by the water authorities and, importantly, the Secretary of the Department of Human Services. However, implementing that will mean a need for more staff, more pressure on rural and regional water authorities, a big need for more infrastructure and an increase in costs — and therefore a big increase in water bills.

Part 4 of the bill covers administration and enforcement matters. This is really where the major concerns of the rural and regional water authorities lie. As I said, most concerns are about the capital operating costs of the bill. There are no promises to cover these costs in this bill or in the second-reading speech — and, I also heard, no promises in the Treasurer's budget speech yesterday.

I want to jump to the customer charter section of the Grampians Region Water Authority's district newsletter *Tapping In*, which I get because I live in the area. The newsletter talks about such things as Edenhope water quality, the customer advisory group and so on, but I want to quote from the overview of the customer charter. Under the heading 'Who are we?' it states:

> Grampians Water manages retail urban water and wastewater supplies in Victoria's north-west.

It is the largest urban water authority in Victoria, and it has the big responsibility of supplying water to about 75 towns. It talks about water quality, saying:

> In towns receiving treated or disinfected water, we will aim to provide a quality water supply that meets accepted government standards for drinking water quality. These standards aim to provide water that is clear and free of bacteria, unpleasant odours and objectionable tastes where fully treated water is provided.

In the area of care it says:

> Towns that are receiving an untreated water supply will receive regular reminders from us that the water is unsuitable for food preparation and other human consumption purposes unless it is first boiled continuously … for at least 1 minute. Appropriate signage will be placed throughout these towns to ensure that people who may come in contact with the water supply are aware of its quality.

I highlight the fact that in the Grampians Water area 34 towns receive treated or disinfected water supplies, but there are 41 towns that receive untreated water, including Apsley, Kaniva, Lake Bolac, Nhill and Willaura. I know that after discussions with Grampians Water the Apsley community has decided that it is prepared to accept untreated water. Signage has been put up, and the locals have been through a consultation process and have accepted it. I know Lake Bolac and Willaura have also been through a consultation process and are now waiting on Grampians Water — I not sure if it has gone through the board yet — to proceed with the construction of a water treatment facility to bring their water up to World Health Organisation standards.

Nhill is the largest town with untreated water in the Grampians Water area. It has food businesses like Luv-a-Duck as well as hotels, motels and other food shops that are receiving untreated water. Under the new Food Act they are already having major problems, which they will have to address. There is no doubt that this bill will cause a large increase in the capital infrastructure required to meet the water standards. Again I highlight the fact that this bill will increase costs.

I had intended to cover other matters in that regard, but I want to highlight some comments on water quality from various sources. An article in the *Hamilton Spectator* of Thursday, 24 April, on the area covered by Glenelg Water states:

> Only 2 per cent of Coleraine people use Glenelg Water's reticulated water supply for drinking and food preparation — while 72 per cent of Hamilton customers do.
>
> Only 14 per cent of consumers in the 10 towns outside Hamilton and Tarrington use the water supply for drinking and cooking.

It goes on to say that there are many towns in the Glenelg Water area. I know from discussions with board members and others that there is a major need for infrastructure to service towns like Merino, Coleraine and Casterton. It is important that the government work with the local communities to ensure that that occurs.

As I said earlier, this bill reinforces and continues the good work started by the previous government on water quality. In a press release issued on 11 February 1997 the then Acting Premier — I know the Minister for Education Services quoted from it earlier in the day — said:

> The state government is committed to reducing water charges and improving efficiency for country consumers, as well as improving water quality and wastewater management services for people in small rural communities.

It was an initiative of the coalition, and members of the National Party in particular pushed hard for it, because we thought, 'Why shouldn't people in country towns have water quality equal to the standard of water in the larger cities, including Melbourne, Ballarat and Horsham?'. I do congratulate the members of the parliamentary National Party at the time. It was a big initiative that caused some concern because of the cost, but importantly it was initiated. I was a member of a water authority when I was a Horsham councillor. We spent about $8 million on the water treatment facility there, and we did not get 1 cent of support from the governments of the day. Again I congratulate the previous National Party in coalition on initiating this.

On Thursday, 9 October 1997, a press release came from the office of the then Premier, saying:

> … each of Victoria's 15 non-metropolitan urban water authorities would be allocated part of the $450 million to reduce prices and debt while at the same time accelerating capital works projects across the state to improve water and environmental quality.

I again highlight what was going on under the previous government. I am pleased to say that in its early stages this government has continued with that, but my fear is that there is not much money in the piggybank. Labor has burnt $1.8 billion, and I do not think there is much left to support rural communities in providing water quality facilities.

Recently I was looking through a report by Goulburn Valley Water which highlights the fact that:

> Of the 50 towns supplied with water by Goulburn Valley Water … 46 have a potable supply and 4 are declared non-potable.
>
> … 33 have a fully treated water supply i.e. filtered water
>
> 13 only have disinfection …

In relation to that, the figures on compliance with the coliform guideline values show that there is 100 per cent compliance in 31 towns; greater than 90 per cent compliance in 15 towns; and less than 90 per cent compliance in 4 towns. I note that Woods Point has only 58 per cent compliance and Marysville only 33 per cent, so again there are some major concerns in the Goulburn Valley Water area.

At page 6 under the heading 'Capital works program' the report states:

> Since its formation in 1994, Goulburn Valley Water has invested over $33 million in new and upgraded water treatment facilities. These have contributed significantly to the delivery of improved water services to customers.

The previous coalition government initiated the work, and hopefully this government will continue it after this bill goes through.

I shall finish off by referring to the latest edition of the Melbourne University magazine, which we all get copies of in our letterboxes at Parliament House. At page 20 it has an article headed 'Life without water is not on', which says what it is all about. The article states:

> In Melbourne, 60 per cent of water is used in households, 28 per cent by commerce and industry, 8 per cent is lost by leakage and 4 per cent goes to —

other areas. It highlights the fact that there is increasing demand and that beyond 2007 Melbourne Water will not be able to supply the city's needs. It also talks about the requirement for serious controls on demand. In one paragraph it says we will need:

> … targeted water conservation measures and incentives, and that the pricing structure should be used to achieve a saving of 5000 to 10 000 megalitres per year by 2050.

The government is on about using the price structure to control water demand. As we all know, without clean and reliable water supplies many of our rural and regional communities would not exist, a lot of employment and wealth would be lost and our ability to feed ourselves would be greatly reduced. With that I say the National Party will not be opposing this bill.

Mr ANDREWS (Mulgrave) — It is a pleasure to speak in support of the Safe Drinking Water Bill. This bill forms part of the government's strategic approach to water management, with specific attention being paid to water quality and risk management as matters of public health. It is worth noting that this is a debate about public health and about making sure that each community across our state has access to the highest quality water. It is also worth noting that this bill has been introduced by the Minister for Health as a matter of public health.

The bill has four specific objectives. Before going on to those I welcome the support shown by the Liberal and National parties for this bill. Every endeavour has been made to try to provide as much information as possible. Some specific questions have been raised by the member for Caulfield and the member for Lowan, and every best effort will be made to try and clear some of those matters up. I understand we are coming back to this bill at a later stage, and I look forward to going through some of the questions in detail.

As I said, the bill has four specific objectives. Principally they are about implementing an integrated risk-management framework across the water industry. As I think the honourable member for Caulfield made mention of earlier, the need for such an integrated risk-management approach was highlighted by the Auditor-General in his report entitled *Managing Risk Across the Public Sector*, which was released in March this year. I understand as well that the Regulator-General has had a bit to say on this issue and has been critical of the fact that there is no uniform risk-management framework currently in place. It is because of those comments and out of the need highlighted by those two officers that the government has brought this bill forward. Part of the report that the Auditor-General brought down in March was a case study of the water industry, so again it is quite pertinent that the government has acted in that vein.

Secondly, the bill puts in place a framework for a set of regulatory standards for water quality and safety. That framework will establish a set of standards that not only providers of water across the state but also water quality will be benchmarked against. Thirdly, the bill will ensure there will be effective communication between all the stakeholders in the water industry — that is, those that store water, those that provide water and those that drink water, the ordinary consumers. Fourthly, the bill provides for the public disclosure of all relevant water quality information. That is a very important part of the government's ongoing commitment to transparency and openness. Transparency and openness are particularly important in small rural areas so people can get a clear understanding of the quality of the water being provided to them.

The bill comes into operation on 1 July 2004. Two years on from that a review will be put in place that will provide an opportunity to address the effectiveness of the bill and the administrative and regulatory arrangements that have been put in place. It will provide a great opportunity to come back to the water industry sector and to listen to ordinary Victorian consumers, again to assess whether the bill has operated effectively and appropriately. That is something to be commended as well.

I also note that this bill and the risk-management and other regulatory frameworks also fulfil Victoria's obligations pursuant to a Council of Australian Governments agreement on water standards. Again, that is part of an integrated national framework to address these issues. It would be fair to say that via this bill Victoria is leading the way. We will all benefit from that in the short, medium and longer terms.

The bill entails a comprehensive set of administrative arrangements that will require water authorities to produce risk-management plans, which are detailed in clause 9 of the bill. Water authorities will also be required to implement and update those plans. They are not static things. They need to be kept relevant and changed over time so that each water authority keeps pace with change and risk. They need to do everything they can in a pre-emptive way to ensure that rather than simply adopting an approach that sees standards set and then testing and monitoring against those standards, there is a process and a shifting of focus where they take proactive action to prevent risks and problems downstream, as it were, where water quality and public health can be compromised.

It is a set of arrangements that will see a cultural shift and a new approach to the way that we deal with water quality as a public health issue. It also provides for uniformity across the state. But the bill is not without some flexibility, including the ability to vary water quality standards to take account of individual circumstances in individual towns. That is a fitting recognition that a one-size-fits-all approach would not serve this state particularly well.

Some mention was made of the administrative levy, which is estimated to be worth around $1.5 million. As the member for Caulfield rightly pointed out, nine equivalent full-time staff will work within the Department of Human Services to administer the bill and make sure that water authorities are not only putting forward risk management plans, but that they are being appropriately audited, and also that standards set in regulations at a later point are being met across the state. The levy can be easily compared to the way in which costs incurred by the Essential Services Commission are recouped and to the Office of Gas Safety, which collects around $4.5 million a year. Those arrangements were put in place by the previous Kennett government, so it is worth noting that there is no great change. This is an equitable and fair cost-recovery model and ultimately it will lead to very small — —

An honourable member interjected.

Mr ANDREWS — I am talking about the levy. It will have a small real-term impact on ordinary consumers, and that will be welcomed by all members.

I will talk about the consultation process that has brought us to this point. Extensive consultation was conducted in 2000, with a series of public workshops and a consultation paper being widely circulated. Between November 2001 and April 2002 the water industry itself was extensively consulted. It would be fair to say that there is broad and substantial support within the water industry for this bill and these measures. That is welcomed by the government and seen as the water industry taking appropriate responsibility for the product that it is distributing across the state.

In closing I make brief reference to a couple of issues; one in Canada and one in Sydney. Honourable members would be aware of the cryptosporidium outbreak in Sydney in 1998 and events in Walkerton, Ontario, in 2000 where seven people died and a further 2500 were made very ill. The economic, social and very human impact of that water management crisis, together with the Sydney experience — which did not result in any deaths but had a very significant economic impact on that city — is a great lesson to us about the

need to look at these issues as primarily public health issues and to be proactive in managing those risks. This bill puts in place a set of administrative and regulatory arrangements that will see risks managed in a proper way to make sure that as we move forward all Victorians have access to water of the highest possible standard.

Debate adjourned on motion of Mr PLOWMAN (Benambra).

Debate adjourned until later this day.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from 6 May; motion of Mr BRUMBY (Minister for State and Regional Development).

Dr NAPTHINE (South-West Coast) — This bill, which I was speaking on last evening, is more commonly known as the Gas Lotto Bill, because the government has allocated $70 million and country communities will be required to spend their own dollars to develop a business case to put to government, and if they are lucky enough, they might be selected by the government, through whatever process it chooses, to get natural gas. However, as was outlined before, government ministers, government members and government candidates have been all over country Victoria making more promises than a desperate Romeo on heat. They have been making promises to every community that they will get natural gas. I have already quoted from the *Mansfield Courier*, the *Myrtleford Times* and other papers which outline the promises that have been made.

Literally dozens of towns and cities have been promised natural gas, but we now know that the government has come clean that it is only promising to give natural gas to Barwon Heads, Bairnsdale, Creswick, Woodend, Gisborne and Romsey. So we have gas lotto, but we already know half the results: the government has already declared who are the winners. This is a government-run gas lotto, where the government will choose the winners. This is about whether we should have trust in the government to do this fair and equitably.

While I am talking about the issue of trust and the government, we must ask, 'Can we trust this Premier and this government?'. I draw the attention of the house to an article in the *Age* of 6 May which states:

> Mr Bracks said he was not aware of Mr Fitzpatrick's role in the company behind the Portland wind farm.

That refers to Mr Mike Fitzpatrick and the Premier saying that he was not aware of his role with regard to the Portland wind farm, yet we have photo after photo of — —

Ms Allan — On a point of order, Acting Speaker, we know the Liberal and National parties hate our Regional Infrastructure Development Fund, but I would appreciate the member opposite confining his remarks to the bill, which deals with the government's $180 million Regional Infrastructure Development Fund project to extend gas to areas that cannot get it because the opposition privatised it.

The ACTING SPEAKER (Mr Kotsiras) — Order! There is no point of order. I have been listening to the member, and I do not uphold the point of order.

Dr NAPTHINE — This is about the administration of the Regional Infrastructure Development Fund and whether the government can be trusted to administer it fairly. When you have our Premier, who constantly lies about his past friend, Jim Reeves, or about his relationship with Mike — —

Mr Helper — On a point of order, Acting Speaker, I raise the same point of order, and that is that the member is clearly not speaking on the bill. The bill is approximately four pages long and does not go to anything to do with wind farms or with people associated with other activities in the state.

The ACTING SPEAKER (Mr Kotsiras) — Order! The member was on his feet for only a few seconds. I do not uphold the point of order at this stage.

Mr Perton interjected.

Ms Allan — On a further point of order, Acting Speaker, I would appreciate it if the member for Doncaster would withdraw his allegation against the member for Ripon.

The ACTING SPEAKER (Mr Kotsiras) — Order! Only the member himself can ask for a withdrawal.

Mr Helper — I ask for a withdrawal.

Mr Perton — I withdraw.

Dr NAPTHINE — Let me make it clear: I very strongly support the development of wind farms at Portland, but I have real concerns about administration by this government, whether it be the Regional

Infrastructure Development Fund or the extension of natural gas, when we have a Premier who is prepared to lie consistently about his past friend, Mr Jim Reeves, and is prepared to lie to the *Age* about his relationship with Mike Fitzpatrick. He says he did not know that Mike Fitzpatrick was involved with Pacific Hydro, yet there are photos of Mike Fitzpatrick shoulder to shoulder with the Premier at the opening of Pacific Hydro's Codrington wind farm in July 2001. Clearly the Premier knows of Mr Fitzpatrick's relationship and he lied to the *Age* — —

Mr Helper — Acting Speaker, I raise again the same point of order, that being that the member is clearly not debating the bill. We have allowed a great deal more time for him to come back to the bill, but he clearly does not intend to do so, and I ask you to draw his attention to the requirement that he speak on the bill.

Mr Perton — On the point of order, the lead speaker has the right to speak broadly.

The ACTING SPEAKER (Mr Kotsiras) — Order! I do not uphold the point of order at this stage, but I ask the member for South-West Coast to speak on the bill.

Dr NAPTHINE — The Auditor-General's *Report on Public Sector Agencies* handed down today looks at the Regional Infrastructure Development Fund and makes a number of comments about the maladministration of that fund. The report states that by January 2003 only 28 per cent of the funds had been disbursed; $47.1 million remained unallocated; only 50 of the 76 projects had funding agreements in place; and only 12 had been completed. There were other examples the audit office identified and did not receive adequate information about.

I am concerned about the administration of the fund. The administration goes right to the top, and that is the example set by the Premier, who consistently and persistently pretends that he does not have a relationship with Mike Fitzpatrick. He has been shown to be misleading the people of Victoria.

What we want in the legislation is a fair and reasonable process so that the town of Port Fairy, which now has 1400 domestic and commercial customers including the large-scale pharmaceutical company, Glaxosmithkline, gets a fair slice of the action and a fair chance of getting natural gas and so that the rest of Koroit, which was bypassed by the previous Labor government and which has 62 commercial and residential customers along an 890-metre stretch, also gets a fair go. They want natural gas connected, and the rest of Warrnambool wants natural gas connected. They also want to know that it will be a fair and reasonable process and that this government will stick to its promises, and that when it says — —

Mr Andrews interjected.

Dr NAPTHINE — I take up the interjection of the honourable member for Mulgrave because this is the same government that promised country Victoria $96 million for rail standardisation, and that has absolutely gone out the window. The Treasurer said that he was going to fix 120 years of mismanagement, and two years later rail standardisation has gone out the window. The steel is still in the stockpile and the Minister for Transport and the Treasurer have been proven to have been conning and deceiving the people of Victoria.

What we want from this government, the Premier and the Treasurer and Minister for State and Regional Development is honesty, transparency and openness so that towns in country Victoria that want natural gas under this program will get a fair slice of the action.

Mr RYAN (Leader of the National Party) — It is my great pleasure to join the debate on this very important piece of legislation. Just as we have always done — we supported the original legislation — the National Party supports this legislation. There are some comments I want to make in relation to it, and I will work through those in the course of my contribution which, unfortunately, will be constrained to about 20 minutes because of the sessional orders the government has imposed upon the operation of Parliament.

The purpose of the bill is, firstly, to enable gas reticulation to be provided through those parts of Victoria which are stipulated in the two schedules to the bill, and secondly, to amend the original list of 47 councils in schedule 1 of the act to refer to 48 councils. That amendment is necessary because Delatite no longer exists as such and has been split into the two municipalities of Benalla and Mansfield. Accordingly, there are now 48 municipalities sharing under the terms of schedule 1 of the original act.

Thirdly, the intention is to add the nine interface councils, as they are termed, as potential beneficiaries under the terms of the legislation, and those councils appear in schedule 2.

I doubt very much whether there is any need for an amendment with regard to the specifications of natural gas reticulation, because the terms of the original bill seemed to me to be wide enough to accommodate this

style of work. Section 5(1)(a) speaks about the fund being used 'to provide financial assistance', which this is about, 'for or with respect to capital works', which this is about, 'relating to any of the following matters'. Amongst the following matters are issues such as the development of industries in regional Victoria, which this is clearly about, and generally benefiting or supporting the development of regional Victoria, which this is about. So it seems to me that the amendment is unnecessary in terms of having to specify matters relating to the reticulation of natural gas.

I suspect the real purpose of incorporating the amendment is to shroud the addition of these new nine interface councils so that the legislation can make reference to those councils without having to deal with it in the sort of bald-faced fashion which it properly deserves.

The history of this legislation is that the fund was established in 1999 with the support of all parties in this Parliament. It was a good idea by the Labor Party leading into the 1999 election, and it was set up on the basis that $180 million would be allocated to the fund for the benefit of 47 councils. As at today $50 million of that money remains unallocated, and of course 30 June is looming, when the original regional infrastructure fund, Mark 1, will expire. That is only 54 days away, and as I said, about $50 million of the money is unallocated. It will be interesting to see what the government does by way of allocating those funds, because that money should only be spent on projects within those 47 — now 48 — municipalities. To put it the other way around, that money should not under any circumstances be spent in any of the nine municipalities that are to be added under this legislation as beneficiaries.

If, as we are being assured, the $50 million that remains unallocated is to be spent only in the 48 municipalities that will now be entitled to share in it, what has been the delay in allocating the money? I would hope — and this can only be the logic of it — that it has nothing to do with the passage of the bill now before the house, because they are two separate and unrelated matters. In fact, it should be those original 48 councils that share in that $50 million, because that is what the government promised when it set up the original legislation three and a half years ago.

It follows as a matter of logic that such should be the case, because the nine councils that are now being added were not regarded as being part of rural and regional Victoria when the original legislation was passed because they were not included in the schedule. The government's decision to now add nine municipalities to the original list means it has changed its mind as to what constitutes rural and regional Victoria. Expanding the definition in the way this bill contemplates just heightens the concern in country and regional Victoria about what the government is going to do with the remaining $50 million.

In that context I refer to the concern expressed by the Auditor-General in his report that was tabled today about the fact that the money remains unallocated. There is also commentary from the departmental head that the money will be allocated, so needless to say we will follow that issue with much interest.

This bill will create a new fund of $180 million, to be committed over five years. In effect, that represents a 40 per cent cut in the funding which was to be made available. That arises from the fact that originally $60 million a year was to be committed over three years to make up the $180 million. Now we are to have $180 million over five years, which is $36 million a year, which amounts to a 40 per cent cut.

In addition nine more councils are going to be sharing in the money. By definition, the original 48 councils are going to find it more difficult to access the fund. There is going to be less money and more competition. Even more to the point, the nine councils that are now being added coincidentally include a number of marginal seats around outer Melbourne. Of course the temptation will be for the government to favour those marginal seats to feather its own nest, which will again act to further diminish the capacity of those original councils to share in this fund.

So I say again, with all those factors in mind, that the allocation of the remaining $50 million is of great interest to the original 48 councils. I ask in a rhetorical sense why the government is apparently waiting for the passage of this bill before getting on with the task of allocating the remaining $50 million — and I am rounding it up from the $47 million — to those municipalities that are entitled to have it.

I now move on to the way in which this new fund is constructed. It is to comprise $70 million that is related specifically to gas reticulation. Of course, this has been completely plagiarised from the National Party. When I went to our conference in Shepparton last year and announced that we were looking to establish a fund in the sum of $150 million that would be part of a $1 billion program over four years for infrastructure development, the Labor Party simply did not have a policy on this issue. As the election drew near, and as we increasingly talked about it in the National Party, it

dawned upon the Labor Party that it needed to plagiarise this idea, so it eventually did.

It was not until very late in the piece that the Labor Party came up with its apparently bright idea to establish this fund. In fact it is interesting to reflect upon the report of, dare I say it, the Infrastructure Planning Council chaired by Mr Mike Fitzpatrick. The report was issued in August 2002, and at page 45 there appears this statement on extensions to the reticulated gas network:

> While the government does not have a general policy of providing financial assistance for reticulation extensions, it has sought through the ESC to remove a number of regulatory barriers that have inhibited the extension of gas supplies to smaller regional townships.

As I said, this was in August last year. You would not want to know, Acting Speaker, but soon thereafter out of the blue the government decided it had better have a policy on the reticulation of gas throughout country Victoria. So the government came up with this great idea, which I strongly support, for establishing a fund of $70 million!

As I have said many times in many forums, I am very bottom line about politics. All I want is the best thing for our country community. This mechanism hopefully will go some way towards achieving it, although we have some doubts about it. But at least the government is on the right track, and I am proud of the fact that it was the National Party which spurred the government on to coming up with this idea.

There is another $120 million for small towns. This idea was patently plagiarised from the National Party. We had a small towns policy, which we developed, and I am proud to say it had lots of good initiatives in it. It happened again — the Labor Party pinched the policy and put a new cover on it, issued it and claimed it as its own. I am relaxed about that. In the sense of delivering outcomes for our country communities I am pleased to see that the government saw fit to pinch that as well. It has pinched others, too, but that is a good thing to do because all those policies are sensible. I am pleased that the government had at least that much commonsense to plagiarise the ones it knows will work. I am pleased to see this extra $20 million for small towns — another great National Party idea — being given life in the course of what is proposed in the fund. That gets back to the fact that the princely sum of $90 million is left and available for the operation of this fund over the course of its term.

That in itself brings up some interesting figures because page 227 of budget paper 2 talks about the fact that over the course of the next 12 months, $20 million will be allocated; in the following 12 months the figure will be $25 million; then $35 million in the following year; and in the fourth year the figure will be $50 million. In the end, out of the $180 million that is being allocated, only $130 million will be available over the term of this Parliament because the last $50 million or the last tranche does not come in until the fifth year, which will be beyond the life of this Parliament.

We will have $90 million of this total chewed up and be left with the princely sum of $40 million for other projects under this fund during the life of this Parliament. I have not heard much said about that by the Labor Party members; I will be interested to hear what they have to say about it.

The $70 million that is directed to gas reticulation, which was the National Party's great idea, is very important to country and regional Victorians. There will be many areas that in principle would have benefited from this reticulation of natural gas. As the member for South-East Coast observed in the course of his contribution, every man and his dog in every town that has men living in it who own dogs were promised by Labor candidates throughout the course of the campaign that they would be able to get natural gas reticulated to their communities. It will be interesting to see how it plays out.

In many parts of country and regional Victoria that is an eagerly sought piece of infrastructure, which is why the National Party had this brilliant idea and suggested it at the outset. In my electorate towns such as Leongatha and Korumburra, to name but two major centres that are absolutely thriving, have within them people who are utterly committed to the future of the regional and country parts of our state, which have industry that is going very well despite the setback we are all encountering arising from the drought. Nevertheless those towns have within them people who have an eye to the future, who are innovative in what they want to do and who are very concerned to see the growth of enterprise in their respective centres. They badly want to have natural gas connected to Leongatha and Korumburra. Gas would do fantastic things for the growth of industry in our local areas.

I know that the member for Swan Hill is most anxious that natural gas be connected to that beautiful town. When I have been up there to talk to the council and to community leaders I have been told of the many efforts they have contributed over the years with planning and associated matters to allow natural gas to come there. Without going through the range of other towns — because the miserable 20 minutes I have available to

me under the sessional orders is fast running out, so I cannot go through them all — certainly many of them have been promised this wonderful work by this government. It will be interesting to see how it plays out.

Not the least of those towns is Benalla. The member for Benalla is in the chamber — and is it not great to see him among us? His election was another great victory by the National Party at the last election. A fair bit has been said by the government about north-east Victoria being able to be connected to natural gas. We look forward to those many promises being kept over coming years.

The house should bear in mind that apart from all that we now have the new issue of the additional competition that has been forced upon the original 48 municipalities because of the new nine areas. I am very happy that those nine other areas would be able to get what is due to them by way of infrastructure development; I am delighted that that should occur. They are entitled to their every due.

However, my argument simply is that as this government defined rural and regional Victoria back in 1999 — and at the time I and all members of the conservative parties supported it as that was the proper definition — we roundly agreed with the government without a shadow of a doubt. But now the nine new municipalities are coming into it and we will have a lot of additional competition. As I have already observed, coincidentally we all hope the nine new municipalities represent the marginal seats around Melbourne. It will be interesting to see if this government can, for once, help itself and make sure it does this in an appropriate manner.

I notice that the second-reading speech talks about guidelines being developed by the Regional Infrastructure Development Committee which will ensure, so the speech says, that the natural gas extensions only occur in the rural areas of the new municipalities. That is sounding very thimble and pea-ish, I must say, because we will get a government that originally talked about 48 centres of regional and rural Victoria. It is now redefining it to incorporate the nine, but they will have only part of them. They will include only part of them for the purpose of being the beneficiary of what is proposed under this legislation.

It will be interesting to see how the definitions roll out and what constitutes a rural area of a municipality that comprises part metropolitan Melbourne and part non-metropolitan Melbourne. It will be interesting to see how all this plays out.

We wish the bill a speedy passage. We hope the remaining $50 million, or thereabouts, which remains unallocated in the original fund, is able to be allocated by 30 June, and the government has indicated that that will happen. We look forward to that happening. We hope, and I deliberately avoid using the word ‘trust’, the money is not allocated within the nine municipalities being added under the course of this legislation. We regret intensely the fact that there has been a 40 per cent cut in funding by the government for this very laudable scheme. That is a tragedy for country and regional Victoria, but that is a matter in the wisdom of the government, and no doubt it will be able to explain that as other members contribute to the debate today. I look forward to its explanation to rural and regional Victorians as to why that 40 per cent cut has been imposed.

Finally, the National Party’s great interest is to ensure that in the administration of this fund the government goes about it in a way that is truly impartial, that it goes about the process as it continues to claim to govern for all Victoria, and that it gives effect to another of the National Party’s wonderful ideas leading up to the last election where, with many other inspired examples of policy development, we were able to lead the way over so many of these issues. I will have the opportunity to talk about this tomorrow in the course of my budget response, and I am sure all members of the government look forward to that.

This issue of reticulation of natural gas is yet another example of the fine ideals and why it was so welcomed so warmly by all aspects of the community leading up to the last election. I congratulate the government for adopting that great idea. It should be given proper effect.

Mr HELPER (Ripon) — Nothing gives me more pleasure than to rise in support of the Regional Infrastructure Development Fund (Amendment) Bill, as nothing gave me more pleasure during the last term of the Bracks government than to stand in support of the original Regional Infrastructure Development Fund (RIDF) legislation.

Let us get this debate into context. When the principal legislation was being debated and was between the two houses, the Liberal Party and the National Party tried to delay it and in a non-practical way tried to amend it with the root purpose of knocking off the original RIDF legislation.

So let us not have the National Party trying to reinvent itself as having been the champion of the Regional Infrastructure Development Fund, because it effectively

opposed the fund when it was established in 1999 and is still smarting about the reality that it is this side of the house, the Bracks government, that represents rural and regional areas of Victoria far better than it ever did in the seven years that it was in that miserable coalition that made up the previous government.

Let's underpin one more historical fact — that is, that it was the National Party and the Liberal Party in the previous government during those dark years of the Kennett era, that privatised the — —

Mr Ryan interjected.

Mr HELPER — The seven dark years, as the Leader of the National Party correctly informs me — let's get the terminology consistent. The seven dark years of the Kennett era — we'll work something out that will really flow well, but I think honourable members get the gist of what I am saying. It was during that time, those horrible times for regional and country Victoria, that the gas industry was privatised. That is fundamentally what makes this legislation so imperative. We need a mechanism by which to bring to small towns, rural and regional communities, and interface councils the opportunity to have natural gas connected.

You buggers sold off the farm. That's what makes it that much more difficult at this particular juncture.

Dr Napthine — On a point of order, Speaker — —

Mr HELPER — I withdraw.

Dr Napthine — It's inappropriate.

Mr HELPER — What was your earlier interjection? But let's get on with it. I am happy to talk on the bill, unlike the member for South-West Coast. The Regional Infrastructure Development Fund, as I said, has been opposed all along, from its inception, by the conservative opposition in this place.

Let's look at some of the benefits that have stemmed from the original Regional Infrastructure Development Fund. More than 200 cattle underpasses — and I suspect the majority of them will be located in the electorate of the member for South-West Coast. I would welcome his saying to the people who have had the benefit of those cattle underpasses, supported by the Regional Infrastructure Development Fund, 'We opposed the original fund. We think it is a bad idea that you have those cattle underpasses'. More than 180 projects in all parts of Victoria and in electorates of all political persuasions have been funded to date out of the Regional Infrastructure Development Fund, with a leverage of private sector and local government investment that has multiplied the original investment many times. Enormous benefits will have been derived from the Regional Infrastructure Development Fund, for example in the electorate of Rodney.

At the last election ours was the only party clearly committed to regional and rural Victoria, as demonstrated by our commitment of $180 million to the Regional Infrastructure Development Fund. Of that amount $70 million was dedicated to providing the opportunity for small regional and rural communities to be connected to reticulated gas.

We heard much in the contribution by the Leader of the National Party about dilution of the fund and how the original act already provided for us to perform this function. In fact the Leader of the National Party was saying that this bill is not essential. I respect the Leader of the National Party; I understand he has some legal training, and I certainly think he has a darn sight more legal training than I, but it bewilders me how the Leader of the National Party can be familiar with the original legislation and still suggest that communities and interface councils are able to be supported for gas reticulation under that original legislation. Clearly this bill is needed to allow interface councils to be supported in their entirely legitimate aspirations to have reticulated gas.

I take up the interjection in a previous contribution of the honourable member for Melton. At that time, not now, he asked, and I paraphrase: 'Why does the other side of this chamber hate Rockbank?'. I pose that question again: why do they hate Rockbank? Why do they hate communities that are clearly rural, however embraced in councils that are, as the name implies, interface councils — those councils that straddle the urban and rural areas. Why should they be excluded from the opportunity of having reticulated gas connected to their communities? I pose that question, and maybe a future speaker from the opposition would like to address it.

Mr Nardella — Thank you.

Mr HELPER — That's okay. There's a small cost involved in that.

The bill is a very simple bill. It is simply for the purpose of providing funds for the reticulation of natural gas to communities. It adds to the original Regional Infrastructure Development Fund Act a schedule of interface councils that will be eligible to be supported for gas reticulation. None of the scaremongering the Leader of the National Party came

up with about diluting the fund and about this being the thin end of the wedge — and a range of other fear tactics that he has been traipsing around the countryside with — has any relevance or basis in fact. This legislation is so startlingly simple that even a mere mechanic like me can understand that all the bill does is to add a further schedule for municipal councils which for the purposes of this bill constitute interface councils that will, as a consequence, be eligible to be supported for gas reticulation.

It is not complicated. I think Blind Freddy in the main street could readily understand it. The pity is that scaremongering by people like the Leader of the National Party results in a great deal of confusion in the community.

Mr Jasper — How you charge for it will be the key.

Mr HELPER — How we charge for it? Okay, I will let that one go.

The other thread to the Leader of the National Party's scaremongering is that somehow this bill allows the currently unallocated part of the Regional Infrastructure Development Fund to be siphoned off into interface councils. Again, if a motor mechanic can understand this legislation, I would have thought that somebody with legal training, such as the Leader of the National Party, would understand it. He stands condemned, as does the Liberal Party, for having caused the privatisation of the gas industry; it is something they will not be forgiven for in country Victoria.

Mr INGRAM (Gippsland East) — It is a pleasure to speak on the Regional Infrastructure Development Fund (Amendment) Bill. From the outset I would like to say how important the reticulation of natural gas is to rural communities like those in my electorate. The inclusion of the extension of reticulated natural gas under the Regional Infrastructure Development Fund is a good initiative and one that will go down very well in communities in my electorate of Gippsland East, including Bairnsdale, which was mentioned in the budget address by the Treasurer.

It is interesting to note the history of natural gas reticulation. My electorate covers the area along the coast where most of the natural gas that is reticulated through Melbourne and other areas of Victoria comes from. To see the oil rigs from a town like Lakes Entrance and watch them burning off excess gas, knowing that you do not have access to that resource and that that imposes significant financial difficulties upon your business, is quite inequitable.

A good example of such a business in my community is Patties, which is a major regional baker that sells to nearly all the supermarkets around Australia. It is a great business and a great employer. The additional cost imposed on that business by using LPG rather than reticulated natural gas is in the order of a quarter of a million dollars a year. That is a quarter of a million dollars that business has to raise each year, and it has to be a quarter of a million dollars a year more efficient than its competitors in metropolitan areas. That is the situation we are in.

Not only do we have the oil and gas rigs straight offshore; we also have the eastern gas pipeline, which cut a swath right through my electorate right up to Sydney. It had to be in Sydney for the opening of the Olympic Games; the Olympic flame was lit with East Gippsland's natural gas. Even though commitments were supposedly made to all the towns of East Gippsland, including Bairnsdale, Paynesville, Metung, Lakes Entrance and Orbost, none of those towns has been reticulated because of the failure of the councils at the time to get binding guarantees. Sole operator agreements were signed with one operator, but they were not binding, and unfortunately for the last number of years — about seven years now — we have not been able to get natural gas into those communities.

I have had discussions with Duke Energy, and I congratulate it; it is keen to sell the gas that goes through its pipeline. That is not the hold-up; the hold-up is about the reticulation companies and the current structure under which we make agreements. Unfortunately the company that bought the sole rights did not wish to proceed. It ended up with a New South Wales government-owned corporation, and it decided it would not proceed and tried to sell it on. We are in a bit of a bind. It was great to see Bairnsdale announced as one town, but you have to go further than that. The communities of East Gippsland — those with reasonable numbers of people — as in the original TXU proposal, should be reticulated through this procedure.

A large number of people have told me how important this is. We should never underestimate the residential users of gas, the people who use it for heating their houses. It really is an indictment of the community when elderly people living at home such as pensioners have to put on an extra jumper and rug themselves up in the evening because they cannot afford to turn on LPG heating because of its high cost. That is a real indictment of our society when the gas pipeline is right there. We have gas and electricity turbines right on the doorstep of Bairnsdale, but we still do not have the reticulated gas. Having it will be a great outcome. I am

looking forward to seeing reticulated natural gas delivered throughout my electorate.

I would like to draw the attention of the house to the Auditor-General's report on public sector agencies, which reviewed the management of the Regional Infrastructure Development Fund.

Dr Napthine interjected.

Mr INGRAM — Yes. I will take up the interjection. It is a good point; that is why I was referring to that report. Gippsland has not had the best outcome from the Regional Infrastructure Development Fund, and there are a number of reasons for that. A couple of good projects have been done, but it is very clear on page 27 that the Auditor-General recognises that. The report states:

> We consider deficiencies in the quality of project business cases and low levels of project management experience are affecting the completion of projects within the proposed time lines and budgets.

The report also identifies that that is impacting on the ability of councils and other proponents to access the fund.

You have to look at the dire straits a lot of rural councils are in. Some are doing all right, but the majority of rural councils across Victoria are really struggling financially. There is an inequity in our system of funding through the grants commissions that in my view has had a major impact on rural councils. It has made them unable to access these types of funding arrangements because they need to put substantial amounts of their own funding — they do not necessarily have to match dollar for dollar — into the projects. That impacts on their bottom line. It is very difficult for councils with extremely large road networks and a whole range of other crumbling infrastructure that they have to maintain to justify that expenditure, although they can see real priorities in a range of proposals, when people do not have the access to basic infrastructure and the infrastructure they already have is poorly maintained. How can they justify investing in new infrastructure when they cannot even maintain their existing infrastructure?

In my view we really need to look at assisting those councils in putting up good, viable business cases. Some councils are okay at that, but others need a lot of assistance. I am hoping the establishment of the group Regional Victoria will assist with that, so that some of those councils can be assisted to put up viable cases so Gippsland can get a greater share of the fund and bring itself up to what it was, a reasonably — —

Dr Napthine interjected.

Mr INGRAM — Yes, to other areas which are more affluent and which may be better organised.

There have been a couple of good projects for East Gippsland coming from the fund. We should recognise that the completion of the second stage of the Bairnsdale saleyards is a very good project. It is very close to being completed and open for use. It really will assist the Gippsland region in getting the high-quality beef it produces through to the market and the processors in better condition.

The other good proposal in East Gippsland is a tourism project involving the upgrade of the Buchan Caves. Most people in Victoria know the Buchan Caves. They are an extremely good cave network, but were starting to get pretty tired. There were some sewerage issues arising from their being right on the edge of the river, which caused sewage to leach into the Buchan River. The process has been upgraded, together with some of the road infrastructure and the lighting. I look forward to seeing that being a really high-quality tourism development for the future. I hope they keep it going!

Additional proposals have come forward. One that was put forward in the past but did not get up in one of the first rounds of the Regional Infrastructure Development Fund involved the coastal walk from Cape Conran all the way through to the border and linking up with New South Wales. I am talking about the Croajingolong National Park — one of this country's greatest national parks — which has limited access to it. Developing a high-class wilderness walk through that area would really boost the tourism potential of our region. But we have to be able to develop those, and Parks Victoria is reviewing that proposal at the moment. I look forward to seeing the final submission on that. If that is done properly, it will be another good proposal. I look forward to supporting from my region good, high-quality proposals to the RIDF, and mainly natural gas to Gippsland East.

Debate adjourned on motion of Ms McTAGGART (Evelyn).

Debate adjourned until later this day.

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Second reading

Debate resumed from 6 May; motion of Mr HULLS (Attorney-General).

Mr COOPER (Mornington) — The Summary Offences (Offensive Behaviour) Bill is quite an interesting piece of legislation because it puts a blight on an area that is already blighted — and has been blighted for a great many years!

The bill deals with sanctions against some people who are, interestingly, called sex tourists. I have never heard this description before. I think the description of guttercrawler is far more understandable by the general public. The bill is really about dealing with that one particular group in St Kilda — an area, as I said, that has been blighted for years and is now about to have another blight placed upon it through this legislation. When we talk about street prostitution, three groups of people are involved: the prostitute, the customer and now the people who are described as sex tourists but who are better known as guttercrawlers. This bill seeks to deal solely and wholly with that latter group — the guttercrawler.

The bill introduces a penalty infringement notice system so that where police find or detect somebody who is a guttercrawler they can issue a penalty infringement notice for $100 and that person is pinged for that offence. Interestingly the government does not address the issue of the customer of the prostitute or the prostitutes themselves. This is a bill that gives up on street prostitution in St Kilda. It is not a bill that addresses the issue of street prostitution anywhere else. According to the second-reading speech of the Attorney-General, it simply addresses the issue of street prostitution in St Kilda. He says:

> The new offence is tightly restricted so as to target a specific problem in St Kilda.

In St Kilda! We have the Attorney-General standing up in this place telling us that we have to deal, as a Parliament, with the question of guttercrawlers in St Kilda — but not with the issue of street prostitutes in St Kilda and not with the issue of people who are buying the services of the street prostitutes in St Kilda. No, we have to deal with the question of guttercrawlers, who are described as sex tourists — that is, as people who go to watch or abuse those who are participating in what is an illegal activity. It is interesting, is it not, that the government has singled out this one particular group. In doing so the government has also singled out St Kilda.

St Kilda for years — for as long as I can possibly remember, certainly since, during and after World War II according to anecdotal newspaper evidence — has been an area where street prostitution has been rife. In the 1950s and 1960s street prostitution was not limited to just those areas of St Kilda that the government is now addressing. Street prostitution also took place in Queens Road and in St Kilda Road. Every street corner in St Kilda and most of the street corners in Queens Road had prostitutes plying their trade for many, many years. Now we have a situation where the government is trying to tell us that street prostitution is really a major problem only in St Kilda.

Yet newspapers tell us — I can only rely on newspaper reports, and I am sure most of the members of this house can only rely on newspaper reports — —

Dr Napthine interjected.

Mr COOPER — The member for South-West Coast casts aspersions on some members of this house. I do not want to do that! Newspapers have reported in recent times that street prostitution — —

Mr Jasper interjected.

Mr COOPER — The member for Murray Valley says, 'Be honest', but I am being honest. The newspapers have reported that street prostitution has been occurring in places like Footscray, Springvale and Frankston. In fact, I remember only last year there were headlines in Frankston newspapers referring to the occurrence of street prostitution in that area. I can only assume that those reports were correct. Why is it that this bill only addresses the issue of guttercrawlers in St Kilda. One has to ask why this government would be so keen to blight an area that has already been blighted. Why would this government ignore the plight of people who own property in the areas that this government will clearly designate as areas that will come under the scrutiny of the police?

Does the government believe this legislation will have no impact whatsoever on property values? If it believes that, it is ignoring reality. Over the past couple of years we have heard pleas from the people of St Kilda asking the government to do something about street prostitution in their area by enforcing the law — and there is already a law there that says that people who ply their trade as prostitutes in the street are guilty of an offence and can be arrested. There is also a law that says that people who pay for or are seen in the process of paying for the services of street prostitutes are committing an offence and can be arrested and brought before a court. Is that covered in this bill? No, it is not. Is there any effort by this government to do something about those two groups? No, there is not.

This government has given up on street prostitution in St Kilda. Not only has it sentenced property owners in those areas to the continuation of this trade and all the side effects that come with it, but it has also sentenced

them to a diminution in their property values. What a great gift this legislation is to St Kilda property owners in the areas that will come under scrutiny under this bill! I do not think this government's legislation will be welcomed at all, because it does not address the real issue.

Some questions also need to be asked about guttercrawlers themselves. How will the police be able to deal with people who they say are guttercrawlers? What speed do you have to be doing in your car as you drive down a street where street prostitutes are plying their trade to be deemed to be guttercrawling? There appears to be nothing in the bill or in the minister's second-reading speech to address that issue.

I am sure the police, who will be charged with the responsibility of enforcing the law, will be interested to know what the government has in mind. I am sure the magistrates, who will be dealing with these matters when they come before the courts, will be interested in the evidence they get from the police, especially when people say, 'I was not a guttercrawler. I am not going to pay the penalty notice. I will have my day in court'. You can imagine what the court will be like when somebody who has been driving down a street in a designated area of St Kilda at, say, 50 kilometres an hour and who happens to make a gesture from his window — perhaps to someone they recognise in another car going the other way or on the street — is hauled over by the police and charged with exhibiting offensive behaviour while in their motor car, because gestures are in fact referred to in this legislation. The courts will have a great time trying to create some sense out of this law.

The opposition will not be opposing this bill. However, we have significant concerns about it, and we believe it will not solve the real problems in St Kilda. Certainly it will not do anything to address the terrible effects of street prostitution on the property owners in the areas to be designated under this bill.

Mr LUPTON (Prahran) — I rise to speak on the Summary Offences (Offensive Behaviour) Bill, which implements a recommendation of the Attorney-General's Street Prostitution Advisory Group, which was made up of residents, traders, police, street sex workers, welfare agencies and representatives of the City of Port Phillip.

I was glad to hear from the previous speaker that the opposition will not oppose the bill. I commend the government and the Attorney-General in particular for establishing the street prostitution advisory group to seek solutions to this important and complex issue and to do so in a way that involves the local community in the process, because this is a local problem that requires local solutions. I also want to commend those who devoted considerable time and energy to the work of the group and who continue to work on this issue in the local community.

This legislation was recommended by the advisory group, and the government's undertaking to introduce it was warmly received by the groups of local traders and residents whom I spoke to, along with the Deputy Premier. This government listens to the community and then acts. It is not in the business of moving forward with proposals that do not have broad community support. I will continue to work with the local community to find acceptable, workable and appropriate ways to solve these problems.

In implementing one of the recommendations of the Attorney-General's Street Prostitution Advisory Group this legislation will help to improve the amenity of residents and assist police in dealing with some of the consequences of street prostitution in the St Kilda area. I note that street prostitution has been prevalent in St Kilda since at least the end of World War II.

The legislation is strictly targeted at particular types of offensive behaviour and should be seen as part of an ongoing process to deal with this serious social issue. However, dealing with this behaviour is an important local issue in itself.

This legislation is not on its own — and does not pretend to be — a complete answer to the larger problems of street prostitution, which include problems of drug abuse and homelessness, but it is directed towards a specific type of behaviour indulged in by those commonly referred to as sex tourists, who come to the St Kilda area by car and behave in an offensive manner by harassing residents or any other people who may be in the area. I welcome a sensible step such as this one, which has as its aim a safer and better environment for people who live and work in St Kilda.

The elements of the offence are contained in clause 3, which notes in particular that a person is guilty of an offence if the person uses words or makes a gesture while in a motor vehicle within the view or hearing of another person in a public place and the motor vehicle is in an area declared by the minister and the words or gestures are likely to offend a reasonable person.

Enforcement of this offence is to be by the infringement notice approach. This was also an advisory group recommendation. The infringement notice means that prosecution for these types of offences is greatly

simplified. It frees up a considerable amount of police time and resources, which can be far better employed as a consequence. The infringement notice would carry a $100 fine and no conviction would be recorded against the person if the fine was paid within the prescribed time. Importantly and alternatively, the person may elect to have the matter dealt with by a Magistrates Court, in which case the maximum fine capable of being prescribed would be raised to $500. So if the person wants to take the matter to court they may do so, but the potential fine that could be imposed against them is considerably higher.

The offence that is created by this legislation is one of strict liability, which means that it is not necessary to prove the intention of the person that the word or gesture be offensive. This is also important as it simplifies the prosecution of the offence, makes the legislation far more workable and makes its implementation far more effective. It is also important that under the legislation the Attorney-General is empowered to declare a particular area to be one covered by the offence. This is important because this offence is targeted at a specific problem in a specific area. The declaration by the Attorney-General would last for a period of 12 months. This is also important because it means the process will be kept under review, which is an important part of the ongoing oversight of the issue in the area; and it is one of those issues that does need to be kept under a firm process of review in order that we can see how various changes and processes that we are putting in place are having an effect on street prostitution in the area.

I am committed to ensuring that the amenity and the quality of life of local residents in the area of St Kilda where street prostitution occurs and has been occurring for very many years is improved and protected. As a consequence I will continue to consult with and listen to local residents, police and others affected by this issue and keep working to find long-term solutions to this complex problem.

We need to bear in mind that there is no quick-fix solution. This problem is longstanding, and it is contributed to by many complex, difficult and longstanding social factors. It was noted by the Attorney-General's advisory group and also by others who have inquired into these issues that street prostitution is affected by a range of issues, including homelessness, drug dependence and the effects of child abuse.

No single law-enforcement process will eradicate these problems, but we must continue to work constructively together to find solutions. These solutions need to take into account the practical reality of the street sex workers, who they are and why they are engaged in street prostitution.

We must provide programs that enable the workers to receive appropriate treatment for medical conditions, including mental illness and treatment for drug-related conditions; deal with housing issues; and provide processes for diversion of the workers out of such work.

No other government in Victoria's history has been prepared to tackle the hard issues surrounding street prostitution. It is disingenuous for opposition members to come into this place as if they have the answers and have known about them all along. When they were in government they did nothing about this issue.

I am determined, along with the Attorney-General, to see that we improve the quality of life of residents and all those affected by street prostitution in St Kilda. I will continue to work with the community to achieve a successful outcome, and I commend the bill to the house.

Debate adjourned on motion of Mr LANGDON (Ivanhoe).

Debate adjourned until later this day.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from earlier this day; motion of Mr BRUMBY (Minister for State and Regional Development).

Ms McTAGGART (Evelyn) — It is my pleasure to stand here today to speak on the Regional Infrastructure Development Fund (Amendment) Bill. These amendments to the act will enable the Bracks government to fulfil its promises to country, regional and interface councils. This was a Bracks government initiative, despite the Leader of the National Party's claim to fame, saying it was his party's. We put this in place in 1999.

There was $180 million allocated, and $130 million of that has already been spent on more than 70 projects throughout Victoria. This fund has been embraced by rural and regional Victoria. These people know that we are listening to them, looking after their concerns and putting things in place to help them. Community representatives and councils are fully supportive of this

development fund. That has enabled them to complete many successful projects locally and they are very supportive.

I am extremely proud that the nine interface councils have been included in this Regional Infrastructure Development Fund because I am the member for Evelyn, which is part of the Shire of Yarra Ranges, which is an interface council. It is one of the biggest councils. We have been consulting with the communities, listening to what they want and we are now acting and implementing the reticulation of natural gas to some of these communities.

During the election campaign one of the issues that was brought to my attention in Evelyn and the neighbouring electorates of Seymour, Gembrook and Monbulk was the gas issue. It was pleasing to hear a member say that being in a marginal seat I campaigned heavily on natural gas. I can tell the house I did not. Without the natural gas plank I still had a swing of 12.5 per cent, so I think there is something to be said for that.

The Shire of Yarra Ranges council has been working for five years consulting with residents of the Yarra Valley, and after the privatisation of the energy sector by the former Kennett government they have been left in the dark — a bit like the seven long years we had! It was interesting to hear the honourable member for South-West Coast babbling on about trust when his party opposed this bill in the upper house. We are taking full claim to this bill and look forward to putting things in place.

The former Gas and Fuel Corporation used to have control of this area until it was privatised and this has certainly affected regional, country and interface councils throughout Victoria. The competition between the gas companies meant that only viable and profitable areas would be considered.

If you were to go out into the communities and speak to the people you would find that 'because they are not viable' is just not good enough. Commercial users, if they get the reticulation of natural gas to their areas, will have major savings. A lot of them are on bottled liquefied petroleum gas, and it is costing them a fortune. These savings will give them an opportunity to expand their businesses and put their profits back into the local community, maybe employing local people and strengthening and supporting that local community.

In Evelyn, where I live, restaurants are still on bottled gas. We have bed and breakfasts, floriculture, produce farmers, fresh food, the wine industry and others that would benefit if ours was one of the councils to get gas. And the residents are no different to people in country Victoria. They still have to heat their homes like country Victorians. I would like gas to go to country Victoria as well as to these places. For the residents who are now trying to heat their homes with wood or electricity it would be much cheaper and more viable to have natural gas connected.

The Shire of Yarra Ranges surveyed 4500 constituents and received 900 responses. It is committed to achieving reticulation to parts of the Yarra Valley, as I am, and I look forward to supporting it in its endeavours. The council consulted with the communities. It sent a newsletter out to all its residents, held public meetings in the local townships and sent a questionnaire to all the local residents and businesses. The results were then analysed and prepared for the council and communicated back to the communities. These are the sorts of consultations the Bracks government does with the state of Victoria. Unlike members of the opposition, we listen to what the people want and we respond.

During the last election campaign the government said that delivering natural gas to a lot of these areas was an important responsibility of the government. Seventy million dollars from the renewed Regional Infrastructure Development Fund would deliver on that commitment to regional and rural Victoria and the interface councils. This government continues to deliver. In including the nine interface councils the government has stated that it is only for gas.

If the Leader of the National Party would stop harping on that, he would see that they are included only for gas, and these people deserve gas as much as country Victorians. They have actively sought to get the gas connected to their communities but have been unable to get a secure commitment from gas distributors because they are not viable. I am just looking at the *Bendigo Advertiser*, which reports the Leader of the National Party going on about country Victorians and the nine interface councils. I would like him to come out to the Yarra Valley and tell the 4500 residents there that they do not deserve natural gas.

An Honourable Member — He doesn't know where it is!

Ms McTAGGART — Wouldn't know where it is!

The Minister for State and Regional Development has stated that country Victoria will not suffer because gas is connected to these interface council areas; country Victoria will not miss out because of that.

This amendment to the principal act will enable payments to facilitate the connection of gas to regional and rural areas. It will be instrumental in the revitalisation of our communities both country and regional. It is extremely important for economic, tourism and community reasons for these people to have this infrastructure in place. The people of the Yarra Valley and the electorate of Evelyn, along with the people of many other Victorian communities, would benefit greatly from the connection of natural gas. The Bracks government can be proud of its commitment to all of Victoria. I commend this bill to the house.

Mr JASPER (Murray Valley) — I am delighted to join the debate on the Regional Infrastructure Development Fund (Amendment) Bill. As I often say when I start speaking on a particular piece of legislation, I have listened with a great deal of interest to the earlier contributions, particularly the contribution made by the Leader of the National Party. Unfortunately, I also often have to make the comment that new members of Parliament appear to be wearing rose-coloured glasses when they look at what is going on in the state and forget some of the things that are happening in country Victoria.

I acknowledge the representations the member for Evelyn makes on behalf of her constituents, but I think we need to go back in history — I will do that in a few moments — to understand the true background to the introduction of natural gas in country Victoria.

National Party members have some concerns about the legislation when they see 9 outer metropolitan Melbourne councils being added to the 48 original municipalities that are able to access money from this fund to assist in their development.

I acknowledge that there have been developments in country Victoria through the use of this fund, and I pay tribute to the Minister for State and Regional Development, because this excellent fund is aimed specifically at putting money into country Victoria. I also acknowledge in reading the purposes of the bill that it is designed not only to expand the regions that come under the Regional Infrastructure Development Fund but also to enable the extension of natural gas to regional councils.

I want to take members of Parliament back in history. Throughout the 1980s we saw the extension of the natural gas pipeline into some country areas. As a country member of Parliament I believe country people should have the option of accessing natural gas. At that time I fought hard and made extensive representations to the former Gas and Fuel Corporation, arguing that the Murray Valley electorate needed natural gas. The then Labor government had provided funding to look at extending the natural gas pipeline, but by then the money had run out. I then made representations to Neil Smith, the chairman of the Gas and Fuel Corporation, on the basis that an extension of the natural gas pipeline into the Murray Valley electorate was needed to provide an alternative energy option for those living in the area and in particular, to assist in the development of industry.

After those investigations throughout the 1980s, the comments that came back to me were that it was not viable to extend natural gas into country areas because of the major infrastructure costs involved. I was told that not enough gas would be used to justify the extension. So I organised a meeting in Yarrawonga, where interested councils were brought together with people from the Gas and Fuel Corporation. We discussed the matter, but the Gas and Fuel people said, 'I am sorry. You have made great representations, but it is still not viable'. I sought an extension of time on the amortisation of the capital cost of the infrastructure. Initially it was 10 years, then it went to 25 years, and then I encouraged the corporation to look at a 50-year amortisation of the cost of extending the natural gas pipeline.

No money was coming from the state government, and the Gas and Fuel Corporation, which was owned by the government, was not prepared to extend the natural gas pipeline into the Murray Valley electorate because of the cost and the inability to get a return. The corporation said that unless it could get some change in the uniform tariff charge, it would not even be able to consider the possibility.

I continued with my representations over many years. Each time I made a representation there was some movement by the Gas and Fuel Corporation towards saying it could review the situation again and consider the extension. But with the change of government in 1992 the National Party negotiated with the Honourable Jim Plowman, who was then the Minister for Energy and Minerals. A committee was set up in my electorate, and a regional development body was also established that pushed hard to get some change. An amendment was made to the legislation which allowed a differential charge to be made in country Victoria so we could get the extension.

Eventually there were extensions of the natural gas pipeline, which extends from Melbourne to Wodonga. It extended to Chiltern initially, and then it went to Howlong and across the river into New South Wales.

The natural gas pipeline was hooked up to the old bridge, which has now been replaced. When I talked to the Gas and Fuel Corporation, I asked, 'What have you hooked the gas pipeline to?'. I was told, 'To the old bridge'. I said, 'If the bridge falls over, the gas pipeline will not hold it up. Why have you done that?'. The corporation said that there were Aboriginal claims on the water in the Murray River, the air above it and the ground below it, and because it was not game to put the gas line under the river it was hooked up to the bridge.

The next town to be hooked up was Rutherglen, and I attended the dinner that was held to launch the extension. It was interesting, because the person from the Gas and Fuel Corporation who made the major speech said that staff had gone back in the records to find out how long I had been making representations on extending the natural gas pipeline into the Murray Valley electorate, and they discovered it had been 12 years! The project cost $100 million, and the pipeline went down through Rutherglen, Yarrawonga, Cobram and Numurkah and across the river into New South Wales — but did not go into Nathalia.

There has been criticism of the previous government's privatisation process, and I understand some of that criticism. I opposed the privatisation of the Gas and Fuel Corporation, because it operated very effectively and was producing excellent results in distributing natural gas across Victoria.

I will be asking the government what it will be doing to justify the extension of natural gas into other areas. How will it put money into the fund to extend natural gas, and what will it do to recompense those of us in north-east Victoria, and in the Murray Valley electorate in particular, who pay a 10 per cent surcharge for receiving natural gas. Natural gas has not been hooked up to all the industries that wish to hook up to it, and because the alternative energy suppliers have dropped their charges businesses have continued to use those alternative energy supplies. But having that alternative supply of energy has been a great success for us in the Murray Valley electorate, and I support its extension into other parts of parts of country Victoria, because we need that alternative.

Again my question to the government is: what will happen in north-east Victoria? What will happen in the electorate of Murray Valley, where they are paying the surcharge and are paying for the funding of $100 million for the extension of natural gas through the electorate. What will they do in other areas of the state? I want to say to the minister that as far as I am concerned if the government changes the rules, if it provides funding for other areas for the extension of natural gas — and I support the extension — it will need to look at the charges in my electorate and what can be done to justify the increased charges we are paying for natural gas.

We appreciate that we have it, but if the charges change in other parts of the state, we will want justification in the Murray Valley electorate. Through the 1980s and 1990s it has been a huge battle to get an extension of natural gas into the Murray Valley electorate. It has been a great success — not in getting as many connected to the alternate energy supply as want it, but it is increasing.

I will leave my friend the honourable member for Rodney to speak on Nathalia because that is in his electorate. There is a need to extend there, but this is one thing I am sure he will push for. I will support that because we need the alternative energy supply.

I remind the government to have a look at what is being charged in the Murray Valley electorate for those who are now paying for the high cost of that extension where no funding was provided whatsoever by government, the Gas and Fuel Corporation or the now privatised organisation. That is the answer I need from this government in relation to this legislation.

Mr TREZISE (Geelong) — I am pleased to stand in support of the Regional Infrastructure Development Fund (Amendment) Bill, because once again we have a bill in front of us that delivers on another Bracks government promise to the people of Victoria, the Bellarine Peninsula and specifically Barwon Heads, which is a great town in the seat of South Barwon. For many years the residents of Barwon Heads have been crying out for the extension of natural gas into their town. The former Kennett government had seven years to deliver natural gas to Barwon Heads and two other towns on the Bellarine Peninsula, Portarlington and Indented Heads, and it failed to deliver on its promises.

It is through the provisions of the Regional Infrastructure Development Fund (Amendment) Bill, that we will see the town of Barwon Heads finally connected to natural gas. It will follow on from Portarlington and Indented Heads which, thanks to the Bracks government and the member for Bellarine, have been connected to natural gas. I understand we will see the township of St Leonards connected to natural gas by December 2003 — something the Kennett government failed to deliver. After many years of crowing about delivering to the people of Bellarine it failed to deliver and it has taken this government, the Bracks government, to deliver natural gas to the people of

Barwon Heads. As I said, I am very pleased to speak in support of this bill.

The Regional Infrastructure Development Fund not only works for the people of Bellarine but also for the people in my electorate of Geelong. One example of that is the revitalisation of the Geelong central activities area where through the RIDF we have something like $13.5 million going into revitalising the inner heart of my electorate, the central activities area of Geelong. We are presently seeing the upgrade of Ryrie Street — although I must say it has caused some controversy with some of the traders, and I understand their concerns. The upgrade of Ryrie Street is complete. Next will be Moorabool Street, Malop Street and Mercer Street, so the central activities area of my electorate of Geelong is being upgraded through the RIDF in partnership with the City of Greater Geelong.

Not only has the fund directly assisted my electorate of Geelong, but we have also seen projects right across Victoria. I look to my colleague the member for Narracan, who has ensured that cattle underpasses have come to be. Over the past four years of the Bracks government the RIDF has been of great assistance in providing funding for cattle underpasses across Victoria and a major contributing factor to the development of regional Victoria.

The Bracks government is committed to growing all of Victoria, including regional and country Victoria, unlike our predecessors who, as we all know, treated the regional and country areas of Victoria as the toenails of the state. That was a disgraceful attitude and that is why they are now sitting on the opposition benches of the Parliament. The Regional Infrastructure Development Fund has been a great boost for regional and country Victoria. I am pleased to speak on the bill and I wish it a speedy passage.

Mr MAUGHAN (Rodney) — It gives me much pleasure to make a contribution to the debate on the Regional Infrastructure Development Fund (Amendment) Bill. I pick up where my colleague the member for Murray Valley left off. He indicated that he went to see Neil Smith, who at that stage was chair of the Gas and Fuel Corporation, and had the gas line extended to his electorate. Some 14 years ago, when I came into this place, I was taken by the leader of the party at the time, the Honourable Peter Ross-Edwards, to meet Neil Smith. He asked me what I most wanted in my electorate — clearly it was natural gas for Echuca.

As a result of that conversation and the hard work that went on after it we were able to extend the natural gas pipeline from Kyabram through Tongala to Echuca. That has led to enormous development and has certainly been an important factor in the development of the food processing industry in Echuca, so much so that with the great food processing complex that we have in Echuca the existing gas line is almost to its capacity and we will need to extend the supply of gas to further enable development of the food processing industry.

I welcome the Regional Infrastructure Development Fund. I point out that it is $180 million over a five-year period, and of that $70 million is for the extension of the natural gas pipeline. We can argue about the quantity of the money from the National Party point of view. We would argue that it is not nearly enough. In fact we went to the election with a policy of $150 million for extending the natural gas pipeline. Nonetheless $70 million is welcome — it is over five years — but I cannot help but observe that the Regional Industry Development Fund, Mark 1, still has roughly $50 million unexpended that needs to be spent by 30 June this year. It makes one wonder why there is so much unexpended money.

I have in this last week put out press releases indicating that I could use every dollar of that $50 million by extending the natural gas pipeline to Nathalia. Nathalia unfortunately missed out in the extension that was to go from Cobram through to Deniliquin and a number of other towns in the electorate of the member for Murray Valley.

An honourable member interjected.

Mr MAUGHAN — Deniliquin was not, but Nathalia was part of that whole project and with a few things that changed Nathalia missed out. It is very important that we get natural gas to Nathalia, and I hope some of this funding will be able to be used for that.

Another very important project in the Rodney electorate is the extension of natural gas to the towns of Heathcote and Rushworth. As members will be aware, Heathcote and Rushworth have been deserted by the other side of the house. I heard the member for Ripon waxing lyrical before and not acknowledging that in declaring that great area of central Victoria, 112 000 hectares, as a national park, the people of Rushworth and Heathcote who have traditionally relied on firewood from that area for their cooking, heating and hot water are denied that source of fuel. I have not yet caught up with the member for Ripon's statement, but a mere 6 cubic metres of — —

Mr Helper — Twelve.

Mr MAUGHAN — When was that announced? A matter of days ago.

Mr Helper interjected.

Mr MAUGHAN — And I applaud that, but the government was saying initially that there was going to be no shortage of firewood. There were endless assurances from the minister at the time, 'Trust us, you are not going to be short of firewood. Trust us, we are actually going to provide adequate compensation for those timber workers who are going to be phased out'. That is what the government said. Phased out? For heaven's sake, they were sacked! As I understand it, as at today most of those timber workers still have not received the compensation they are entitled to. As at last week — and I do not know about today — the appeal panel had still not been set up.

Mr Helper — It is set up.

Mr MAUGHAN — The member for Ripon tells me it is set up. I welcome that. There are probably only about four or five timber cutters who have hung on long enough to go to the panel.

Mr Helper interjected.

Mr MAUGHAN — Eight! I am delighted to hear that. It is a matter of starving them out. There were 120-odd of them, and they have not been able to hang on and wait.

When the legislation went through, this government should have declared who was on the panel, what the rules were and what you needed to do in order to appeal. It did not do that. This honest, accountable, transparent government has conned the people of Heathcote and Rushworth on the whole process. It has denied them proper access to firewood. I am delighted to hear that they can now get 12 cubic metres. I hope the government has also extended the period during which that firewood can be collected from three months to six months.

Three months is hardly enough, and even with 12 cubic metres it is difficult if you are a pensioner, in poor health or elderly to go out and get that wood, because there are now only two timber cutters in the whole of that area. So if you are elderly, on a pension or in poor health — and I can give instances of people who normally would go out and get it themselves, but who because of health problems are unable to do that — and the timber cutters are unavailable, it will be difficult to obtain the wood. If the timber cutters are available it will cost something like $80 a tonne to cut, cart and deliver that wood. If you are on a pension you have to pay $146 in royalties to the government for 6 cubic metres and then pay $80 a tonne to cut and cart it. It is just not feasible for most families to have that money just to put the wood aside and store it for up to 12 months.

This government has badly let down the people of Heathcote and Rushworth. I am delighted to learn that the government has backed off and shown at least a little bit of compassion. I can tell the member for Ripon and the government that the people of Heathcote and Rushworth, many of whom are traditional Labor Party supporters — blue collar workers and hardworking people that have been working in the timber industry, in the forest and in the sawmills — have been absolutely shocked by the way this government has deserted them.

I implore the government to do something about fast-tracking natural gas to the communities of Heathcote and Rushworth. Despite the fact that they are now able to get their 12 cubic metres of wood, for many of those people it is simply not financially possible to do so, and the alternative of electricity is simply not financially viable for them. Rushworth and Heathcote certainly need natural gas, and they need it as quickly as possible.

I put a proposal to my two local councils — the City of Greater Bendigo and the Shire of Campaspe — that they should have a look at reticulating natural gas now and using a gasometer or silo and trucking in gas, maybe liquefied petroleum gas to start with, and, when the distribution network is established, changing over to natural gas when that is available. I do not know whether that is viable or not, but it sounds like an idea that is worth investigating, and I wait with a great deal of interest to get some feedback from the councils concerned.

I mentioned that we need to extend or increase the capacity of the gas line that goes to Echuca to enable further development there. If that is the case, it should be extended on through Gunbower and Leitchville to Cohuna. Cohuna is one of those towns that is about 50 to 70 kilometres from Kerang or Bendigo or Echuca, and its development is limited because it does not have natural gas. It has great natural resources. It is the centre of a very important dairy industry. A whole range of industries would establish themselves there if we could get natural gas, and that is what this Regional Industry Development Fund should be all about — providing the infrastructure to have the gas there so that you can then attract the industry that creates the jobs and generates the wealth that leads to further development in that area.

I want to touch briefly on cattle underpasses, which members on the other side mentioned.

Mr Maxfield interjected.

Mr MAUGHAN — The member for Narracan is saying, 'Hear, hear!'. I applaud that; it is a good initiative. The $20 000 grant that is currently available has resulted in a lot of underpasses being put in. There are a lot more to go, and I think we need to put some of those in purely for safety considerations where cattle are crossing major highways. I think it has been a great initiative. I have many in my electorate. I have worked hard on that myself, and I know the member for Narracan has also worked hard in his area. It is important to the dairy industry.

I point out yet again that the dairy sector in the Rodney electorate is undoubtedly the largest dairy sector of any of the state electorates, and arguably Rodney is the most important dairy electorate in any part of Australia. So we have a very important and large dairy industry. Cattle underpasses are very important. They are part of the Regional Industry Development Fund, and so I welcome the $180 million that has been provided. I wish it was much, much more, and if the government was fair dinkum about country Victoria it would provide more funding for it.

Mr MAXFIELD (Narracan) — I rise this afternoon to speak in support of the Regional Infrastructure Development Fund (Amendment) Bill. This amending bill facilitates the government's election commitment to distribute natural gas to rural and regional areas of Victoria. In talking about the bill and the Regional Infrastructure Development Fund, I note that my parliamentary colleague has just been mentioning cattle underpasses. It is an example of the government delivering for our rural communities, and I certainly acknowledge the support of especially the member for Swan Hill, who assisted me in my lobbying for this funding of cattle underpasses in his previous role with the Victorian Farmers Federation. It shows that when we work in partnership with our rural communities we can deliver great outcomes for many of our electorates across the state, not only in Gippsland but elsewhere.

Certainly the gas extension is something which is a welcome development. Even though Bairnsdale is not in my electorate, as a resident of Gippsland I know that when the gas pipeline went through to Sydney the former Kennett government told the community there, 'Yes, we will dig a hole and stick the pipeline through, but rest assured that Bairnsdale and surrounding areas will be able to access natural gas'. The pipeline went through and we waited for natural gas, but it did not appear. It seems that it was one of those Kennett government contracts, and when it awarded the contracts for the gas pipeline it completely forgot to include that provision.

Mr Walsh interjected.

Mr MAXFIELD — The member for Swan Hill seems to think we should be putting tollways all over the place, but I assure him that the government will not be tolling existing roads, unlike the former Liberal-National coalition government. The Bracks government is very strong on the fact that it is inappropriate to toll existing roads. It is a real shame that existing roads have been tolled by the Liberal and National parties.

Notwithstanding that, areas like Bairnsdale need natural gas. The provision of natural gas, which did not occur under the previous government but will occur under this government, is important, because those in the community who find it expensive to heat their homes through liquefied petroleum gas (LPG) or wood — and I am aware of that, as I live out of town — know that the provision of natural gas helps as a driver of industry.

Heating is a very important component when you are trying to attract an industry to a country area — you might want to bring value-adding into a community in the form of food processing. If you can go to a business and say, 'We have access to good power; we have access to good gas supplies; and we have suitably zoned land', it makes it easier for that new development to go ahead. We have to build on our strengths, and as a community we have to tap into what works for us. Because we have a lot of food processing and are growing food in country areas, we are looking to develop new industries along those lines.

In my area, for example, we are going from strength to strength with our cheeses. We have factories that, if they are not winning the world's best cheese awards — and we have Jindi Cheese — are winning major awards. That is where the job growth is. Bonlac has a big spray-drying plant which employs very few people and produces value-adding of a limited nature through its dried milk powder, but you can get significant jobs out of expensive, high-value and top-quality cheeses. This also applies to other parts of the state.

We want to encourage food manufacturing to develop and attract jobs, because that enhances the income of our farmers and helps to grow and maintain our regions. The supply of natural gas is very important to that aim. We cannot concentrate just on those who need

gas for heating and keep the costs down for those on low incomes who are struggling to stay warm in winter, although that is important. We have to understand the needs of our businesses and our communities.

We have seen the horrendous cost of freeways in Melbourne, and the Bracks government is assisting with infrastructure in country regions. If we do everything we can to encourage people to live and raise their families in country communities, it keeps down some of the requirement for new infrastructure. On a cost-benefit analysis, putting money into building up our country infrastructure is something that pays tremendous dividends to our community.

I note with interest the expansion of the provision of electricity for dairy farmers, for example, who need increased power supplies to run their dairy farms. Earlier I mentioned Jindi Cheese as an example of a cheese factory. It benefited from our upgrading of its power supply through improved infrastructure.

A hallmark of the Bracks government is its commitment to ensuring we create the right sort of infrastructure development that will drive the development of new jobs. I suppose every government member was very proud when the government was able to announce that for the first time in many years the unemployment rate in rural Victoria was lower than that in Melbourne. It was something we never dreamt of seeing under the Kennett government, as the former Premier wound back infrastructure spending and support and treated country Victorians as the toenails of the state.

Our strong focus on employment and developing rural industry and jobs means that for the first time in many years we have had an unemployment rate in rural Victoria lower than in Melbourne. I am extremely proud of that. Many members of the Liberal and National parties may feel a little disappointed that they could not have said that when their parties were in power. There may have been regions where there was a lower unemployment rate, but the unemployment rate across country Victoria during the Kennett era and for many years prior was higher than in metropolitan Melbourne.

The Latrobe Valley is part of my electorate. For seven years the Kennett government gutted the Latrobe Valley. It wound back, privatised, sold off and flogged it. The only thing we could get from that government was the promise of a gift. Jeff Kennett said, 'We promise a gift for the Latrobe Valley'. The only gift he gave it was a toenail. He called the Latrobe Valley the toenail of the state.

The Bracks government has allocated $100 million to a task force to rebuild the valley, to bring down the unemployment rate and to drive new development. There is a new optimism and heightened confidence in the Latrobe Valley now. Sure, there is much work to be done, but we have many projects in the pipeline for which the Bracks government is providing financial support. We are providing the infrastructure that will drive the job growth and development, which is in stark contrast to the seven dark years of the Liberal and National parties, who simply withdrew service after service and closed schools, kindergartens and railway lines.

In conclusion, it is a proud day for me to be here as the Bracks government implements a budget that is responsible; it is very tight, but it again delivers to rural Victoria.

Mr PLOWMAN (Benambra) — Following the member for Narracan almost leaves me wordless.

Ms Beattie — A hard act to follow.

Mr PLOWMAN — It is a hard act to follow. How could I possibly emulate that? In all fairness, the project to install cattle underpasses was a good one, and it has added to road safety and to the safety of people who handle cattle throughout Victoria. The program is widespread across Victoria, and personally I commend everyone who was involved in getting it up. I promoted it in my area, but this government brought it in. I also recognise the fact that the member for Swan Hill, as president of the Victorian Farmers Federation before his election here, was a strong force in achieving that for country Victoria.

I was amazed during the earlier contributions when the member for Ripon was being asked questions across the chamber; we had policy on the run. One of the issues about the Regional Infrastructure Development Fund is that we need natural gas in lots of smaller towns, particularly as the government reduces access to firewood. That is happening in my area and throughout central Victoria. The access to firewood is being reduced. I was pleased to hear of a slight improvement in what the government has promised, but it still falls well short of what the families that rely on firewood used to be able to get before the government put in the current restrictions.

To return to the issue of natural gas, one of the things I find disappointing about the fund is that with the inclusion of the interface councils the fund has not been increased to match the increase in the population to be catered for and the increase in demand on the fund. Yet

$50 million has not been expended. The request for funds far exceeds the money that is there, but for some reason or other this government is not prepared to spend it in country Victoria. That worries me enormously, because in the last election campaign we had promises by the government that town after town after town would have natural gas connected.

I can list 40 towns that this government and its candidates promised during the last election campaign would have natural gas. What are we getting out of this? Four towns out of about 40. I am happy to see the four, but it falls a long way short of where we should be. To have $50 million unexpended by a government that is full of promises about the money being there is hard to believe. I can only say that I hope this government is not full of rhetoric about this bill and that it is prepared to spend the $70 million that has been allocated. It is of concern to me that, as the Leader of the National Party said, this actually represents a reduction in the per year allocation to this fund, yet it is to apply to a much bigger area with the interface councils included.

There is a definite need for natural gas in many of the towns in my area that are directly affected by the firewood problem, and I refer to towns like Eldorado and Stanley, which were both affected by the fires. They, together with the major township of Beechworth, would be well and truly suitable for connection to natural gas. Then you have Yackandandah, Tallangatta and Barnawatha, where the pipeline actually goes through the town, so it is only a matter of this government saying it will connect them to it. I say in praise of the last government and its Minister for Energy and Resources that it did away with the uniform tariff for gas, providing the opportunity for the capital cost to be amortised and allowing these smaller towns to be connected to the pipeline. Without that change in policy at the same time as the gas industry was deregulated and privatised, we would not be able to connect the towns we are connecting today, nor would we have been able to put gas into those towns which have already been supplied. We need to remember that without that initiative they would not have what they have today.

Mr MERLINO (Monbulk) — I rise to support the Regional Infrastructure Development Fund (Amendment) Bill, and I do so as a member of this Parliament representing an interface council area.

There is an understanding on this side of the house that just because a municipality has urban areas it does not necessarily mean the rural parts of it do not have exactly the same concerns and potential as other areas of rural and regional Victoria. This is what the Regional Infrastructure Development Fund is all about. Since its inception in 1999 with funding of $180 million, 71 infrastructure projects have been undertaken, representing a $300 million investment in rural and regional Victoria. The fund exists to address concerns and pressing needs. We have heard about developments such as cattle underpasses as well as infrastructure spending to boost the economic and social potential of regional and rural Victoria.

I will focus on the key issue of natural gas and the inclusion of the interface councils in schedule 2, those being the Cardinia Shire Council, the Hume City Council, the Melton Shire Council, the Mornington Peninsula Shire Council, the Nillumbik Shire Council, the Whittlesea City Council, the Wyndham City Council and the Yarra Ranges Shire Council.

As I stated, like the member for Evelyn my electorate of Monbulk lies largely within the Shire of Yarra Ranges. As a councillor of the Shire of Yarra Ranges for six years, I am well aware of the difficulties facing rural communities. The Yarra Ranges Shire Council covers a huge area of 2500 square kilometres. It is classified as metropolitan, so it faces difficulties not only with the extension of natural gas but with every issue where there are metropolitan-versus-rural differences in funding from state and federal governments, be it for roads, health services or whatever.

The Shire of Yarra Ranges includes the Yarra Valley, in the electorates of the members for Evelyn and Seymour, the Upper Yarra Valley, in the electorate of the member for Gembrook, and my electorate of Monbulk, which covers key agricultural areas such as Silvan and Monbulk. I have had meetings with a lot of the nursery owners and flower growers in that region, who because of the privatisation of the gas industry and their inability to get access to the natural gas supply — because an extension is deemed to be unviable, as the member for Evelyn said — are faced with the option of either spending hundreds of thousands of dollars of their own funds to have the natural gas pipeline extended or getting a group of individuals together to fund it. But the cost is so prohibitive that they cannot possibly do it.

In the Shire of Yarra Ranges you therefore have two streams. In the Yarra Valley there are many residential areas with no access at all to natural gas, so you have families who cannot afford to heat their homes; and in the rural areas within my electorate it is an issue of economic viability. So the $70 million allocated to rural and regional Victoria and the interface councils through

the Regional Infrastructure Development Fund can be used to address social issues like providing families with affordable energy and, in my case, providing flower growers and other rural industries in the seat of Monbulk with the ability to expand their business.

The Bracks government understands that not only rural and regional Victoria but also the interface councils will be assisted by the Rural Infrastructure Development Fund and the green wedge legislation currently before the house which seeks to protect agricultural land. There is an understanding on this side of the house that over the next 10 to 20 years there is not only economic potential through rural and regional Victoria but also great potential in interface council areas like the Shire of Yarra Ranges. I commend the bill to the house.

Mr WALSH (Swan Hill) — Although the provisions of the bill include the nine interface councils and bring gas under the qualifying conditions of the principal act, I want to look at what the bill was originally set up for. It was set up to do a lot more than just put gas on in country towns. It was set up to fund infrastructure projects that would increase economic activity in our rural and regional communities. As we all know, 47 shires were included in the original legislation.

The concept was an excellent one, but it has been corrupted by its implementation. It was supposed to be a fund with new money available to fund projects on their merit, not to be a slush bucket to fund election promises as we go forward. If you look at what was in the fund the last time around you will see it had $173 million over three years. It went well into the second year before it had any money to allocate to the new projects. It was busy funding all the projects that had been promised in the previous election.

From memory about $12 million of the first $50 million went to the City of Greater Geelong to fund a city centre upgrade. I cannot see how that is a project that will stimulate economic activity in rural and regional Victoria. The member for Narracan seemed to be trying to rewrite the history of who dreamt up the idea of cattle underpasses and who achieved that.

Mr Nardella interjected.

Mr WALSH — The truth is one of the casualties in these debates, is it not? The Regional Infrastructure Development Fund was not originally set up to fund election promises; it was set up as a pool of new money to fund infrastructure projects to stimulate economic activity and jobs in rural and regional Victoria. The first time there was $170 million over three years; now there is $180 million over five years. That is great; a really good concept has been destroyed because there is no money to spend. There is currently $50 million left over that has not been allocated. As previous speakers have said, we want an assurance from the minister that that money will actually be spent in the original 47 shires and not siphoned off to the nine new interface councils.

So the fund now has $180 million for five years, and now nine new councils are included in it. The delusion factor is quite significant. Quite a few of the members from electorates covered by those nine new councils have spoken, and I commend them for that. But the challenge I would like to give them all is: go back to your party and get some new money to put into the fund so that the money that was intended for the original 47 councils is not diluted.

In his contribution the member for Ripon talked about the scare tactics of the Leader of the National Party. That is absolute rubbish. This is nothing but blatant pork-barrelling in the nine interface councils. The government is taking money that was originally there for rural and regional Victoria and pork-barrelling in the nine interface councils. In my electorate of Swan Hill the partnership of the Swan Hill Rural City Council and the Gannawarra and Loddon shire councils has done a tremendous amount of work trying to get gas through that region. They have a business plan prepared, but it is hard to get the economics to work. We needed a top-up in the building phase to enable us to get gas to Swan Hill to create jobs in the region and to further the food processing industry up there. We did not need something that would corrupt the tender process; we needed a government top-up in the tender process which would enable the infrastructure to be built which would then allow whichever gas company that won the job to deliver the gas in the future.

Getting gas to a regional area is very much a chicken-and-egg debate. There is not the activity there to justify it initially, because until you have the gas you do not get the activity, and vice versa. So it is a chicken-and-egg debate. There could have been a top-up to get gas to Swan Hill; that would have significantly increased the food processing industry there.

Before the last election when the National Party was out there it wanted to see $1 billion put into a fund for over four years to make sure we could do these things for country Victoria. We could have got economic activity going, we could have actually got jobs created, and with a bit of luck we could have got a shift of population out of crowded suburbs of Melbourne and into the rural communities where we have underutilised

infrastructure. We have schools, hospitals and other places that we cannot utilise properly because we do not have enough population.

Let us get some funds out there, let us get some economic activity, and let us create some jobs for all of us to do. Having a measly $180 million available over five years and including an additional nine interface councils is wrong. I challenge the members who represent electorates within those nine interface councils to get some new money in the fund. Let us get it topped up and make it real.

Mr NARDELLA (Melton) — I support the bill before the house, which is a great bill. I will take on board a number of the points made by the Deputy Leader of the National Party.

Obviously in this debate and in other debates the National Party is wrong. The member was absolutely and totally wrong. He comes from the party that went out of its way to privatise the Gas and Fuel Corporation. It is worse than that, because part of what we are trying to deal with and fix up here is the increasing expense of bottled gas for those communities that have it.

In 1993 the Liberal and National party government — the Kennett government — went out there and privatised Heatane Gas. The Victorian government owned Heatane Gas; it was a competitor within the state of Victoria. But the Kennett government went out and sold it to the competitor, the other major company within the industry, and therefore there are these massive price rises. That has meant that this government has had to deal with the extension of the gas pipelines within the rural parts of the interface councils in Victoria. The National Party has no understanding of the needs of the rural townships and communities within my electorate of Melton, and it does not care about the farmers there and the interface councils. It never has and it never will.

I have been one of the drivers, along with other members with electorates in interface council areas, of getting the schedule within this bill, so that communities like Rockbank can go through the feasibility study and work with Regional Development Victoria and the appropriate council and others to see if it is feasible to get the natural gas extension so that the local community can be looked after. That does not mean that the other communities out our way — the Gordons, the Mount Egertons and others — do not get looked after. This is about how we deal with the mess and the privatisation that was left by the Kennett government. I commend the bill to the house.

Debate adjourned on motion of Mr THOMPSON (Sandringham).

Debate adjourned until later this day.

Sitting suspended 6.30 p.m. until 8.03 p.m.

CORRECTIONS AND SENTENCING ACTS (HOME DETENTION) BILL

Second reading

Mr HAERMEYER (Minister for Corrections) — I move:

That this bill be now read a second time.

This bill implements a commitment of the Bracks Labor government to introduce home detention to Victoria. As one element in a range of complementary measures, home detention will extend the options for rehabilitation and diversion currently available. The diversion of low-risk minor offenders from prisons represents not only a cost advantage but, more importantly, it provides an increased opportunity to successfully rehabilitate an offender into the law-abiding community. This government believes that imprisonment should be used solely as a last resort and restricted to serious offenders. Victoria has a proud record in this regard, and the introduction of home detention will further enhance this.

Alongside:

the 10-year master plan for the prison system;

the continued redevelopment of community correctional services; and

a range of diversionary and rehabilitative measures announced in the 2001 budget

the home detention initiative is an element of the corrections long-term management strategy which provides a blueprint for an informed and balanced corrections system for Victoria. The corrections long-term management strategy demonstrates the Bracks Labor government's commitment to restoring the reputation for progressive, sound correctional practice for which Victoria has previously been known.

The provisions that facilitate the home detention scheme will expire after three years of operation by virtue of a sunset clause. A review will take place into the operation of the home detention initiative after two years of operation to allow appropriate steps to be taken to re-enact the home detention provisions, if appropriate

and with any necessary amendments, before the sunset clause takes effect.

The scheme facilitated by the bill is largely the same as the scheme advocated in the Corrections and Sentencing Acts (Home Detention) Bill 2001 that was debated in Parliament, but defeated in the Legislative Council, in 2001. The only revision to the 2001 bill has been to enable the Adult Parole Board to act more swiftly in a limited number of cases where a serious breach has been committed.

Home detention will provide a means by which carefully selected, non-violent, low-risk, low-security offenders can serve a period of imprisonment in the community under highly restrictive and intensively supervised conditions. Home detention schemes are a well-established feature of the correctional landscape internationally and are currently available in all mainland Australian states except Victoria. The experience of other jurisdictions indicates that home detention can be an effective means to enhance the prospects for offender rehabilitation without putting the community at risk. The proposed program has been tempered in the knowledge of this experience and developed with Victorian traditions and expectations in mind.

The Victorian home detention scheme will operate both as a sentencing option ('the front end') and as a pre-release mechanism ('the back end') catering for a maximum of 80 offenders at any one time. At the front end, home detention presents an excellent opportunity to successfully rehabilitate and reintegrate relatively low-risk, non-violent offenders into the community while minimising the disruption to family life and employment that incarceration can sometimes cause. At the back end, home detention offers a means of consolidating the rehabilitative work done in prison by facilitating the gradual reintegration of the prisoners back into the community under highly restrictive conditions and intensive supervision.

The scheme will be open to access by all eligible offenders. It is not just a scheme for the more affluent offenders. To this end, appropriate assistance will be given as necessary to eligible offenders to locate appropriate housing, to assist them find employment and to meet other requirements (such as having a telephone) to enable them to be considered for home detention.

The scheme will aim, at the front end, to divert from custody selected low-risk offenders facing terms of imprisonment of 12 months or less. To prevent net widening, the bill requires the court to impose a sentence of 12 months imprisonment or less before turning its mind to the question of home detention. At the back end, it will be a means by which those low-risk, minimum-security prisoners who are within six months of their release date may be able to serve a portion of their sentence.

The fundamental principle underlying home detention is to ensure the protection of the public, in particular co-residents. This principle is expressed throughout all stages of the home detention programme.

The bill clearly provides that a prisoner will be automatically excluded from home detention if he or she has a history of violent offences, sex offences, offences involving firearms or prohibited weapons, commercial drug trafficking offences, stalking offences or breaching intervention orders.

Before a home detention order can be made the offender must undergo a comprehensive assessment by a specialist supervising officer located within community correctional services (CCS). A home detention order cannot be made unless the CCS officer has determined that the offender is a suitable candidate for the home detention scheme. Community safety and protection and the safety of the families who will reside with the offender will be the primary factor in the assessment. This assessment process will require the CCS officer to seek the views of a wide range of relevant professionals and especially the views of the intended co-residents. More specifically, the assessment report must address numerous factors, including:

> whether the order would place at risk of harm any person who would reside with or in the vicinity of the offender,
>
> whether there are any impediments to the effective monitoring and successful completion of the order,
>
> the potential that the offender will breach a family violence intervention order,
>
> a range of factors such as the offender's age, social history, medical and psychiatric history, education, employment history, financial circumstances, criminal history and special needs.

Additionally, before a home detention order can be made the intended adult co-residents must have acknowledged that they understand the aspects of home detention and must have given written consent to the offender residing in that location. In the case of a child who will reside with the offender, the court or the Adult Parole Board must be satisfied that the child was consulted about the offender residing with him or her

and that consideration was given to the child's views with due regard to the age of that child.

Once an order is made, the currency of the co-residents' consent will be regularly assessed by supervising officers throughout the life of the order. In addition, appropriate ongoing independent support will be extended to co-residents to ensure that, as far as practicable, this consent is clearly informed and freely given.

If consent is subsequently withdrawn by the co-residents, the offender must cease living at that residence. If an alternative suitable residence cannot be found, the Secretary to the Department of Justice can apply to the Adult Parole Board to revoke the order.

The program will be supervised 24 hours a day, 7 days a week. It will be delivered by the Department of Justice, utilising the significant skill and expertise that already exists within community correctional services. Skilled community correctional officers will maintain a high level of contact with the offender, engaging that person in appropriate offence-focused interventions. There will be a strong rehabilitative focus in order to better equip offenders to get their lives back on track and keep them there. Where appropriate and necessary, offenders will be required to participate in substance abuse, gambling or other appropriate counselling. There will also be an emphasis on promoting job training and employment readiness. It is intended that through these interventions offenders will develop essential and enduring support structures in the local community that he or she can rely on beyond the lifetime of the order.

Of course, the imposition of a curfew that requires the offender to remain at the approved residence will be a central element of the scheme. The offender will only be permitted to leave the residence where it is unsafe to remain due to immediate danger or to engage in activities previously investigated and approved by the supervising officer. Those approved activities might include employment, education or training commitments, or attendance at offence-focused interventions, as I mentioned a few moments ago.

The curfew will be monitored by way of an active system of electronic monitoring. This system consists of a signal-transmitting bracelet worn about the wrist or ankle; a monitoring unit installed in the offender's home; and a central computer — —

Mr McIntosh interjected.

Mr HAERMEYER — You just think it is too hard on them.

It also consists of a central computer which communicates with the supervising officer. Should the offender fail to comply with curfew requirements or attempt to tamper with the bracelet or with the monitoring unit, the supervising officer will be automatically notified, resulting in an immediate action, day or night. Widely used in other jurisdictions, active monitoring systems are well regarded for their dependability in monitoring compliance without causing undue disruption to the home environment.

If the offender breaches the order, the response will be swift and decisive. In cases of minor breaches, such as being a few minutes late for curfew or failing to attend one session of a scheduled education course, the supervising officer will be empowered to impose sanctions such as a formal warning or a more stringent application of the conditions of home detention (e.g., increase the number of unpaid community service hours). The supervising officer may also refer the matter to the Adult Parole Board for consideration.

Serious breaches of a home detention order, however, must be considered by the Adult Parole Board. A serious breach is defined in the bill as:

> a breach that compromises the safety and security of the community or a person residing with the offender;
>
> a breach that involves the commission of an offence;
>
> a breach that involves non-compliance with an order for restitution or compensation; and
>
> repeated minor breaches of the conditions; and
>
> a breach of the core conditions to remain at an approved residence except when authorised under the act or to comply with an approved activity plan outside of curfew hours (unless deemed minor by the secretary).

Where appropriate, the Adult Parole Board may revoke the home detention order and a warrant will be issued for the offender to serve the outstanding balance of his or her sentence.

Home detention programs operate at a fraction of the costs of conventional imprisonment. With a full capacity of 80 offenders on the scheme, the cost per offender for home detention is estimated to be $20 000 per annum. By comparison, it currently costs over $46 000 per annum to house an offender in a minimum security facility.

Under the terms of the bill, the home detention scheme will be operational by, at latest, 1 January 2004.

In conclusion, the proposed home detention scheme is consistent with existing Victorian traditions of reserving imprisonment for serious and violent criminals. Home detention will allow carefully selected non-violent, low-risk, low-security offenders to serve a period of imprisonment in the community under highly restrictive and intensively supervised conditions. The select offenders will receive targeted interventions aimed at reducing offending and maximising the prospects for rehabilitation. The bill represents a responsible, considered and constructive approach to expanding the range of rehabilitative and diversionary options currently available.

I commend this bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Mr HAERMEYER (Minister for Corrections) — I move:

That the debate be adjourned for two weeks.

Mr McINTOSH (Kew) — On the question of time, Acting Speaker, this is a major bill. I acknowledge that it is a re-run of the home detention bill that came before the house on the last occasion, but this is not just a normal bill. A large number of people would have an interest in this matter — women's groups, victims of crime groups and the police. What the government is requiring is that in the one non-sitting week of the adjournment, which is next week, the whole of this house has to consider this matter.

The other thing is that from what I can recall from the previous debate there was a substantial amount of statistical data that had to be assimilated about how it works, whether it actually works and the amount of recidivism. Two weeks is completely inappropriate for a bill as detailed as this that requires a lot of consultation with a large number of groups, and it is insufficient to get over the whole of the statistical data that could really bring to bear some valuable information in relation to this bill. Accordingly, I suggest a month is an appropriate period for the adjournment of the debate.

Mr HAERMEYER (Minister for Corrections) (*By leave*) — On the question of time, with the exception of the very minor provision that I referred to, this bill is identical to the bill that was brought before this house and debated by both houses in full last year. There is nothing new here. There is nothing opposition members have to get their minds around that requires too great an effort. There is nothing that has not been comprehensively canvassed through the entire community. If this were a new bill, there might be an argument. This is not a lot of new provisions. All of these arguments and all of the facts and figures that pertain to these arguments have been canvassed before.

Mr McIntosh interjected.

Mr HAERMEYER — That will come up in the debate, and we will treat that — —

Mr McIntosh interjected.

Mr HAERMEYER — You can maintain that argument in the course of debate, but at the end of the day there is nothing new here that requires any consultation or any examination of facts and figures that has not been done previously.

I can understand that the opposition might put this argument if this were an absolutely new bill — and even then I think it is specious because we have had far more complex bills put to this house and debated in much shorter periods of time, especially under the former Kennett government. Certainly with what has been put here, two weeks is a reasonable time to go through those arguments all over again, to consult the people that have already been consulted before and to consider the facts and figures that have been previously bandied about.

Mr PLOWMAN (Benambra) — On the issue of time, Acting Speaker — —

Mr Hulls — You look like Father Time!

Mr PLOWMAN — That's the second time you've made that comment. I think you should have a good look at yourself before you worry about me!

The ACTING SPEAKER (Ms Campbell) — Order! On the question of time.

Mr PLOWMAN — I am not offended by the comment.

The issue of time relates to the fact that in my electorate we have the Beechworth prison, where we have people from all over Victoria that actually are criminals. It is important for a country member to look after the interests of the people that are in those country prisons.

It is easy to say that this bill was debated last time, but we have a new group of people in those prisons, and we want to hear what those people think, and what their wives think, and particularly what those who are there in fear for their own safety think. They are the people

that we want to hear from, and that is why we need additional time to debate this issue. We need that time in order to get to the facts before we can bring that debate to the house.

Motion agreed to and debate adjourned until Wednesday, 21 May.

AUSTRALIAN CRIME COMMISSION (STATE PROVISIONS) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

This bill will implement an important commitment made by the Premier in accordance with an agreement reached by Australian government leaders at the Summit on Terrorism and Multijurisdictional Crime on 5 April last year to replace the National Crime Authority (NCA) with the Australian Crime Commission (ACC) to strengthen the fight against organised crime in Australia.

Further to that agreement, the commonwealth government has enacted legislation that establishes the ACC, the Australian Crime Commission Act 2002, which for ease of members' reference I will refer to as the commonwealth act. That legislation came into force on 1 January 2003 and the ACC is now in operation.

The ACC is a significant new force in the fight against serious and organised crime that builds upon the successful features of the NCA while removing barriers to its effectiveness. Like its predecessor, the NCA, the ACC has an investigative role which is targeted at combating complex criminal activity of the kind undertaken by high-level and sophisticated criminals. Such highly organised criminals conduct their criminal operations without regard to jurisdictional boundaries, and the ACC is a crucial component in Australia's national law enforcement response to such criminal activity.

The ACC also has a new criminal intelligence role that includes criminal intelligence collection, analysis and dissemination on a national basis. This criminal intelligence role will complement the ACC's investigatory role by facilitating the conduct of effective intelligence-led investigations of serious and organised criminal activity.

The commonwealth act establishes the ACC and invests it with the powers to conduct investigations and intelligence operations into federally relevant criminal activity to enable it to fulfil its new roles. The commonwealth act also provides for new governance arrangements for the ACC, under which it is governed by a board comprised of commonwealth, state and territory law enforcement representatives. These new governance arrangements are complemented by a streamlined process for the ACC to authorise the use of coercive powers.

State and territory legislation is needed to complement the commonwealth act to ensure that the ACC is empowered fully to conduct investigations and intelligence operations in relation to state and territory offences, including state and territory offences without a federal aspect.

To this end, the ministerial intergovernmental committee on the NCA, which is now the intergovernmental committee on the ACC, instructed the national parliamentary counsel's committee to draft a model states and territories bill. The bill before the house is based on that model bill, with necessary modifications to fit within Victoria's statutory framework.

Broadly the bill will provide for the operation of the ACC in Victoria and make consequential changes to Victorian law that are required as a result of the replacement of the NCA with the ACC.

The bill will enable the ACC to conduct intelligence operations and investigations in relation to relevant criminal activity that involves state offences, irrespective of whether those offences have a federal aspect. The ACC will have the same special powers as the NCA, including search warrant powers and coercive examination powers, and the bill will provide for the ACC to use these powers for both the ACC's investigatory and criminal intelligence roles. However, the ACC will only have access to these special powers for a state investigation or intelligence operation where authorised by the board. The bill contains a number of safeguards on the authorisation of these special powers to ensure that they are only available in appropriate circumstances.

Similarly to the commonwealth act, the bill provides for the ACC's coercive hearing powers to be exercised by examiners, who are independent statutory officers appointed under the commonwealth act.

The bill also provides for the functions of the CEO of the ACC under state law, with the CEO's key function

being the coordination of ACC operations and investigations.

To facilitate the effective performance of the ACC's functions, a number of offences will be created for contravention of the bill. These offences will include failing to attend an examination or to answer questions, and failing to produce documents or things when required to do so by a summons. The offences in the bill reflect the offences contained in the existing Victorian NCA legislation and will complement equivalent offences in the commonwealth act. The penalties for the offences in the bill are the same as the penalties for these equivalent commonwealth offences and will provide a significant deterrent to those who would seek to obstruct or frustrate the ACC's activities.

As a consequence of the replacement of the NCA with the ACC, the bill will repeal the existing state legislation for the NCA, the National Crime Authority (State Provisions) Act 1984.

The bill also contains transitional provisions to facilitate the seamless transition from the NCA to the ACC under state law and consequential amendments to other acts that are necessary because of the NCA's replacement with the ACC.

Clause 49 of the bill states that it is the intention of clauses 36, 56 and 64 to alter or vary section 85 of the Constitution Act 1975. I wish to make a statement under section 85 of the Constitution Act 1975 of the reason for altering or varying that section.

Certain administrative actions of the NCA are the subject of an existing validation under the Co-operative Schemes (Administrative Actions) Act 2001. This validation prevents actions being brought against the state in the Supreme Court in relation to such administrative actions. Clause 64 of the bill is a transitional provision that will continue this validation once the state NCA legislation is repealed by the bill. The reason this clause intends to alter or vary section 85 of the Constitution Act 1975 is to protect the state from potential future liabilities arising from relevant past administrative actions of the NCA.

In addition, the state NCA legislation currently protects from challenge, including challenge in the Supreme Court, certain activities of the NCA on the ground of any administrative defect that exists in relation to a state reference to conduct an investigation. Clause 56 of the bill is a transitional provision that will continue the existing protection afforded to state NCA references once the state NCA legislation is repealed by the bill. The reason this clause proposes to alter or vary section 85 of the Constitution Act 1975 is to prevent future collateral challenges to NCA activities in the same way that such challenges are currently precluded.

Lastly, clause 36 of the bill proposes to alter or vary section 85 of the Constitution Act 1975 to the extent necessary to prevent actions being brought in the Supreme Court to challenge certain activities of the ACC on the basis of a procedural defect with a board determination. The reason for preventing such actions is to ensure that the ACC's activities are not subject to collateral challenge on the basis of procedural defects in the making of a board determination. This is intended to enhance the ACC's effectiveness, without limiting a person's other rights to bring a challenge in relation to the activities of the ACC once a board determination is in place.

This bill, together with complementary legislation that will be enacted in other states and territories, will ensure that Australia has in place an enhanced and comprehensive national framework to underpin the ACC's crucial activities in fighting serious and organised crime.

I commend the bill to the house.

Debate adjourned on motion of Mr WELLS (Scoresby).

Debate adjourned until Wednesday, 21 May.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (VOLATILE SUBSTANCES) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The Bracks government is committed to protecting the health and welfare of Victoria's children and young persons, who are often among the most vulnerable members of our community.

In recent years a very damaging practice of inhalant solvent abuse, sometimes referred to as 'chroming', has re-emerged amongst some children and young people. While this practice is by no means restricted to young people, research has consistently found that abuse of volatile substances is concentrated among adolescents. For example, in a 1999 survey of secondary school students, just over 15 per cent of year 7 students reported using inhalants in the last month, and just over 35 per cent reported having used inhalants at some point in their lives.

Sadly, the problem is even worse among our indigenous communities. The Department of Human Services reported in 2001 that more than 25 per cent of clients seeking treatment for inhalant abuse were from Aboriginal or Torres Strait Island backgrounds.

What is abuse of volatile substances?

Volatile substances produce chemical vapours that, if inhaled, can induce a mind-altering effect. Volatile substance abuse is the deliberate inhalation of such vapours, for the purpose of intoxication. 'Chroming' is a term used to refer to one form of volatile substance abuse, whereby chrome paint from an aerosol can is sprayed into a plastic bag and the vapours then breathed in from the bag.

Volatile substances act as depressants, even if the initial effect is to lessen inhibitions or act as a stimulant. Short-term effects of inhalation can include a feeling of wellbeing, confusion, drowsiness, aggression, enhanced risk-taking, vomiting, and hallucinations. There is an increased risk of accidents, including fatal accidents, occurring whilst a person is in an intoxicated state.

Long-term misuse of volatile substances may result in effects such as diminished cognitive function, tinnitus, depression and/or anxiety, stomach ulcers, dizziness, and widespread and lasting damage to the brain and nervous system.

The members of this house will no doubt join me in feeling deeply concerned that some young Victorians are damaging themselves in this way.

Government action

The Bracks government has taken action on this problem on various fronts. In July 2002 a retailers kit was initiated, based on a voluntary code that would encourage responsible sale of volatile substances. This initiative has been highly successful and over 3000 retailers kits have been distributed statewide.

In February 2003 the government released the inhalant management guidelines to assist health and welfare workers in treating this problem. The government has also commissioned the CSIRO to undertake a feasibility study to ascertain whether bittering agents could be combined with commonly abused solvent products to make them unpalatable to inhale.

In addition, in April 2001 the government arranged for a reference from the Governor in Council to be given to Parliament's Drugs and Crime Prevention Committee to inquire into the issue of inhalation of volatile substances for the purpose of intoxication.

After nearly 18 months of extensive consultations and research, the committee released its final report on its inquiry into the inhalation of volatile substances in September 2002. The committee made 16 recommendations covering a wide range of matters relating to the problem of volatile substance abuse and ways to combat it. The government expressed broad support for the committee's recommendations in its response, which was tabled in Parliament on 18 March 2003, with some recommendations to be further considered.

Among its recommendations the committee recommended that police be given search and seizure powers in relation to volatile substance abuse by children. The government supported this recommendation in its response and made it a priority to introduce legislation to implement the proposal.

The government has acted quickly on the committee's recommendation, and legislation is now before the house in the form of this bill.

Outline of the bill

The bill's sole purpose is to protect the health and welfare of children and young people. It does so by enabling Victoria Police to exercise certain powers to prevent the self-infliction of harm or further harm through volatile substance abuse. In exercising the new powers a police officer must take into account the best interests of any child or young person who is subject to those powers.

It is not the intention of the bill to bring young people into the criminal justice system. Accordingly the bill does not criminalise volatile substance abuse. No new offences are created.

The new police powers are only part of the government's response to the problem of volatile substance abuse. The other, very important part of the response will be provided by health and welfare agencies. These agencies will play a key role in supporting the police interventions in volatile substance abuse by children and young people. There will be a range of options for police to access during the course of their interventions. These will include the capacity to transport young people to appropriate drug and alcohol services for immediate treatment, respite and care; the expansion of the current police diversion criteria to include solvent abuse; as well as the current provisions available to police under the Children and Young Persons Act 1989.

Search powers

The bill inserts new provisions in the Drugs, Poisons and Controlled Substances Act 1981 to empower a member of the police force, without a warrant, to search a person, and any vehicle, package or thing under his or her possession or control, for volatile substances and items used to inhale those substances. Those powers will be able to be exercised if the officer reasonably suspects that the person:

is under the age of 18 years; and

possesses a volatile substance or item used to inhale a volatile substance; and

is either inhaling or will inhale a volatile substance.

An officer may also search a person, regardless of their age, if the officer reasonably suspects that the person will provide either a volatile substance or an item used to inhale a volatile substance to a person under 18 years, for the purposes of inhaling.

Before commencing a search, a member of the police force will be required, unless it is impracticable, to:

inform the person of the member's name, rank and place of duty; and

if requested by the person, provide the information referred to above in writing; and

produce his or her identification for inspection by the person, unless the member is in uniform; and

inform the person:

that it is not an offence to inhale or possess volatile substances or items used to inhale them;

but that the member has the power to search for and seize any volatile substances or item used to inhale them in their possession, and may use reasonable force to do so; and

ask the person to produce any volatile substances or item used to inhale them that they have in their possession.

The bill does not create any new entry powers. It will simply allow police to conduct searches in any public place or in private premises with the consent of the occupier or, if there is no occupier, the owner.

If a police officer conducts a search and detects a volatile substance or item used to inhale a volatile substance, the officer will be required to ask the person for an explanation of their possession of the property, unless it is impracticable to do so. This information may assist the officer in deciding whether or not it is appropriate to seize the property.

Seizure powers

The bill then allows a police officer, having searched a person, to seize any detected volatile substances or items used to inhale them. The powers will be able to be exercised if the officer reasonably suspects that:

the person is under 18 years of age, and is inhaling or will inhale a volatile substance; or

irrespective of the person's age, the person intends to provide the volatile substance or item to a person under 18 years of age to inhale or use to inhale.

Health and welfare response

After police have searched a person, they will be able to take a variety of steps to initiate an appropriate health and welfare response. For example, police will be able to:

call an ambulance;

call the young person's parent or guardian or take the young person home;

notify the Department of Human Services and take the child into safe custody where the child is 'in need of protection' pursuant to the Children and Young Persons Act;

issue an 'on the spot' referral of the young person to a youth alcohol and drug service (an expansion of the existing police referral system for illicit drug users);

take the young person to a designated youth alcohol and drug service.

Factors that may be relevant to deciding which option is most appropriate include the likelihood and degree of possible harm faced by the person and which services are best placed to deal with the person. In some situations, combinations of possible options may be the most appropriate response.

If the most appropriate option is to transport that person to a drug and alcohol service, their role will be to provide respite care, treatment by an alcohol and drug clinician, further referral and access to drug treatment services, and information and education on the risks associated with inhalant abuse.

Limited civil detention power

After a police officer searches a person in accordance with the new search powers, they may apprehend and detain that person (whether or not anything was seized). Apprehension and detention will only be allowed where the officer reasonably believes that the person:

is under 18 years of age;

is inhaling or has recently inhaled a volatile substance; and

is likely by act or neglect to cause immediate serious bodily harm to himself or herself or another person.

Police may also detain a person where those conditions apply but the person has not yet been searched. This is necessary for those emergency situations in which the person is at such an immediate risk of causing harm to him or herself or others that it would be inappropriate to first conduct a search.

Detention will only be allowed to continue for so long as the above conditions are met. The person must be released if it is no longer likely that the person will cause immediate serious bodily harm to him or herself or others.

When a police officer detains a person in these circumstances, the officer will be required, unless it is impracticable, to inform the person that he or she is not under arrest for a criminal offence but is being detained for his or her own or others' protection.

Since the bill will not criminalise volatile substance abuse, it is important to specify that any detention of the person must not be in a police jail, cell or lock-up. The bill also explicitly provides that a person being detained must not be interviewed by police in relation to known or alleged offences. If an officer has grounds for arresting a young person and wishes to question him or her, then the existing law relating to arrest, custody and questioning will apply.

Release of detained young person

As soon as practicable after a young person is apprehended the police officer must release them into the care of a person:

who the officer reasonably believes is capable of taking care of the person; and

who consents to taking care of the person.

Examples of the sorts of people into whose care a detained person may be released include a parent or a guardian, or employees of appropriate health and welfare agencies such as a youth alcohol and drug service worker or an ambulance officer.

Factors that may be relevant to deciding to whom to release the detained person include the likelihood and degree of possible harm faced by the person and which people are best placed to take care of the person.

The bill does not create any new detention powers for a person into whose care the young person is released. For example, alcohol and drug workers at receiving drug and alcohol agencies will not have any powers of detention. The person will be free to leave the service at any point.

If the police officer is unable to release the person into the care of a person as set out above after taking reasonable steps to do so, the bill will enable the officer either to release the person or to continue to detain them until they are no longer likely to cause immediate serious bodily harm to themselves or others.

Seized property

The bill will require police to keep any seized or received property for seven days after seizing or receiving it and to inform the person from whom it was seized or received that he or she may apply for its return at the officer's place of duty within that seven-day period. However, given the nature of the materials, the bill also allows police to destroy the seized property or make it safe if it poses a risk to health or property. The child or young person may only reclaim the property if accompanied by a parent or guardian. If the property is neither destroyed nor claimed, it will be forfeited to the Crown.

Police records and reports

When new police powers are created it is important that proper records be kept of their exercise. The bill accordingly provides that police must keep records concerning searches, property seized, and apprehensions and detentions, and that the chief commissioner must provide information on these matters for inclusion in the annual report of operations.

Commencement and sunsetting of the bill

The bill will come into operation upon proclamation, or automatically on 1 July 2004, whichever is sooner. Commencement by proclamation will enable police and the various health and welfare agencies to finalise the operational arrangements needed to ensure the smooth and effective implementation of the legislation.

The bill will sunset two years after commencement. This will allow the operation of the new police powers to be reviewed after a reasonable period of operation.

Conclusion

This bill represents a concrete step toward getting these dangerous materials out of the hands of the unfortunate children and young people who abuse them. It represents an appropriate balance between the right to possess legal substances and the need to protect vulnerable children and young people from harming themselves.

The bill is, of course, only one part of what must be a multifaceted strategy to combat this disturbing social and health problem. The Bracks government will continue to do what can be done for the children and young people of Victoria.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until Wednesday, 21 May.

ATTORNEY-GENERAL AND SOLICITOR-GENERAL (AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

Following discussions with the Chief Justice, the Bar Council and the Law Institute of Victoria in 2000, it was agreed that the protocols in place for the appointment of Queen's Counsel would be altered. The alterations provided that senior members of the legal profession be appointed as Senior Counsel rather than Queen's Counsel.

The changes in protocol did not require legislative amendment. However, section 4 of the Attorney-General and Solicitor-General Act 1972 provides that the Governor in Council may appoint one of Her Majesty's Counsel to be Her Majesty's Solicitor-General. Senior Counsel cannot be appointed to the office of Solicitor-General because section 4 requires the Solicitor-General to be Queen's Counsel. The amendment allows the appointment of either Queen's Counsel or Senior Counsel to the position of Solicitor-General.

This amendment brings the act into line with contemporary legal practice and eradicates an outmoded attachment to the monarchy.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Wednesday, 21 May.

FISHERIES (AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

As part of the machinery of government changes implemented by this government, the functions of the Department of Natural Resources and Environment have been separated into the new Department of Primary Industries and Department of Sustainability and Environment.

The Fisheries Act 1995 is the only act administered by the Department of Primary Industries which is listed as 'relevant law' under the Conservation, Forests and Lands Act 1987. The other acts which are a 'relevant law' are administered by the Department of Sustainability and Environment.

As such, the 'secretary' in the Fisheries Act 1987 is defined to mean the body corporate established by the Conservation, Forests and Lands Act 1987, which is the Secretary to the Department of Sustainability and Environment as the successor to the secretary of the previous department. The administrative means of implementing machinery of government changes cannot split a body corporate to refer to more than one departmental secretary.

The bill will ensure that the Secretary to the Department of Primary Industries can directly exercise relevant statutory responsibilities and powers under the Fisheries Act as intended by the machinery of government changes.

In addition, the Secretary to the Department of Primary Industries is designated by the bill as both the chief and senior law enforcement officer for the purposes of the Surveillance Devices Act 1999 for authorised officers under the Fisheries Act.

I commend this bill to the house.

Debate adjourned on motion of Dr NAPTHINE (South-West Coast).

Debate adjourned until Wednesday, 21 May.

FAIR TRADING (AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The Fair Trading Act 1999 is the primary instrument of consumer protection in Victoria. This bill will transform the act into the most advanced consumer protection legislation of any Australian state or territory, and will make for a fairer Victorian marketplace and more confident consumers.

Specifically, it implements recommendations of the Fair Trading Act Review Reference Panel in its report to the Minister for Consumer Affairs in June 2002. The reference panel was formed in early 2001 when the government ordered a review of the act, primarily to ascertain whether it adequately addressed the needs of vulnerable consumers.

The reference panel consisted of consumer, industry, academic and legal representatives and was chaired by the member for Burwood. With the assistance of Consumer Affairs Victoria, the reference panel formulated an issues paper, which went out for public consultation from December 2001 until February 2002.

Submissions were received from the Australian Banking Industry Ombudsman, the Australian Direct Marketing Association, the Brimbank Community Centre, the Business Licensing Authority, Coles Myer Ltd, the consumer affairs division of the commonwealth Treasury, the Consumer Credit Legal Service, the Consumer and Tenancy Advice Service (Northern), the Direct Selling Association of Australia, the Energy and Water Ombudsman Victoria, the Financial and Consumer Rights Council, the Law Institute of Victoria, the Migrant Resource Centre (North West Region), the Office of Fair Trading, Queensland, the Springvale Community Aid and Advice Bureau, Urban Promotions Pty Ltd, and the Victorian Employers Chamber of Commerce and Industry.

The reference panel considered the submissions and produced recommendations for changes to the act in a report presented to the Minister for Consumer Affairs in June 2002.

Most of the reference panel's proposals for the amendment of the act have been accepted and are reflected in the bill, and the government records its appreciation for the efforts of the panel and of the member for Burwood in producing the issues paper and the report. A remarkable consensus was achieved across a broad range of issues.

This bill:

(a) states explicitly that one of the purposes of the act is to protect consumers;

(b) gives new powers for the Director of Consumer Affairs Victoria:

(i) to require traders to substantiate product claims, a power that will be used in areas where consumers are vulnerable to quick-fix claims, such as alleged weight-loss solutions and the sorts of claims made by disreputable introduction agencies;

(ii) to make public warnings, naming rogue traders;

(iii) to suspend business licences or registrations of rogue traders where the director, or the Business Licensing Authority, believes that there are grounds for disciplinary action and substantial harm will be suffered by consumers if urgent action is not taken;

(iv) to obtain 'cease-trading' injunctions against rogue traders;

(v) to issue 'show cause' notices to rogue traders as to why they should be allowed to continue trading, which could be used, for example, if a trader failed to respond, or inadequately responded to a 'substantiation' notice requiring it to back up what appear to be outrageous product claims; and

(vi) to require a person to furnish information, produce documents, or give sworn answers to the director, in line with the power given to the Australian Competition and Consumer Commission under the Trade Practices Act 1974;

(c) increases the maximum penalties for most of the main offences under the act from $60 000

for companies and $24 000 for individuals to $120 000 for companies and $60 000 for individuals, primarily to maintain the ratio, established when the Fair Trading Act commenced in 1999, between Fair Trading Act maximum penalties and the maximum penalties under part 5 of the Trade Practices Act 1974 for analogous offences;

(d) provides for infringement notices to be issued for appropriate offences;

(e) prohibits unfair terms in consumer contracts, along the lines of similar United Kingdom legislation but with a further provision enabling the government to prescribe terms in standard form consumer contracts as unfair, which will enable the government to step in where consumers sign take-it-or-leave-it contracts, not necessarily because of misleading, deceptive or unconscionable conduct by the trader, but which nevertheless contain terms that tip the balance unfairly and disproportionately in favour of the trader;

(f) requires consumer contracts to be in plain English and enables the director to apply to the Victorian Civil and Administrative Tribunal for an order prohibiting a trader from using a non-complying provision in its contracts;

(g) limits the hours of door-to-door selling to 9.00 a.m. to 8.00 p.m. on weekdays, 9.00 a.m. to 5.00 p.m. on Saturdays, and not at all on Sundays and public holidays;

(h) limits the duration of a door-to-door visit to 1 hour;

(i) requires door-to-door sellers to explain the visit limits to consumers;

(j) expands the door-to-door cooling-off right to 10 days, and to 6 months if the mandatory cooling-off notice is not given to consumers;

(k) requires the cooling-off notice to be conspicuously displayed on the contract;

(l) remedies the situation where door-to-door traders pressure vulnerable consumers into accepting unnecessary or unwanted services by prohibiting them from requiring or accepting payment for services performed during the cooling-off period and requiring them to apply to the tribunal for the imposition of a reasonable charge for services supplied under a cancelled contract, provided they show that no breach of the act was involved in the sale;

(m) extends the door-to-door provisions of the act to include sales seminars where consumers are bussed to the trader's premises by the trader and are therefore in a 'captive' situation.

The bill also amends the act to:

(a) relocate the implied consumer warranties and conditions from the Goods Act 1958 to the act, where they more logically belong and where consumers would expect to see them;

(b) change the name of Consumer and Business Affairs Victoria and the director;

(c) regularise the position of certain product safety ban orders;

(d) streamline the provisions enabling the director to undertake proceedings on behalf of consumers under the act and the Domestic Building Contracts Act 1995;

(e) provide for a sharing of the burden of proof between prosecutor and defendant in pyramid selling scheme prosecutions;

(f) enable Consumer Affairs Victoria inspectors to make applications to the court to retain material seized under a warrant or court order;

(g) improve the provisions of the act regulating lay-by agreements;

(h) close a loophole in the definition of 'unsolicited goods' so that it covers goods sent with the consumer's consent but only 'on approval';

(i) require traders to provide itemised bills on request, and receipts;

(j) broaden the application of the referral-selling provisions to all persons involved in promoting the scheme, not just the supplier;

(k) allow people suing traders who have avoided registering their business name to obtain any details of the trader that may be held by Consumer Affairs Victoria;

(l) tighten the exemptions to the 'anti-blower' provisions of the act that require publishers to obtain the prior written consent of advertisers;

(m) refining the provisions of the act that require traders to insert their names and addresses in their advertisements by allowing advertisers the option of inserting a business name registration number or occupational licence number instead of an address, or of providing their details to the publisher, who must keep the records for 12 months and allow inspection by Consumer Affairs Victoria inspectors;

(n) repeal the Small Claims Act 1973 and transfer the special procedures for small claims to the act;

(o) expand the tribunal's powers to resolve fair trading disputes (which are to be renamed 'consumer and trader disputes' to better indicate the broad nature of the jurisdiction) by enabling it to:

(i) declare that a debt is not owing;

(ii) order a party to do or refrain from doing something;

(iii) deal with small personal injuries claims attendant on a consumer and trader dispute; and

(iv) enable the tribunal to transfer a consumer and trader dispute to a court;

(p) expand the extraterritorial reach of the act to the maximum extent, particularly so as to catch activities of interstate Internet traders operating into Victoria;

(q) remove unnecessary restrictions on access to the ancillary remedies under the act, and clarify who is a 'person involved in a contravention' of the act, and how the state of mind and the agency of a corporation is established for the purposes of civil proceedings; and

(r) clarify that the director's powers to deal with breaches of the act also extend to other legislation administered by Consumer Affairs Victoria.

Section 85 statements

Clause 67 of the bill amends section 164 of the Fair Trading Act 1999 and states that it is the intention of section 112A to alter or vary section 85 of the Constitution Act 1975. I therefore make the following statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section.

Clause 51 of the bill inserts a new section 112A into the Fair Trading Act. Section 112A provides that where a consumer who is in dispute with a trader over a 'small claim' makes an application to the tribunal to hear the claim and lodges the amount in dispute with the tribunal, the tribunal has exclusive jurisdiction over the claim and that any proceedings by the trader in a court in respect of the claim be dismissed. This is to ensure that in repealing the Small Claims Act 1973 and transferring its small claim procedure to the Fair Trading Act, the tribunal is retained as the only forum for dealing with claims that would formerly have been made to it under the Small Claims Act 1973. That act also has a procedure for a consumer to lodge the amount in dispute with the tribunal.

The reason why the tribunal is made the only forum able to deal with small claims is because it is intended to have an informal, low-cost procedure to deal with such claims, without, for instance, the expense involved in having legal representation. It is considered critical to keep costs at a minimum to ensure that the benefit of any judgment is not effectively rendered useless by the costs involved. That intention is frustrated if small claims can be taken to the courts.

Clause 81(2) of the bill amends section 15 of the Administrative Law Act 1978 and states that it is the intention of section 4(3) of the Administrative Law Act 1978, as amended by the bill to alter or vary section 85 of the Constitution Act 1975. I therefore make the following statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section.

Clause 81(1) of the bill amends section 4(3) of the Administrative Law Act 1978 to provide that limitations on applications for review in that provision will apply to small claims under part 9 of the act in the same way as they applied to small claims under the Small Claims Act 1973, which is to be repealed. Section 4(3) of the Administrative Law Act requires the Supreme Court to refuse an application for review unless it is satisfied that the applicant has made out a prima facie case for relief on the ground that the tribunal had no jurisdiction in relation to the matter, or

there had been a denial of natural justice to a party in the proceeding before the tribunal.

The reason why the grounds for review in small claims are limited to a lack of jurisdiction or a denial of natural justice, and why an applicant must make out a prima facie case for review, is to ensure that the benefits obtained by having an informal, low-cost procedure to deal with such claims are not effectively defeated by allowing room for disproportionately expensive applications to the Supreme Court that are used to frighten the other party into giving up its order.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Wednesday, 21 May.

STATE TAXATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be now read a second time.

This bill makes a number of important amendments to the Duties Act 2000 and to the Pay-roll Tax Act 1971 which improve the efficiency of tax collection, increase compliance, and protect the revenue base. All of the amendments support the government's commitment to maintaining a fair and equitable taxation system.

Included in the bill are two new policy initiatives announced in the budget. These are the extension of the concession from motor vehicle duty for persons with physical disabilities who have had their vehicles modified to enable them to drive or be transported by others, and the replacement of the exemption from payroll tax for wages paid to apprentices with a new bonus scheme.

Amendments to the Duties Act 2000

The government remains committed to providing targeted assistance in the form of tax relief to those in the community who are in greatest need. As announced in the budget, this bill introduces a concession reducing the duty payable on applications for registrations of vehicles, and for transfers of registrations, by persons with a physical disability where that vehicle has been modified to enable that person to drive the vehicle. This concession will be available from 1 July 2003.

The benefit of this concession will mean that the duty normally payable is reduced by the reasonable cost of the modification to the vehicle. The value of the reduction is capped at the lower of the actual or reasonable cost of the modification. The benefit of the concession cannot exceed the duty otherwise payable. The concept of reasonable cost is defined as the lower of the actual cost, or the market price, of the modification.

Providing a reduction in the stamp duty based on the cost of such modifications provides assistance to a group within the community that is not currently recognised in the motor vehicle duty provisions.

The motor vehicle duty exemption for incapacitated persons will also be expanded to include vehicles that are specially converted, constructed or modified to allow transportation of at least one occupied wheelchair. The current exemption only applies to vehicles designed solely for incapacitated persons.

The new category will cover vehicles registered by incapacitated persons, their guardians, government bodies, municipalities or charitable organisations, and will be available in respect of vehicles acquired on or after 1 July 2003. These changes are to be implemented in the form of amendments to the Road Safety (Vehicles) Regulations 1999, which is administered by Vicroads. The State Revenue Office and Vicroads are currently working on these amendments.

The bill also introduces a number of technical amendments to chapters 1, 2, 3, 8 and 9 and schedule 2 of the act. These stem from the continuing dialogue and consultation with industry groups over the Duties Act, and will ensure that existing anomalies that create a significant impediment to the certainty and clarity of the law, are overcome. These technical amendments are also intended to ensure consistency between the Victorian Duties Act and duties legislation in other jurisdictions.

In order to secure the revenue, the bill includes amendments to prevent avoidance opportunities and close off activities that result in the avoidance of duty through the use of complex unit trust schemes. The need for legislative amendment was identified following audit activity by the State Revenue Office that revealed the use of complex unit trust schemes to avoid conveyance duty on property transactions. The government announced these amendments on 7 February 2003, with effect from that date.

These schemes typically involve a range of transactions that effectively change the underlying beneficial

ownership of dutiable property held by the unit trust. In this way, the current exemption from duty available in respect of the issue, transfer, redemption or cancellation of units in a unit trust is being manipulated to apply beyond the normal operation of a unit trust scheme.

To address this type of activity the bill introduces an anti-avoidance provision that empowers the Commissioner of State Revenue to charge conveyancing duty where the unit trust transaction is part of a scheme or arrangement made with a collateral purpose of reducing the duty that would otherwise be payable. The bill therefore preserves the character of the current exemption, but ensures that it cannot be used as a mechanism to avoid conveyance duty.

The bill introduces amendments to the land-rich provisions in Duties Act, which have been targeted by avoidance schemes utilising company shares and/or unit trusts. Other jurisdictions have also acknowledged weakness in their equivalent provisions.

The 'land-rich' provisions are intended to ensure taxpayers cannot avoid conveyance duty by effecting a transfer of land via the issue of company shares and/or private unit trusts rather than by sale. Currently the transfer of shares or units in a private corporation with underlying interests in land is dutiable if:

the corporation has land holdings in Victoria valued over $1 million; and

its landholdings in all places comprise 80 per cent of the total unencumbered value of all its property; and

a majority interest (more than 50 per cent) is being acquired by the private corporation or unit trust.

Two land-rich provisions, in particular, have been exploited by tax-avoidance specialists, representing a significant and immediate threat to revenue. For this reason two amendments are required. The first amendment strengthens the definition of 'related persons' so that persons are deemed to be related if they acquire interests in a private corporation and the acquisitions form, evidence, give effect to or arise from substantially one transaction or series of transactions. This will more closely align the Victorian test with the Queensland and Western Australian tests. The second amendment clarifies what is to be excluded when calculating the total unencumbered value of the property held by a private corporation. This amendment adopts the test as it existed under the now repealed Stamps Act 1958.

As a further clarification and revenue protection measure, the bill effects amendments to ensure that duty is charged on the GST-inclusive value of dutiable property. As background to this amendment, in the case of *Royal & Sun Alliance Insurance Australia Ltd v. Commissioner of State Revenue*, Royal & Sun challenged the imposition of stamp duty on GST-inclusive insurance premiums.

The Royal & Sun case only concerned insurance duty, but the commissioner has received legal advice regarding the wider implications of this case across all duty lines where duty is imposed on a GST-inclusive basis. Irrespective of the outcome of the Royal & Sun case, which is currently under appeal, counsel recommended legislative amendment across all duty lines where duty is currently, and/or has been previously, charged on GST-inclusive amounts, to provide certainty about this issue.

The amendments in the bill expressly confirm that duty is to be, and has been since the introduction of GST, imposed on GST-inclusive amounts (excepting duty on rental businesses and the sale of livestock).

The amendments are consistent with the announcement made by the government on 2 March 2000, being that duty imposed since the introduction of GST would be charged on GST inclusive amounts (except for duty on rental business and on the sale of livestock). These amendments are deemed to operate from 1 July 2001, being the date that the Duties Act came into effect.

The bill also includes a transitional provision stating that, for the purposes of certain parts of the Stamps Act 1958, in determining the value, or consideration, or premium, paid for anything there is to be no discount for the amount of GST payable.

These amendments operate from 1 July 2000, being the date that the GST act came into effect. However, the bill expressly preserves the rights of the litigants in the Royal & Sun case, so they are not affected by the amendments.

Amendments to the Pay-roll Tax Act 1971

The government is removing the current payroll tax exemption for wages paid to trainees and apprentices and replacing it with a new scheme that will pay a bonus to eligible employers when trainees and apprentices complete their qualifications. A bonus of $1500 will be paid for trainees and $3000 for apprentices. To be eligible to receive the bonus employers must have three or more trainees or apprentices who complete their courses before the age of 25.

The existing exemption has been misused by some employers, who have terminated trainees and apprentices before completion of their courses. The new completion bonus scheme will end this misuse, reward employers who take on trainees and apprentices in good faith and boost the level of completions of traineeships and apprenticeships. The government will also provide additional funds to refocus vocational education and training programs to target specific needs in the Victorian labour force, meet increased demand for alternative vocational education and training pathways, assist parents and redundant workers retrain and improve opportunities for young Victorians to acquire skills and qualifications. The exemption will not be available in respect of new training agreements entered into after 7 May 2003 for wages paid or payable to apprentices from 1 July 2003. Wages paid under existing contracts and agreements will continue to be exempt until 31 December 2003.

As a further revenue protection measure, and to ensure certainty of taxation, the bill amends the grouping provisions in the Pay-roll Tax Act. These provisions were originally introduced as an anti-avoidance measure and as such were intended to have wide application. They were designed to address the situation where employers were exploiting the tax-free threshold by splitting their businesses into multiple entities.

Under these provisions employing entities form a mandatory group where they are related holding or subsidiary companies under the corporations legislation. Entities may also be grouped, subject to a discretion, where their businesses are commonly controlled by the same persons or if they inter-use or share employees. Each group is permitted one tax-free deduction.

In a recent case, *Muirs Electrical Company Pty Ltd v. Commissioner of State Revenue*, the Court of Appeal read down the grouping provisions. The decision overturns accepted interpretation across all states and the administrative practice of the grouping provisions over the past 28 years. The SRO is currently appealing this decision, but legislative amendment is required to restore and clarify the effectiveness of these grouping provisions.

Given that payroll tax is a self-assessed tax, the grouping provisions are an area where certainty is paramount, both to enable employers to correctly calculate their payroll tax liabilities and to enable efficient and cost-effective revenue collection. The bill contains amendments to restore the effectiveness of the 'inter-use' elements in the grouping provisions. The amendments restore the original intention of the provisions.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Wednesday, 21 May.

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Second reading

Debate resumed from earlier this day; motion of Mr HULLS (Attorney-General).

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

Mr McINTOSH (Kew) — I move:

1. Clause 3, lines 13 to 15, omit all words and expressions on these lines.

2. Clause 3, line 16, omit "(d)" and insert "(c)".

3. Clause 3, line 26, omit "60AH)." and insert '60AH).".'.

4. Clause 3, lines 27 to 33 and page 4, lines 1 to 8, omit all words and expressions on these lines.

As I said during the second-reading debate, the opposition is not opposing the underlying fabric of this bill. Indeed, giving police flexibility in issuing penalty infringement notices to deal with the nuisance factor, or collateral effect, of street prostitution in areas of St Kilda and perhaps elsewhere is a matter that the opposition agrees with. However, we are critical of the fact that the bill does not go further to deal with the issue of prostitutes and clients but is only limited to the collateral effect of the problem, which is the guttercrawlers or sex tourists.

It is certainly the opposition's position that this is a useful and very flexible tool, as it enables a police officer to enforce the law in relation to offensive behaviour against sex tourists, but that would be a useful tool to use right around the state of Victoria and should not be limited to defined geographical areas. That is the substantial vice of this bill, as the opposition

sees it — the Attorney-General designating a particular area as an area where there is street prostitution in great quantity or at a particular time, or whatever. The words used by the Attorney-General in the second-reading speech are that it is 'a prevalent problem'.

That poses a number of questions about the criteria that the Attorney-General would look at in determining whether it is a prevalent problem. Although the second-reading speech talks specifically about dealing with the problem in St Kilda, we know anecdotally that there is a problem in other suburbs, and I do not need to go into any detail. I would have thought that that flexibility should extend to other suburbs, if not the whole of the state of Victoria.

The whole idea is not only to provide flexibility to police officers in enforcing the law but to declare an area to be an area of prevalent street prostitution. As I have said, essentially the Attorney-General is saying that we are unable or unwilling to enforce the law on street prostitution. So a vice is attached to designating an area. Again, effectively the Attorney-General is saying that the rule of law does not apply to that particular area because we are unable or unwilling to enforce it.

The other thing is the criteria the Attorney-General may look at. Are we looking at the number of street prostitutes? Does he go down the road and count the number of heads? Or are we talking about the times of operation that may affect local residents? Is it early in the morning or late at night? Are we talking about the price charged or about the quantity and quality of the services? It is just bizarre that we have to go through this turgid process of declaring a particular area to be an area where the Attorney-General is unable or unwilling to enforce the law and yet deal with a collateral effect of that problem, which relates to guttercrawlers.

I would like to pose three questions to the Attorney-General. The first is why do we have to go through this process of declaring an area to be an area of prevalent street prostitution? Why not just provide the flexibility to enable it to apply right throughout the state of Victoria to deal with a problem that may change rapidly — far more rapidly than the Attorney-General could address through a declaration? The second question is what criteria will the Attorney-General look at in making a determination that there is a problem with street prostitution — to the point where he could say it is prevalent in that area? And does that mean that other areas in which it may not be as prevalent will miss out on having access to this flexible tool which is in the hands of the Victoria Police?

Finally, I ask the Attorney-General to give an undertaking to this chamber that it is not his intention to introduce legislation to decriminalise street prostitution in those designated areas.

Ms D'AMBROSIO (Mill Park) — I speak in opposition to the amendments. I take this opportunity to congratulate the Attorney-General and specifically the member for Richmond on their considerable contribution towards the gestation of this bill.

The bill arose out of the Attorney-General's Street Prostitution Advisory Group Final Report of 2002. I know the member for Richmond dedicated an enormous amount of time and effort as chair of the advisory group, and it is a pleasure to serve with him and the minister in the 55th Parliament.

I place on record my opposition to the amendment to remove designated areas from the bill. This bill serves to assist the residents of the St Kilda community to cope with one unsavoury spin-off of street prostitution: the behaviour of some members of the community who travel the streets by car seeking to harass sex workers and cause collateral nuisance to the general public by their threatening and abusive behaviour. The point is well and truly missed by wide measure, and what needs to be accepted and understood by members of the opposition is that when you fail to understand a problem you actually, by default, become a part of the perpetuation of that problem.

Street prostitution is a complex issue generating many complex reactions from members of the community, especially in St Kilda, who are either actively or passively affected by it. Members of the chamber are not the only ones to know that prostitution is not unique to certain areas of St Kilda, but its prevalence, concentration and attraction for sex tourists is peculiarly a St Kilda phenomenon. The amendment indicates a failure on the part of the opposition to understand it and accept it, and of course the opposition can never come to grips with trying to solve the problem.

The bill seeks to protect the sex workers who are the direct target of the harassment and abusive behaviour. It also equally helps to ameliorate the impact that such public behaviour has on residents who would prefer and of course have a right to go about their ordinary business in a safe and secure environment. This clause goes a good way towards responding to these issues.

The level and severity of abusive behaviour is pronounced and arises because of the existence of street prostitution. I would ask the opposition to identify any other similar areas in Victoria which attract the same

level of severity of abuse. This is exactly what we have in certain areas of St Kilda.

I am concerned that some confused contributions to the debate in the chamber have demonstrated a misunderstanding of the bill's applicability. These contributions assert that the sex tourists are the same people who solicit prostitutes and therefore the conclusion that is drawn is that not enough is being done to put a stop to guttercrawlers, for example, altogether. Some members on the other side of the chamber went to lengths to indicate sympathy for sex workers and residents, although their amendment leaves me wondering about their sincerity in that. Locals, sex workers and other residents alike want this bill because it makes good practical sense. It deals with very specific problematic behaviour in designated areas where the sex trade is most prevalent, and it does this because that is where the problematic behaviour is most exhibited.

The amendment merely serves to undermine this principle and misses the point: nowhere else. The bill is a localised solution to a local problem in specific areas. I unequivocally oppose the amendments and commend the entire bill to the chamber.

Mr LUPTON (Prahran) — I also rise to oppose these amendments, and I take the opportunity, as the member for Mill Park did, to congratulate the Attorney-General and the advisory group, in particular the member for Richmond, who chaired the advisory group that produced this report with great determination and vigour.

As we said during the second-reading debate, this is a local solution to a local problem. The opposition fails to understand that. This clause, which the opposition seeks to omit from the bill, gives the Attorney-General the appropriate and proper flexibility to declare areas wherever the problem that is sought to be overcome by the bill is prevalent. That is why it is necessary for the clause to remain in the bill to allow the Attorney-General to have proper and appropriate flexibility in applying this solution to a local problem.

It may well be that over a period of time the type of behaviour sought to be targeted by this specific measure moves from place to place, and if the behaviour sought to be targeted by the provision does move from one place to another, this clause allows the Attorney-General to make an appropriate declaration from time to time.

It is also important to remember that the designated areas last for 12 months. That is an appropriate and proper approach to take to this kind of issue where we are trying to deal with behaviour and see whether or not this is effective. If it has been effective it may not be necessary to keep this provision in place permanently. On the other hand, it may be needed in a slightly different area of Melbourne or Victoria.

For those reasons it is important that this particular clause stay part of the bill, and I oppose the amendments.

Mr PERTON (Doncaster) — These amendments seek to take out one of the elements of this bill that is objectionable to the people of St Kilda and objectionable to people in general. Before the last election the issue of sex tolerance zones was very much an issue in the seat of Albert Park and was very much a part of the political debate in this state, and the member for Albert Park, the Deputy Premier, made it quite clear that street sex tolerance zones were off the agenda.

A week after I had held a meeting of traders in Fitzroy Street, St Kilda, to publish our draft policy in respect of this matter, the Attorney-General turned his previous views on street sex tolerance zones on their head and said that street sex tolerance zones would not be introduced in the state. The Premier too mumbled and stumbled his way through the issue and said there would be no street sex tolerance zones. But what do we have in this piece of legislation? We have a provision under which the Attorney-General is able to declare a street sex tolerance zone.

The honourable member for Kew made it quite clear about what a turgid exercise this is. The Attorney-General will have to satisfy himself that street sex is a prevalent activity in the area to be declared. Will he have to drive the streets at night? How will he satisfy himself of these matters? It is an inappropriate exercise on the part of an Attorney-General. If street sex is to be tolerated in this state, if the harassment of street prostitutes is to be an offence, it ought to be an offence wherever it occurs. I note an honourable member opposite laughing at this point. We know street sex activities are not just taking place in St Kilda and the surrounding areas, they are also taking place in other suburbs. They are inappropriate — —

Mr Hulls interjected.

Mr PERTON — The Attorney-General has asked me how I know. His own police force and officers of his own department are aware that sex services are being sold by young people in their early teens in other suburbs in the state. Street sex is being offered by these young people. I have a personal view that it is

inappropriate. We have a system in this state that was introduced by previous governments that legalised brothels so the activity could be controlled, health provisions could be maintained and the criminal law could be preserved. But this government by stealth has said that the sale of prostitution services on the street is acceptable.

On the first occasion on which this Attorney-General makes a declaration he will make it clear that the promise he, the Premier and the Deputy Premier made that there would be no street sex tolerance zones in this state is a lie and a sham and made solely for the purposes of holding the seat of Albert Park in the last election.

We support the general direction of this legislation — indeed we go further and say the assault of street prostitutes is an activity that ought to be stamped out — but we oppose the provision that requires this Attorney-General to effectively declare an area as an area in which the sale of prostitution services will be tolerated on the street. We as members of the Liberal Party stand up not only for the people of St Kilda and Albert Park in their opposition to this but for all the people of Victoria who believe the sale of sexual services through street prostitution is inappropriate. We as a society have sought to regulate these activities through an appropriate system of legislation, and we do not want to see that set aside. It is a danger to the community, it is a danger to the young people offering their bodies for money on the streets, it is a health danger, it is a crime danger and it is a danger to these prostitutes. We do not believe that is appropriate, but we do support a provision that prohibits the harassment of people forced into this dreadful situation.

Mr WYNNE (Richmond) — I rise to oppose the amendments. It is quite remarkable that the opposition has yet again chosen to use an opportunity to politicise this issue. One would have hoped we would have had a bipartisan position, as we did with the committee that I had the honour to chair on behalf of the Attorney-General. We had a position that was signed off by a member for Monash Province, but we will not bother revisiting that debate — —

An honourable member interjected.

Mr WYNNE — And the National Party, although the National Party did oppose some aspects of it. Certainly, a member for Monash Province signed off on the report. What we have here today yet again is a cheap attempt by the opposition to unnecessarily politicise this issue. I only have to hark back to the former member for Prahran, whom I regard as a person of great integrity and a person who worked very hard on behalf of her constituents. But let me say her performance in relation to the street prostitution issue was a disgrace. She wrote a direct mail letter to her residents — it is a classic harum-scarum letter — and I will quote a part of it:

> As the state parliamentary representative for Prahran, I thought it important that you be aware that a planning consultant for Port Phillip City Council has recently suggested that your street would be ideal as a proposed 'tolerance zone' for street prostitution.

I took the matter up with the then member for Prahran by asking, 'What are you on about? You are a person who in fact supports the recommendations that were proposed in this report'. She moved around and said, 'Well, perhaps it was a bit of a mistake. It was done by my office'. This was a pathetic performance, and the voters saw through it, and we now have a member for Prahran who is prepared to stand up for his community and say, 'We are there. We are going to tackle the hard issues'.

This government has enacted the recommendations that arose from the report to address the offensive behaviour of hoons and sex tourists who think it is a bit of fun to go down to the street prostitution areas on Saturday nights using abusive language and generally creating hoonish behaviour, to which we should all absolutely object.

But in yesterday's debate there were propositions that said if you are going to have a penalty infringement notice (PIN) why not go further and talk about having a PIN for soliciting. I think we dealt with — —

Mr McIntosh — You recommended it.

Mr WYNNE — The shadow Attorney-General ought to read the report. There is no recommendation in the report that talks about having a PIN for soliciting for street prostitution. Read the report! That is what I suggest to the honourable member for Kew.

In relation to why areas have been declared, when the Attorney-General gave us the brief he said two absolutely fundamental things, and I will repeat them from yesterday's debate: firstly, that there would be no decriminalisation of street prostitution; and secondly, that we must come up with local solutions to the local problem. What did we come up with in relation to the hoon behaviour and sex tourists? We came up with a local solution that is St Kilda based. Why would that be? Because — lo and behold! — that is where street prostitution occurs.

Mr McIntosh interjected.

Mr WYNNE — The member for Kew says, 'Why don't you enforce it?'.

Mr McIntosh — Well, why don't you?

Mr WYNNE — I remind the member for Kew, who unfortunately was not here for my contribution last night — I will assist him yet again today — that it is this government that put a further 28 or so police officers into the St Kilda police station to give it a full complement of police who can walk the beat and address the issues of concern, including street prostitution.

I will finish my contribution at this point and simply suggest to members opposite that this is not the sort of issue that they should be making cheap political points out of. I ask them to read the report. We stand by the report. It is a solid report. In relation to recommendation 4, we are implementing the proposal that was supported by the local community.

Mr RYAN (Leader of the National Party) — I join the debate on the amendments to indicate that, as I said yesterday on behalf of the National Party, we support the amendments proposed by the Liberal Party. After I made that comment yesterday I had the opportunity to listen carefully, as I always do, to the contribution the member for Richmond made during the course of the second-reading debate. I still cannot accept the logic he purports to apply to the application of the penal provisions in this legislation only in these declared areas. I do not believe there is a nexus between the two concepts.

The Attorney-General shrugs about it. The legislation incorporates the sorts of provisions which will allow the use of penalty infringement notices (PINs) — which, to the extent that they apply in this legislation, are very sensible, and I commend the government for introducing them. I think allowing the sunset clause to apply for 12 months has something to recommend it, too, to see whether at the expiration of that period some sort of modification to the legislation may be necessary or some other approach might need to be taken to a problem which I readily recognise is extraordinarily difficult.

But I do not see the logic of applying the penalty provisions in the bill in the manner contemplated by that same legislation. If, for example, the use of PIN notices were to shift the activity about which there is very properly complaint by the various people who are impacted on by this conduct into an adjoining street or streets, you would then be in a situation where the whole process would have to go back to the Attorney-General, in effect, for the purpose of further declarations of new areas. The whole thing will be a situation — I hesitate to use the expression 'a moveable feast', and I will not — where it may not be possible to give proper effect to the application of this law as it is intended to apply because of the necessity to make the declarations before the core of the legislation can actually take its course. I simply do not see the logic of it.

I would have thought the Attorney-General and the member for Richmond would be far happier to have the provisions apply statewide, wherever the problem may occur. I do not see any mechanism whereby the laudable endeavours of the government, which are supported by all of us in a fundamental sense, will be curtailed.

The other issue is that, whilst I understand that there is a consensus view that the major issues arising from this activity are for the main part focused in particular areas around St Kilda, nevertheless — and I readily admit I have not read the report, so I will wear the interjections as they come — I would have thought that, although the residents of given streets may be concerned and may want to have this issue addressed, they will not be too enamoured of being residents of a street which happens to be a declared area.

Even in practical situations such as, for example, where they want to sell the home and move out of the area, it would be a fantastic requisition on the title to have to declare — —

Mr Wynne interjected.

Mr RYAN — You would. I invite the member for Richmond to think about it. It would be something, I suggest, that would have to be disclosed by a practitioner acting on behalf of the vendor of a house that this sort of policy had been applied and that the house in question was in a declared area under the terms of this legislation.

Mr Wynne interjected.

Mr RYAN — You can say it is an infantile example, but just while I am on my feet it is something that occurs to me as being reflective of how the government is needlessly complicating a piece of legislation which we all fundamentally support. That complication arises out of a provision that can easily be accommodated by the amendments moved by the Liberal Party, and we can all get on with life and see if this issue can be properly addressed, as the legislation fundamentally intends.

Mr HULLS (Attorney-General) — In summing up, can I say that this is good legislation. It is legislation that I am pleased is supported by the opposition. The government opposes the amendments. I wholeheartedly thank the honourable member for Richmond for the enormous amount of work he did in relation to this. It was a very difficult task that I gave him. We all remember when down in the St Kilda area residents were fighting residents in the streets over what to do about the huge influx of street workers. The community approached the government, which set up the Attorney-General's Street Prostitution Advisory Group, which was ably headed up by the member for Richmond. I also agree with him that the council played a very constructive role. It is a very difficult issue that has been put in the too-hard basket for a long period of time.

A number of innovative recommendations were advanced by the group, and those recommendations were initially accepted by the government. It is true that the recommendations that were accepted by the government initially included safe houses, tolerance zones, on-the-spot fines for guttercrawlers and improved assistance to exit street workers from the industry. Ultimately there was further consultation with the community but there was not consensus.

We always said we would implement recommendations with the consensus of the community. Ultimately there was not consensus. It is true that we moved away from that position because we could not get consensus in the local community — we do not back away from that. But anyone who thinks this legislation is a return to some sort of red-light district policy — and I notice the shadow Attorney-General had something to say about that in the paper the other day — has been eating too many Travacalm tablets! Seriously, they are in la-la land if that is what they think. That is an absolute nonsense. The fact is that this is sensible legislation. It is appropriate legislation.

Honourable members interjecting.

The CHAIR — Order! The honourable member for Kew!

Mr HULLS — The fact is that we can recall the Leader of the National Party yesterday saying that this legislation should be extended to impose PIN notices on the street workers themselves. Can I say that that was considered, but we opposed it, because this is a strict liability offence where a person is given an infringement notice based on the evidence of the police. It is also a reverse-onus situation. The fact is that if you are a street worker, you have to show intent. There is mens rea, and you have to have evidence that the person was involved in street work. So that is not a strict liability offence. You learn in legal studies 1A what a strict liability offence is!

So we believe this is appropriate legislation. But I would have hoped that we would not continue to play politics with this issue. Because those that played politics with this issue are no longer with us. The former member for Prahran and a former member for Monash Province in the other place, Peter Katsambanis, are no longer with us because they played politics with this issue, and that is not what the local residents want.

Let me say that some interesting issues were raised by the shadow Attorney-General. I think he raised three issues, one of which was: why go through the designation process, because it should apply throughout Victoria? We made it clear that this is a local problem and that we have a specific solution for this local problem.

An honourable member interjected.

Mr HULLS — What criteria are exercised? The fact is that there will be extensive consultation with the police, because we believe they are best placed to deal with this matter. There will also be consultation with the council, of course. The fact is that the police support this legislation. It is true that they wanted us to go further and to include issuing PIN notices to street workers for soliciting. But again our view was that a strict liability offence should not apply to street workers.

I give an undertaking that we do not intend to decriminalise street prostitution. This has nothing to do with decriminalising street prostitution! It is all about ensuring that a problem that exists in particular areas can be dealt with appropriately by the police so the amenity of the local area can be protected and the safety of those involved in street work — unfortunately you cannot bury your head in the sand, because it does exist — can be enhanced. It is absolutely appropriate that that be done. Members of the opposition are saying, 'We stand up for the people of Albert Park', but that is news to me. A couple of days ago a very senior member of the opposition had some very interesting things to say about the people of Albert Park — and he was not talking about this legislation as far as I am aware.

This is sensible legislation and it is fair legislation. Let us stop playing games about this and actually get in

behind it. Members opposite should give credit where credit is due: we are doing something that the Kennett government failed to do despite all the reports it had. We all remember the former Attorney-General, Jan Wade, commissioning a report into this. But she let it sit on the shelf and did nothing about it. We are acting on a report and doing something to clean up some of the unsafe goings-on that take place down in St. Kilda in areas in which street prostitution takes place. Indeed, we are assisting the police to improve the amenity of the local area and to ensure the safety of those who unfortunately are involved in street work.

I commend the bill to the house, but I oppose the opposition's amendments. They are an attempt at cheap, political point scoring.

Mr McINTOSH (Kew) — One of the fundamental problems with this bill is the question of the law — where it should apply and how it should be enforced. It creates a real difficulty when legislatures make determinations as to where the law should apply. This law will apply house by house, street by street. As the Leader of the National Party indicated, it could also impact on property values — on the values of property that we would all understand to be in an area where prostitution is prevalent. It is an admission that the law in respect of that does not apply, or that we cannot or will not enforce it.

The other thing is that I would have thought that the people you would want to consult with are the police. The police deal with the problem; according to the Attorney-General they apparently know where the problem is. Why limit the ability of the police to enforce the law by saying it will be the law here, but not there. If it moves, if it changes and if it adapts, why would the Attorney-General want to buy into the enforcement of the law, which really should be a police command decision? That is what I do not understand.

The opposition supports the underlying tenet of the law. It supports the application of penalty infringement notices in relation to sex tourists or guttercrawlers and the offensive behaviour it is trying to eliminate. If it is such good law, why should it not have general application around the state? Why should it not be able to be enforced by the police immediately, effectively and appropriately where the problem actually exists? Accordingly I call upon the government to support the amendments.

Committee divided on amendments:

Ayes, 24

Asher, Ms
Baillieu, Mr
Clark, Mr
Cooper, Mr
Delahunty, Mr
Dixon, Mr (*Teller*)
Doyle, Mr
Honeywood, Mr
Jasper, Mr
Kotsiras, Mr
McIntosh, Mr
Maughan, Mr (*Teller*)
Mulder, Mr
Napthine, Dr
Perton, Mr
Plowman, Mr
Powell, Mrs (*Teller*)
Ryan, Mr
Shardey, Mrs
Smith, Mr
Sykes, Dr
Thompson, Mr
Walsh, Mr
Wells, Mr

Noes, 59

Allan, Ms
Andrews, Mr
Barker, Ms
Batchelor, Mr
Beard, Ms
Beattie, Ms
Bracks, Mr
Brumby, Mr
Buchanan, Ms
Campbell, Ms
Carli, Mr
Crutchfield, Mr
D'Ambrosio, Ms
Delahunty, Ms
Donnellan, Mr
Duncan, Ms
Eckstein, Ms
Garbutt, Ms
Gillett, Ms
Green, Ms (*Teller*)
Haermeyer, Mr
Hardman, Mr
Harkness, Mr
Helper, Mr
Herbert, Mr
Howard, Mr
Hudson, Mr
Hulls, Mr
Ingram, Mr
Jenkins, Mr
Kosky, Ms
Langdon, Mr (*Teller*)
Languiller, Mr
Leighton, Mr
Lim, Mr
Lindell, Ms
Lobato, Ms
Lockwood, Mr
Lupton, Mr
McTaggart, Ms
Maxfield, Mr
Merlino, Mr
Mildenhall, Mr
Morand, Ms
Munt, Ms
Nardella, Mr
Neville, Ms (*Teller*)
Overington, Ms
Pandazopoulos, Mr
Perera, Mr
Pike, Ms
Robinson, Mr
Savage, Mr
Seitz, Mr
Stensholt, Mr
Thwaites, Mr
Trezise, Mr
Wilson, Mr
Wynne, Mr

Amendments negatived.

The CHAIR — Order! The time for me to report progress under sessional orders has now arrived.

Progress reported.

Business interrupted pursuant to sessional orders.

Sitting continued on motion of Mr BATCHELOR (Minister for Transport).

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Committee

Resumed from earlier this day; further discussion of clause 3.

Clause agreed to.

Clause 4

The CHAIR — Order! The member for Kew cannot move amendment 5 in his name as it was consequential upon the earlier amendments.

Clause agreed to.

Reported to house without amendment.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr BATCHELOR (Minister for Transport).

ADJOURNMENT

Mr BATCHELOR (Minister for Transport) — I move:

That the house do now adjourn.

Torquay Primary School: former site

Mr PERTON (Doncaster) — The matter I wish to raise for the attention of the Premier involves the site of the former Torquay Primary School. The action I seek is that the Premier intervene to ensure that the government preserves open public space on the site of the old school or gives funding to the Surf Coast Shire Council to enable it to purchase the site.

I recall that when they were in opposition the Minister for Education and Training and the Minister for Education Services were strong opponents of the selling off of any school-owned land, but they are not willing to step in to help this community.

When the former member for South Barwon, Alister Paterson, asked about this site in May 2002, the Minister for Education and Training stated:

> Following the construction of the new Torquay Primary School I am seeking advice from the Department of Education and Training as to whether the old primary school is required for educational purposes. The remaining buildings on the site are being removed for safety and security reasons.

It was under review until the election date, and at an open forum in early April this year 120 locals gathered to work to retain some of the site as open space. They are supported by significant Surf Coast Shire councillors. Unfortunately they are not supported by the new Labor member for Barwon South. These 120 residents were dismissed by the new Labor member for South Barwon, who described the meeting as a waste of time and the issue as not being an issue prior to the election, which apparently renders him helpless and disinterested today.

The local newspaper, the *Torquay Times*, reported that at the forum:

> The member for Barwon South, Michael Crutchfield, said, 'It will be sold'.

The government is determined to flog it off at top commercial rates. What the local Torquay residents find curious is that the candidate who promised to be consultative and stand up for the rights of the local community has become the lap-dog representative for the government in Torquay. They find it even more curious that the said member had acknowledged the lack of open space in Torquay. The residents are not asking for all of the land to be kept. To the extent that it would meet an interim need and could one day be acquired by council, they cannot see why they do not have a case. The spokesman for the organising committee, Mr Phil Newson, and his fellow organisers are not unreasonable. They have noted that there is a precedent, the site of the former Queenscliff Secondary School being one.

The untruthfulness of the Labor candidate who is now the member stands out in a number of ways. The construction of the new Torquay Primary School was undertaken with $4 million allocated by the previous Liberal government, but a former member for Geelong Province, Ian Cover, predicted that Labor members would come to the opening of that site and claim the credit for their government, even though the planning and the funding had been conducted by the previous government. I ask the Premier to intervene, because the local member will not.

Geelong Wool Combing: industrial dispute

Mr LONEY (Lara) — I raise a matter for the attention of the Minister for Industrial Relations that relates to a protracted dispute currently taking place in my electorate at Geelong Wool Combing. I am asking that the minister take action at the next ministerial council to seek amendments to address the flaws in the Workplace Relations Act to improve industrial relations at places such as Geelong Wool Combing. This is a dispute which is being conducted under the flawed workplace relations regime of the federal minister, Tony Abbott, and it is clearly showing up the worst aspects and the loaded nature of the commonwealth regime.

The employees have been attempting to negotiate a new agreement with the company for many months. They fear that the offer made by the company will have

a severe adverse effect on them, including annual pay rises over three years at less than the rise in the consumer price index; sick leave being paid at 75 per cent of their annualised salary; an effective 25 per cent pay cut for six months of each year; increased casualisation of the workplace, including all overtime being paid at casual rates; capping redundancy arrangements regardless of years of service; and swapping from seven-day to five-day rosters at will.

Employees offered to negotiate a two-year agreement with Geelong Wool Combing which recognises some of the company's current difficulties and which would actually result in employees receiving less than they receive under the current agreement. However, there was still a failure to reach agreement. As a result, when employees arrived for work last Monday the company imposed a lockout and all reasonable processes broke down.

This lockout was challenged in the Federal Court, which on Monday of this week handed down a decision declaring it to be illegal and ordering the company to allow the workers back in. It is believed that the company will now follow the technical procedures of Tony Abbott's bizarre regime and reimpose the lockout.

The way in which this dispute is being conducted is akin to industrial madness. It is a return to the bad old days of industrial warfare under an industrial relations regime that is much beloved of the minister, Tony Abbott, and of course his predecessor, the disgraced Peter Reith. It is not the way in which Victorians wish to see their workplaces treated.

Again I ask that the minister take action at the next ministerial council to seek amendments which address the flaws in the Workplace Relations Act and to improve industrial relations at places such as Geelong Wool Combing.

Severe acute respiratory syndrome: Goulburn Valley

Mrs POWELL (Shepparton) — I raise a matter for the attention of the Minister for Manufacturing and Export. The action I seek is to urge the minister to vigorously promote the Goulburn Valley fruit industry overseas, especially to the Asian market. The fruit industry in my electorate is suffering badly because of the severe acute respiratory syndrome (SARS) outbreak around the world.

The Goulburn Valley is well recognised as the food bowl of Australia. It provides millions of dollars to the economy of Victoria. Eighty-five per cent of the Goulburn Valley's quality fresh produce is exported to Asian markets, some of which are now closed or difficult to get fruit into because of quarantine restrictions. Many of our fruit growers have recently faced a number of challenges, including the worst drought on record; the high cost of water — up to $500 a megalitre; a lack of fruit-pickers, who did not come because they thought there would not be any fruit; and a huge build-up of product from other countries who normally sell their product to Asia and who have reduced their prices to sell it. This competition has impacted strongly on the Goulburn Valley growers, because the Asian market is very price competitive. Tonnes of fruit are stored in cool stores in the Goulburn Valley, waiting to be sold. There is a huge opportunity at the moment to promote Victorian produce into the Asian market.

Consumers are being selective about where their fruit comes from because of the SARS virus, which can be transmitted by handling the product. The minister should get on the front foot and aggressively market Goulburn Valley fruit overseas. This should be an easy task, because the world will be getting Australia's best fresh produce. The Goulburn Valley is respected for its clean, green image, and the growers have worked very hard to earn that respect over many years. The packing sheds and the fruit are quality assured, and there are stringent controls on how the product should be handled.

In these tough times we need to be able to maximise the returns to our growers, who are finding it tough because of all sorts of conditions. They have a strong need now to bring their economy back into the black. This is an opportunity for the Bracks Labor government to show that it really supports country Victoria. I ask the minister to urgently build those relationships overseas and to start promoting Goulburn Valley fresh produce overseas, especially in the Asian market.

Foster Care Association of Victoria: funding

Ms NEVILLE (Bellarine) — I raise a matter for the attention of the Minister for Community Services. I ask her to take all necessary action to ensure adequate funding is provided to the Foster Care Association of Victoria, which is the peak body for all Victorian foster carers and their local associations.

The association has been in existence for over 10 years and has a membership of over 900 foster carers. It is managed voluntarily by foster carers and other volunteers. People contribute a considerable amount of time and skills to ensure that our foster care system

continues to improve and is responsive to the needs of foster carers and the children they are looking after. Foster carers provide a valuable service in caring for our children and young people who, for whatever reason, are unable to live with their families.

The Foster Care Association of Victoria makes an ongoing contribution to policy development in the area of community care and is always making contributions to improving the system for both carers and children and young people. It currently participates in a range of Department of Human Services reference groups that are aimed at improving the system. Currently it is involved in the implementation of the Looking After Children framework, the placement and support advisory group, and it also participates in the development of new service standards in home-based care.

This involvement is invaluable in terms of policy development and ensuring the system is responsive to the needs of foster carers and the children and young people they care for. Of course, this means that the association is contributing a significant amount of time and resources. It currently receives just over $13 000 in recurrent funding. This funding goes towards supporting the association's activities including attending conferences and issuing newsletters to ongoing support groups for foster carers. It is continually involved in professional development of foster carers.

The association has received some ongoing non-recurrent funding to help with particular special projects. However, in order for the association to continue to provide its invaluable services to foster carers on a day-to-day basis and to continue to be a strong advocacy body, it requires additional recurrent funding.

I ask the Minister for Community Services to address this issue and ensure that there is adequate funding available to support the ongoing activities of the Foster Care Association of Victoria.

Planning: Carnegie tabletop dancing venue

Mrs SHARDEY (Caulfield) — I ask the Minister for Planning to take action on the following issue. On 29 April the member for Hawthorn raised an issue in relation to an application for a tabletop dancing venue in Koornang Road, Carnegie. I raise this issue again because the community is not satisfied with the response of the government or the action taken — or rather, not taken — by the government.

A number of members of the community have contacted me. Indeed, in the last few days I have received about a dozen emails. The minister would also be aware that a protest was held in Koornang Road, Carnegie, last Saturday which was reported on national television. A large number of people attended, and it appeared that the local member, the member for Oakleigh, was not in attendance, although I stand to be corrected if she was there.

The fact is that a shopping centre in the middle of a residential suburb is not the place for a tabletop dancing venue, particularly one that will allow for sexually explicit entertainment located above a family restaurant. The community, including residents, shopkeepers and so on, have been fighting this application for over a year. The Glen Eira City Council has rejected the application, but it is now going to the Victorian Civil and Administrative Tribunal (VCAT) next Monday.

The member for Oakleigh wrote to the minister and requested that she call the application in. She gave reasons why that should happen. The council supported her in that application to the minister, but the minister has let the time pass and has refused to stand up for this community.

I request that the minister take all possible action, which may include putting a submission to VCAT, to stand up for the rights of this community. A number of families live in the area; it is very much a residential area. Families do not wish to be exposed to a tabletop dancing venue in the middle of a shopping centre that services a large residential area.

I believe the minister should take every action possible to maintain the amenity of Koornang Road, Carnegie, for the residents. I hope the member for Oakleigh supports my request to the minister for her to take some action. As I said, that may include putting a submission to VCAT, which the minister should seriously consider.

Cheltenham Secondary College: redevelopment

Ms MUNT (Mordialloc) — I call on the Minister for Education Services to take action to ensure that the redevelopment of the Cheltenham Secondary College is fully completed as soon as possible. The redevelopment will ensure that a beautiful indoor gymnasium, netball and basketball complex, which is a much-needed asset to the school and our local community, is ready to be used as quickly as possible.

This very large hall with a foyer, canteen and sports capability is an important local asset for the overall

health and fitness of Cheltenham Secondary College students and other local community members. The new complex will benefit not just students but also the various sporting communities in my electorate. Part of the cost of the building project is being co-funded by a local sports organisation, the Kingston Netball Association, which will be able to relocate to this new, purpose-built, state-of-the-art complex. Its members will be able to make use of these splendid new facilities. They, like me and Cheltenham Secondary College, are keen for this complex and gym to be functioning as soon as possible.

This new building and its grounds are a wonderful example of the outcomes that are possible when government and local community groups work together. There is still further potential for other sporting, community and educational groups to be involved on this site and to make use of this local facility. On Monday, 26 May, I will have the pleasure of visiting the gymnasium. I again call on the minister to fulfil her commitment and ensure the quick completion of this much-needed and anticipated development in my community.

South Road, Brighton: speed limits

Ms ASHER (Brighton) — The issue I raise is for the Minister for Transport. The action I am requesting of him is to declare a reduced speed limit zone — specifically a 40-kilometre-an-hour zone — in South Road, Brighton, to service St Leonard's College and Haileybury College.

Ms Allan interjected.

Ms ASHER — I am glad the minister is laughing. It is one of her party's election promises.

These two schools are located opposite each other and have both written to the minister requesting a 40-kilometre-an-hour speed zone, which request I support. The schools have suggested that these zones should be declared for school opening and closing times — from 8.00 a.m. to 9.00 a.m. and from 3.00 p.m. to 4.00 p.m. The schools have 1000 students crossing South Road daily. For those who do not know South Road, it is a particularly busy road. The schools have requested electronic speed signs as a way of dealing with this issue.

I have gone down to the schools and met with their representatives. I wrote to the minister on 15 April, supporting both schools in their requests. I refer the minister to his election promises. In a press release dated 14 November 2002 he said:

> … Mr Bracks said the $23 million initiative would be introduced to all of Victoria's 2326 government and non-government schools.

I note that the budget provides $5.8 million in 2003–04 and $17.3 million in the 2004–05 financial year for what the government calls static and variable electronic speed limit signs, which is precisely what St Leonard's and Haileybury colleges have requested that I ask the minister for.

This proposal by the two schools is a particularly well-developed one. It is worthy of being one of the first cabs off the rank. For those members of the Australian Labor Party who are not familiar with South Road, Brighton, I point out that it is a main road, and I call on the minister, if he wishes, to come down to visit the schools and look at the road. I will be prepared personally to show him around.

I call on the minister to expedite the funding for this well-developed and advanced proposal in the interests of the safety of students of St Leonard's College and Haileybury College.

Bicycles: Moreland pathways

Ms CAMPBELL (Pascoe Vale) — I wish to raise a matter for the Minister for Transport. I ask the minister to allocate funding for new cycle paths to ensure cyclists from my electorate are safe. There are many, many cyclists in Moreland, from where it is a flat and easy ride into the city. They have even encouraged their local member to get on her bike and go on their shared pathway; and given that the minister received a great bicycle for his birthday when he reached an auspicious milestone in his life, I would suggest that he might like to use it and come out on our bike paths and enjoy the beauty of Moreland.

There are some good bike paths, but there are not enough. I ask the minister to favourably consider particularly the recommendations from CBUG and BBUG and the Moreland City Council. CBUG is the Coburg Bicycle Users Group, which is ably lead by Laurie Burchell, and BBUG is the Brunswick Bicycle Users Group, which is also ably led, by Nick Dolby. Moreland City Council staffer Nicholas Elliot is encouraging everyone in Moreland to get on their bikes, and he is leading by example. Recently, as I said, I had the pleasure of going along the Upfield shared pathway but there were three obstacles along it that could be given great attention by the minister.

The first and the biggest issue, and the one we are all calling upon the minister to act upon, is traffic lights on the shared pathway near Bell Street. That would enable

people to cross that very busy road. The second is that in my view it would be almost suicidal to ride a bike along Bell Street. There has been a proposal that the northern side of Bell Street could become a bike path. It is currently a very wide nature strip. Laurie Burchell has advised me that discussions have occurred over many years about putting a bike path along the Bell Street nature strip. This would encourage people to cycle and would make sure they were safe. For most of us it would be a rather hairy experience to travel along Bell Street in a car let alone to ride along it on a bicycle. I also ask the minister to favourably consider cycle paths around our schools, and I encourage him to come out on his bike.

Johne's disease: control

Dr SYKES (Benalla) — My issue is for the Minister for Agriculture, and it relates to Johne's disease. Johne's disease and its associated control programs are contentious issues within the livestock industries. Put simply, the challenge is to protect those producers which do not have the disease without unreasonably affecting those which do have the disease — that is, the control program should be no worse than the disease itself.

The Australian Johne's Alliance has been a strong advocate of those producers with the disease and those affected negatively by the control programs. My discussions with the Australian Johne's Alliance have raised three aspects of this issue. The first is the low sensitivity of the blood test, which limits the confidence in its being able to detect infection; the second is the consistency, transparency and fairness in the application of control measures; and the third aspect is the impact of movement controls on herds and flocks classified as under suspicion.

I seek the minister's comment on each of these three aspects, and in particular on what initiatives are being undertaken in relation to improving the tests for Johne's disease, what action is being taken to ensure a nationally consistent approach whilst recognising the need for regional and industry variation in some circumstances, and what initiatives are being contemplated in relation to freeing up movement restrictions with emphasis on a herd or flock-based risk assessment and trading on that basis and those risk-assessment principles. Finally, what is the legal basis for the movement restrictions on herds or flocks classified as being under suspicion? I offer my help to work with the minister on that issue given that I do have some experience in the subject.

Gourlay Road primary school: funding

Mr SEITZ (Keilor) — I raise a matter for the attention of the Minister for Education Services. The action I am asking for is that the minister ensure that the Gourlay Road primary school will be completed well ahead of the school year 2004. Gourlay Road is in the growth area of Keilor, and there are a lot of young families in that region. I recently had the opportunity to look at a survey of the numbers of children of kindergarten age there, and we certainly have a big demand for that primary school.

The reason for my question is that the minister was kind enough to send me a letter indicating that she has allocated more funds for this school, particularly to ensure that the construction is finished on time. In that growth area people are enrolling their children in other areas, and I would certainly like them to be encouraged to be enrolled at Gourlay Road primary school to start in 2004 so that they have a school in their own neighbourhood. We all know that the way to develop a community is to start off with a kindergarten where families get to know each other and where children stay in their own neighbourhoods through primary school and on to secondary school. Those bonds last for a lifetime, and in growth areas with new estates those things are vital in making sure communities are united and stay together, and that people get to know and assist each other.

That part of my electorate is part of the government's Melbourne 2030 project for developing community life in the high-density transport hub in that region. It is vital to encourage parents by making sure they do not have to go in different directions looking for school places for their children, which as I pointed out is often the case when they try to enrol them for child care and kindergarten. Unfortunately there are insufficient of those services available in that region, when we look at Hillside and Banchory Grove right across to Taylors Hill.

Services are totally inadequate in those places so naturally the families moving into the area have approached me and asked whether the school will be finished. It was committed to tender last year. The contractors are on site working, which is very encouraging to see. Hopefully we can get that school up and running on an established basis. With the drought that we are facing we need a bit of time to get the lawns growing at that school. We have found clay in that area in the past. At one of the primary schools that started off like that, extra funds were needed for cleaners. If you start a school with just soil and dirt in the

playgrounds and there is a shower of rain, it is not very congenial for the school environment.

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

Responses

Mr HULLS (Minister for Industrial Relations) — I acknowledge the issue raised by the honourable member for Lara of the dispute at Geelong Wool Combing.

That dispute demonstrates that the Workplace Relations Act is a disgrace. The act is in drastic need of major surgery, and the federal Minister for Employment and Workplace Relations should hang his head in shame.

Geelong Wool Combing wants to change work practices because of a reduction in wool due to the drought. When it opened up the Workplace Relations Act it found that the only industrial remedy open to it to address the issue is really a recipe for disaster. It is a recipe for locking out their employees and, as I said, it really is a disastrous way to resolve industrial disputes. When it attempted to follow this recipe it found itself embroiled in Federal Court proceedings. It was told it has not followed the recipe correctly, so it has to start all over again.

In the meantime you have to ask yourself: where has the dispute gone? It has gone nowhere. Where has productivity gone? It has gone nowhere. Instead, valuable time and effort have been wasted. Mr Abbott has to realise that his Workplace Relations Act is flawed. You cannot convince employers that they need to change work practices by locking employees out of a factory and not paying them any wages. It is just not the way to go. Workplace change is effected by relationships of confidence and trust, delivered through consultation and collaboration.

A failed, convoluted legalistic lockout does not — I repeat, does not — deliver the goods. It is bad for the employer, it is bad for employees, it is bad for business and, as a consequence, it is bad for Victoria. Businesses do not like it and unions and employees do not like it because no-one wins in a protracted legalistic brawl. It really is not how you should be conducting yourself in a fair and decent society.

The question has to be asked: when will Mr Abbott learn? I have actually given him the solution. I am the man with the 10-point plan. At the last ministerial council I told him that his Workplace Relations Act was flawed and did not work. Indeed, I presented him — again — with a 10-point plan.

Honourable members interjecting.

Mr HULLS — He now has 20 points, because he has been presented with it twice. I made it crystal clear to him that this was a vision for a better industrial relations system in this country.

The shadow minister, the honourable member for Brighton, who is across the table, wants to know what he said.

Ms Asher — Sure.

Mr HULLS — Can I say to her that he attempted to close down the meeting and walk out. He was acting like a bit of a Sooky La-la. He was not prepared to listen to the solution to his problem.

But I have to say that it is more than his problem. It is everyone's problem because if the Workplace Relations Act does not undergo major surgery we will continue to have an industrial relations regime in this country and in this state that promotes strikes and lockouts as a way of resolving disputes. There is a better way. He ought take the 10-point plan seriously.

In relation to the issue raised by the honourable member for Lara, I will certainly continue to advocate for changes to the Workplace Relations Act, changes that I believe will give employers and employees throughout Victoria, and indeed at Geelong Wool Combing, a fair go. I will be more than happy to deliver that message to Mr Abbott at the next ministerial council.

Ms GARBUTT (Minister for Community Services) — The member for Bellarine raised with me the issue of the Foster Care Association of Victoria and its funding.

The role of foster carers in providing care to children and other young people who are not able to live at home with their own families is absolutely critical in our whole child protection and placement support system. These are volunteers and their dedication and ongoing commitment to their jobs as carers is absolutely crucial and very highly valued by the government and it is determined to provide support to them in that role. It wants to acknowledge the importance of that role and recognise the work they do.

The Foster Care Association of Victoria represents carers. It is a peak body and has around 900 members. Its committee of management is made up of volunteer foster carers. Its recurrent funding has been very low, at $13 714, for this financial year and the member for Bellarine outlined the uses to which that has been put.

Last year the former Minister for Community Services and Minister for Housing provided it with a one-off grant of $29 000 for some specific purposes. However, in recognition of the work they do and the ongoing nature of that work, I am pleased to be able to tell the member for Bellarine that the recurrent or ongoing funding will increase by $30 000 from 1 July. That will bring the total up to $43 714.

The sorts of projects and uses to which it will put these funds are: meeting the costs of consultation with the stakeholders — it is very important that the group keeps up to date with what is happening; assisting their peak body role in promoting foster care through organising, promoting and hosting celebration events and information activities; supporting and advocating for carers — it is very important that they are able to do that very effectively; and organising training in key issues, which is another critical area they need to be active in.

Of course that is not the only work the government is doing in order to strengthen the foster care system. In the budget was an announcement of funding of $16 million over four years to increase foster carer payments. We will be discussing how best to direct that money with the Foster Care Association of Victoria.

I have also announced in this house the implementation of the Looking After Children framework, which foster carers as well as department workers will be implementing to really focus on better care for foster children.

The association is also working on developing a consistent approach to carer recruitment, training and support, in conjunction with the Department of Human Services, and on developing a new set of standards for home-based care. So the Foster Care Association undertakes a lot of very valuable work. It is recognised and valued by government, and this increase in its ongoing funding will be welcomed.

Mr BATCHELOR (Minister for Transport) — The member for Pascoe Vale raised with me an issue about bike paths in her electorate, particularly the shared bike path, the traffic lights she says are needed to provide continuous access to the bike path and some improvements she would like to see along Bell Street. The government is encouraging people to change from cars to bicycles. We think that is an appropriate objective. The government will need to have a look at the suggestions put forward by the honourable member. The government has provided some $8 million of additional funding and we will look at how best we can do that.

The member for Brighton raised with me the issue of reduced speeds around schools in Victoria. She singled out two schools on opposite sides of South Road — St Leonard's College and Haileybury College — and commented on a request for those reduced speed zones. As you would be aware, Acting Speaker, the government has announced a financial commitment and a policy setting around which it will apply those funds over the next two financial years. We will be looking to those members of Parliament who support this initiative and how they, together with the government, can initiate this proposal in their electorates. The member for Caulfield is nodding that she supports it too.

I would be happy to organise for those members of this chamber who on a bipartisan basis want to make the most of achieving safety improvements for children in their schools to be involved in this process. I thank the member for Brighton for the initiative she has taken here tonight. It is in absolute stark contrast to her colleague the member for Bass who was attacking this proposal in the chamber last night.

I am happy to work with members. The member for Sandringham knows that I have worked with him on road safety issues in his electorate, and he is always enthusiastic about trying to seek improvements on road safety matters in his electorate. If the member for Sandringham supports the policy settings and the funding time line for this, I am happy to promote the initiative in his area as well.

It will be a terrific initiative over the next two financial years. There is a policy setting. I would be surprised if the settings in South Road related to the requirements for electronic signs, but we will go down and have a look at it. Particular policy settings have been arranged to meet each set of circumstances and they will be reduced to either 60 kilometres an hour or 40 kilometres an hour depending on the existing and prevailing road conditions. I look forward to taking up the member for Brighton's offer to develop this in her electorate.

Ms ALLAN (Minister for Education Services) — The member for Mordialloc raised a matter with me regarding the redevelopment of the Cheltenham Secondary College. What a pleasure it is to have the member for Mordialloc raising this important issue in her local electorate. As many members of the house would know, the Bracks government has delivered enormously in capital works. During its first term it delivered a record $822 million. In the budget announced just yesterday by the Treasurer the government committed an additional $137 million for further capital works. We are certainty getting on with

the job. The Minister for Education and Training is getting on with the job of delivering capital works, more schools and more capital upgrades right across Victoria.

The member for Mordialloc expressed great excitement about the redevelopment of Cheltenham Secondary College. She certainly has every right to be delighted about the $1.7 million that the Bracks government is investing in this school to construct facilities for music, drama, science, technology and physical education. This is on top of the $230 000 spent in 2001 for the building of an IT pod at the college.

The member for Mordialloc will also be pleased to know that within her electorate $100 000 has also been invested in minor works at both the Mordialloc Primary School and Parkdale Secondary College since 1999. I can assure the member for Mordialloc that the work she indicated needed to be undertaken at Cheltenham Secondary College will be completed as quickly as possible so that the school and its local community can make the necessary arrangements to open and move into their new facilities, the opening of which I am sure the member will be present. I congratulate the member for Mordialloc on the fine work she has done in advocating and representing her school so strongly in this place.

The member for Keilor — he is also a very strong advocate for government education in this state, particularly in his electorate of Keilor — raised with me the issue of the Gourlay Road primary school in Caroline Springs that is proposed to be opened at the beginning of 2004. This is another school that has received significant capital works of $4.5 million in the 2002 state budget for its facilities, which will include amongst other things 16 classrooms and a physical administration area.

I am happy to inform the member for Keilor that the proposed completion date is on track for January 2004. When it is completed this school will be a fine community asset in a developing area which, Acting Speaker, you also know very well. The Bracks government is certainly getting on with the job of providing important facilities for schools right across Victoria, particularly in the areas represented by the member for Keilor and the member for Mordialloc, as I have referred to tonight.

The ACTING SPEAKER (Mr Nardella) — Order! The Minister for Education Services to respond on behalf of the Premier, the Minister for Manufacturing and Export, the Minister for Planning and the Minister for Agriculture.

Ms ALLAN — The member for Doncaster raised a matter for the Premier to do with the disposal of the former Torquay Primary School site. It is interesting that the member for Doncaster took this opportunity when the Minister for Education and Training is in the house, ready to answer a question on this, but again the member for Doncaster has failed to raise questions with the Minister for Education and Training — —

Mr Perton — On a point of order, Acting Speaker, to the best of my knowledge the minister was not in the house at the time that I raised the matter, and as she is in the chamber now I am more than willing, if you will permit this, for the minister to respond to the matter that I have raised. She is sitting in the chamber now and I challenge her to respond. The Torquay community is interested. The Minister for Education Services can giggle about this, but the Minister for Education and Training is in the chamber and I am more than happy for her to take the place of the Premier in responding to the concerns of the people of Torquay.

The ACTING SPEAKER (Mr Nardella) — Order! The honourable member for Doncaster during the adjournment debate asked for action from the Premier. When an honourable member asks for action from a specific minister, which they are required to do within the adjournment, the minister responsible — the minister that the action is asked of — if they are in the chamber, responds directly to that adjournment issue or the minister at the table responds on behalf of the minister from whom the action was sought. In this particular case the action sought by the member for Doncaster was specifically directed to the Premier and therefore I do not uphold the point of order. I ask the Minister for Education Services to continue her response.

Ms ALLAN — Thank you, Acting Speaker. I will refer that matter on to the Premier. I am sure the Premier will respond appropriately to the member for Doncaster.

The members for Shepparton, Caulfield and Benalla raised matters for the attention of various ministers, which I will refer to them for action.

Motion agreed to.

House adjourned 10.54 p.m.

Thursday, 8 May 2003

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.34 a.m. and read the prayer.

PETITIONS

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

Deer Park bypass link

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:

The proposed design of the Deer Park bypass link with the Western Ring Road at Fitzgerald Road fails to accommodate the needs of the local residents of Sunshine and Ardeer by not providing access to and from the city via the Western Ring Road.

Your petitioners therefore pray that the link between the Deer Park bypass and the Western Ring Road at Fitzgerald Road will be redesigned to provide access to local residents who wish to travel to and from the city, the Western Highway and the airport and that the design of the link will maintain the living standards of local residents with regard to noise levels and aesthetics.

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

By Mr LANGUILLER (Derrimut) (350 signatures)

Kew Residential Services: relocation

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

We are members of the silent majority speaking out for the silent majority who live at Kew Cottages.

We are their mothers, fathers, sisters, brothers, aunts, uncles, nieces, nephews, cousins and friends.

We believe residents of Kew Cottages should be allowed to live in peace in cluster housing accommodation on the Kew Cottages land with their friends, peers and dedicated staff if that is their wish or need.

We reject the government's intention to close all Kew Cottages and scatter our sons and daughters to the four winds.

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

By Mr McINTOSH (Kew) (3352 signatures)

Laid on table.

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

PAPER

Laid on table by Clerk:

Auditor-General — Performance Audit Report — Fire prevention and preparedness — Ordered to be printed.

BUSINESS OF THE HOUSE

Adjournment

Mr BATCHELOR (Minister for Transport) — I move:

That the house, at its rising, adjourn until Tuesday, 20 May.

Motion agreed to.

MEMBERS STATEMENTS

Ministerial rural and regional health advisory forum

Ms DUNCAN (Macedon) — Last Friday I had the privilege of chairing the ministerial rural and regional health advisory forum on behalf of the Minister for Health at Glen Erin Vineyard Retreat at Lancefield. It is a wonderful location.

The topic of the forum was health services in smaller towns. Also present was the Parliamentary Secretary for Health, my parliamentary colleague the member for Mulgrave, who launched the forum and also launched the development program for boards of management of rural health agencies.

In that program the member for Mulgrave advised the forum that for the first time funding for education and training for boards of management of rural health agencies will be for three years. This training is a positive example of how the Bracks government supports local communities to ensure these boards are sustainable and recognises the increasing responsibilities they have. The keynote address was given by the Honourable Ian Sinclair, who clearly enunciated many of the health issues rural people face.

This forum will be held three times a year in different locations around the state. It demonstrates again that this government listens to rural Victoria.

Approximately 160 people attended the forum, including chief executive officers, board members and clinicians from bush nursing hospitals, bush nursing centres and multipurpose services. The recommendations made by these people were very

useful, and I look forward to further discussing these recommendations with the Minister for Health.

I would like to take this opportunity to thank the minister for providing health workers with the opportunity — —

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

Government: performance

Mr SMITH (Bass) — In recent times the people of Victoria have been inundated with propaganda from the government such as: the budget has been well received in the community, especially by motorists; the Minister for Community Services and the Minister for Small Business are innocent of the funny-money schemes investigated by the Ombudsman; David White brokered the Casselden Place development for no commission; the Premier's assurance to the people of Victoria that there would be no tolls on the Scoresby freeway and that it would commence soon; there will be no sex tolerance zones in St Kilda or elsewhere; the government is not relying on stamp duty, land tax, gaming tax or speeding fines to balance the budget; the economy is in great shape and the government has the confidence of the business community; the pledge given by the Premier and the Minister for Community Services that no-one would lose their jobs at Seal Rocks; the promise by the Premier to buy the land at Point Nepean; the government will standardise railway lines and it will provide fast trains to rural and regional centres; and Susan Davies was chosen for a new job on her ability.

Members of the government, including the ministers, have stood up before this Parliament and the people of Victoria and told these lies. I could not figure out how they could do this with a straight face, so I made some phone calls, and I have now had it confirmed that the man the whole world has been looking for is here in Melbourne, Victoria, Australia, heading the Premier's propaganda unit. That man is Mohammed Saeed al-Sahhaf, better known as Baghdad Bob — the Iraqi flim-flam man.

Anzac Day: Barwon Heads

Mr CRUTCHFIELD (South Barwon) — That is an example of renewal. The honourable member for Bass needs to get a netball skirt. That is an example of what happens when — —

The SPEAKER — Order! The member for South Barwon should be careful about what he says.

Mr CRUTCHFIELD — Correct, yes. I am very careful. Thank you, Speaker. It is sad.

I had the pleasure of going to the Anzac Day events at Barwon Heads this year, and it was a wonderful day. I laid a wreath there with Cr Craig Farrell, who is a very active councillor in Barwon Heads, as the honourable member for Richmond would know.

Mr Thompson — Which branch?

Mr CRUTCHFIELD — Yes, Barwon Heads does have a very active Liberal Party branch. I am friendly with them all down there.

There are a number of people and organisations I would like to acknowledge: the City of Greater Geelong; Geelong Legacy; the Australian Red Cross; the Barwon Heads Hall Committee; the Combined Pensioners Association; the Barwon Heads Senior Citizens; the Country Women's Association; the Barwon Heads Fire Brigade, and in particular Dale Berryman; the Barwon Heads Golf Club, and in particular Warwick Nelson — and I know a number of members opposite have played golf there, but I have not; I am still waiting for an invite.

I also wish to acknowledge the Barwon Heads Bowling Club; the Royal Victorian Institute for the Blind; the Barwon Heads Progress Association; the Barwon Heads Committee of Management; the Barwon Heads Primary School, and in particular school captains Axel Duffy and Gemma Santilli; the guest speaker, Dave Ashley; and the organisers, Ken Fulton and Jack Cannon.

Wangaratta Road Safety School

Mr JASPER (Murray Valley) — I direct the attention of the house to the very successful Wangaratta Road Safety School, which was developed by the Wangaratta Apex Club over 20 years ago. This road safety school provides training in basic road safety skills for kindergarten and primary school students, through its facilities. However, the success of the road safety school depends on it being able to receive funding for a coordinator each year, at a cost of approximately $3000. I seek advice and support from the Minister for Transport in continuing to provide this $3000 so the road safety school coordinator can provide this road safety training to a range of students in Wangaratta and surrounding areas. The difficulty we have is that if this funding is not available the coordinator may not be able to provide that service for the students.

I congratulate the Wangaratta Road Safety School and the Apex Club on what they have done over 20 years. The organisation has been supported in the past by the Minister for Transport, and I seek his assurance that the road safety school will continue to operate in the future as it has in the past, recognising that it is maintained exclusively by the Wangaratta Apex Club, with all the facilities it has to coordinate students at the school. It is also done in cooperation with Vicroads, and we look for continued support from the government and the Minister for Transport.

Whittlesea: election results

Ms GREEN (Yan Yean) — I offer my congratulations to the nine recently elected councillors in the expanded City of Whittlesea. In particular I thank the voters of the city, who in their wisdom have now elected three fantastic women councillors. Crs Pam McLeod, Cathy Hayes and Lara Carli are indeed special, as in the history of this council there have previously been only three women councillors, and never more than one at a time.

I also wish to congratulate another new councillor, Cr Allan Cann, previous councillor, Victor Grech, and the four returning councillors, Crs Steven Kozmevski, Sam Alessi, John Fry and Frank Merlino. I look forward to a continuing good working relationship with Cr Merlino, who has again been elected mayor. I thank former councillor Rex Griffin, who was defeated at the election, for his dedicated service to the community — and I am sure our paths will continue to cross, particularly at the Epping Football Club, hopefully celebrating a premiership this year.

The previous Minister for Local Government, now the Minister for Agriculture, is to be commended for the wisdom of his decision to expand the council from five elected representatives to nine. This has corrected an anomalous situation inherited from the Kennett government, which saw Whittlesea, one of the fastest growing municipalities in the state with a current population of some 120 000 people having three to four elected representatives less than all similar neighbouring councils.

Each of the five councillors represented about half the constituents of a state member of Parliament. This was not good for democracy and placed an impossible workload on the councillors, who face complex issues in a rapidly growing rural and suburban interface area.

Landcare: Walwa and Kiewa catchment management officers

Mr PLOWMAN (Benambra) — I have received two letters recently, one from the secretary of the Walwa Landcare group saying:

> At our last group meeting we were informed that Mr Les Broadhurst was to be transferred from our area and that his position would not be refilled.
>
> We must strongly protest this decision as our district is in need of the services provided by a local catchment management officer.

And the second from the Kiewa Catchment Landcare group saying:

> At our recent executive committee meeting of the Kiewa Catchment Landcare group, concerns were raised regarding a replacement for our local NRE employee … based at Yackandandah.
>
> We are led to believe that a replacement will not be forthcoming, something this group is gravely concerned about, in light of the very severe infestations of Paterson's curse, blackberries and other noxious weeds and animal pests … in our catchment.

The response I got to a letter to the department says:

> The transfer of the catchment management officer Les Broadhurst … was a mutually agreed arrangement.

The letter goes on to say:

> As a result of the retirement of Mr Neville Britton from Yackandandah … the department has reassessed … this position … The office/depot will be —

closed and —

> sold.

I believe that with the increased budget the government must put people back into these positions. It cannot run this from Spring Street.

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

McClelland Gallery and Sculpture Park

Mr PERERA (Cranbourne) — Last Sunday I had the privilege of attending the opening of the two new exhibitions at the McClelland Gallery and Sculpture Park. One, called Collaged World, shows contemporary art practices and the other, Precious Elements, displays works from the collection of Dr Orde Poynton.

Dr Poynton was an important benefactor who bequeathed many works from his collection to the National Gallery of Australia and the University of

Melbourne. He also bequeathed highlights from his personal collection to the McClelland Gallery and Sculpture Park. Precious Elements showcases exquisite bronze sculptural pieces of East Asian origin and very early works on paper by Rembrandt, Durer and Whistler. The exhibition was guest-curated by Dr Kate Brittlebank and opened by Dr Alison Inglis. Robert Lindsay, the gallery's deputy director, curated and opened Collaged World.

Amongst a large group at the opening were Dame Elisabeth Murdoch; the chairman of the McClelland Foundation, Professor Peter Chandler; Lyn Williams; the Honourable Roy Ward, JP; and of course my parliamentary colleague the member for Frankston.

The McClelland Gallery and Sculpture Park is set in 8 hectares of landscaped bushland about 3 kilometres from central Frankston and 5 kilometres from central Cranbourne. The newly renovated, award-winning gallery hosts a program of changing exhibitions that complement the beautiful and unique sculpture park that displays many works by major Australian sculptors.

Kew Residential Services: relocation

Mr McINTOSH (Kew) — Over 400 residents of Kew Residential Services, their families and friends still await precise details of what the redevelopment of Kew will mean for them. It is two years since the then minister and Premier announced the redevelopment, but there is still a lack of clarity in what precisely the government intends to do.

While the idea of the redevelopment has been kicked around for 25-odd years, at the heart of the proposed redevelopment was always the acknowledgment that we had to achieve a far better living environment for a very vulnerable group of people. The whole purpose of this redevelopment was to assess the accommodation needs of each and every individual resident with a view to achieving the best long-term solution that matches their precise needs. In short, the redevelopment was to provide each with the dignity and security of their own home.

At the moment some 30 residents have already been moved, and somewhere between 60 and 100 are moving next financial year. We know the government is only spending $11.3 million over the next four years for redevelopments, yet is going to reap a $100 million land bonanza. Some 3000 mothers, fathers, families and friends have today exercised their democratic right to petition their Parliament asking us to ensure that each resident is provided with precisely the home they deserve.

Bonnie Babes Foundation and Hickinbotham Winemakers

Ms BUCHANAN (Hastings) — I rise to highlight the work of the Bonnie Babes Foundation and Hickinbotham Winemakers. I officially opened their major fundraiser on Easter Sunday, at which hundreds of visitors supported this worthwhile, non-profit organisation, the Victorian branch of which was established in 1994 to counsel families grieving after the loss of a baby from miscarriage, stillbirth or prematurity, along with funding research into their causes.

This event, in particular the popular grape-squashing competitions, would not have occurred without the generosity of Terryn and Andrew Hickinbotham in providing their beautiful facilities at Dromana, which they have done for many causes such as Peninsula Hospice, EPIC, Biala, Red Cross, Dolphin Research Institute, the Police Association, Rotary and many local schools, kindergartens and sporting clubs.

I applaud the work of Bonnie Babes supporters, Di McGreal, Glenda McLean, Bill Fozzard, Brendan McGreal, Mark Corcoran, Carol Kelly, Lisa Johannsen, Andrew Scheiffer, Regina Boulton, Vicki Abbatangelo, and many other Bonnie Babes volunteers. I also acknowledge the 27 event sponsors including M and C Saatchi, Carlton and United Breweries, Hillview Quarries, Pink Lady Chocolates, Thrifty truck rentals, Bass Highway Waste, Pearcedale Village Meats, Kmart, Super Loo, the Wiggles, radio 3AW, the Reject Shop and Dick Smith Electronics. I acknowledge the lovely music provided by the Moonshine Band. Again I applaud the crew of Hickinbotham Winemakers for the excellent event they put on and the facilities on that day.

Wimmera Mallee Water: charges

Mr SAVAGE (Mildura) — I wish to highlight to the house — and I am sure that all members are aware — that this is the worst drought that we have had for about 100 years. The plight of the farming community in the Wimmera Mallee in terms of water is acute. This year will be the third year that farmers have had limited water access through the channel system. Thankfully the government has highlighted that it is going to fix that and, hopefully, the federal government will chip in and complete the scheme.

This year farmers are faced with having to pay for water that they are not going to get through their hectare charge. Imagine members in this place going to the supermarket and being told that, 'Sorry, you have to pay for what you have not got in your trolley, but we want to pay for the infrastructure to make sure the supermarket is still here tomorrow'. That is what farmers have to do. Even if there is no water, they still have to pay the hectare charge. Wimmera Mallee Water specifically is going to have to bear the costs. If it cannot supply the product, it cannot expect people to pay for it.

The government must have a more sympathetic attitude and come around to a volumetric-type charge, where you pay for what you get, and you do not pay for the reverse, like the old days before corporatisation occurred. For most urban authorities the majority of the rate was the service charge but not the volumetric rate. That has changed and it should be the same for rural water as well.

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

Courthouse community jobs program

Mr TREZISE (Geelong) — Last Friday I had the pleasure and privilege of presenting graduation certificates on behalf of the Minister for Education Services to participants of Tech Heads in the Courthouse community jobs program. The 12 graduates were: Clair James, Luke Gleeson, Steven Blakney, Steven Coles, Dean Lawrence, Justice Haeggebols, Katherine Dolheguy, James Malthouse, Brian Reed, Ian Flatman, Hayley McQueen and Richard Fattaretto. I congratulate all those young people for their dedication to the job and training.

The program entailed the participants gaining first-hand work experience and training in technical aspects of theatre production, including production management and coordination, stage management, light, design and operation, multimedia and sound operation, set design and construction, event management and customer liaison.

The graduates gained this experience through their role as production team for the Courthouse production of *Headspin: Restricted Are We*. I also take this opportunity to congratulate Create Geelong, the City of Greater Geelong and the Courthouse Youth Arts Centre for their input into this successful project. To all concerned, a job well done.

Wind farms: Portland project

Mr HONEYWOOD (Warrandyte) — It is time for a major Ombudsman's inquiry into this government's deal making. If there has been a single citizen in Victoria who has had an interesting week thanks to the ineptness of the government, it would have to be Mr Mike Fitzpatrick. At the start of the week he had front page newspaper coverage of the Pacific Hydro $270 million wind farm development, of which he is the fourth largest shareholder. Yet we had the Bracks government's spokesperson stating that the government had been unaware of Mr Fitzpatrick's shareholding in Pacific Hydro, even though he chaired the Infrastructure Planning Council panel.

However, yesterday the opposition revealed the Premier and Mr Fitzpatrick in a happy photo opportunity together at a Pacific Hydro function way back in 2001. Again yesterday we discovered that the only major project for Victoria contained in the 2003–04 budget is a $15 million bridge to the port of Portland, of which Mr Fitzpatrick owns a mere 49 per cent. To be forever after known as the underhand Mike Fitzpatrick overpass, it is worthy of a special investigation itself given that the local council, the Shire of Glenelg, had this project so far down its infrastructure priority list that the mayor has expressed his pleasant surprise at the announcement of a bridge that they were not expecting!

There is a smell about these deals, and the opposition will now request a formal investigation by the Ombudsman. Clearly conflict of interest does not worry this government. Given that when it was in opposition it harped on about minor situations, it is about time — —

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

Wheelers Hill Secondary College: debutante ball

Mr ANDREWS (Mulgrave) — Last Saturday evening I had the very great pleasure of attending the Wheelers Hill Secondary College debutante ball. I was honoured, along with my wife, to be the chief guest at this important event. The 38 debutantes and their partners presented themselves in excellent fashion. It was clear to me, and I am sure to the 400 guests, that these young men and women had put a lot of hard work into preparing for their debutante ball. It was an important evening for them, their families and the Wheelers Hill Secondary College community. I want to congratulate all those involved — staff and volunteers. The result of their fine work was clear for all to see.

I also want to take this opportunity to acknowledge the ongoing contribution of the college council president, Stephen Mead, and the college principal, Anne Coughlin. Wheelers Hill Secondary College is a fine local school — one that strives for the highest standards.

The deb ball was a trip down memory lane for me. I can remember growing up in country Victoria and partnering a debutante myself many years ago. While I am sure the debutante in question has spent the ensuing years trying to forget that particular ball, I am confident that as the Wheelers Hill debs and their partners move into their challenging years — be it in completing their Victorian certificate of education, TAFE courses or university degrees, or in employment — they will look back on last Saturday night with pride.

Well done, and good luck for the future!

Horsham: preschool relocation

Mr DELAHUNTY (Lowan) — I would like to bring to the attention of the government the financial support needed for the relocation of the Felstead Avenue kindergarten in Horsham. With the government community cabinet meeting in Horsham next Monday, I would like to give some background to this project. There are five preschools in Horsham, but none south of the Wimmera River, an area which is still experiencing population growth and has many families with young children.

The Horsham Rural City Council, the Horsham and District Preschool Association and the preschool committee have resolved to undertake this relocation project at a cost of $220 000 to improve the overall planning and provision of preschool education in Horsham. The council has purchased the land, and the Felstead Avenue preschool is contributing financially. Together they are seeking state government support of $30 000 to have this project completed for the 2004 school year. At Lake Bolac there was a very successful relocation of the preschool to the school site by the previous government, and at Branxholme they have agreed not to relocate following government support for the present site.

Given that the early years of a child's life are crucial to their long-term development, I support this relocation project and trust that the government will announce the $30 000 needed for the Felstead Avenue preschool relocation while the cabinet is in Horsham.

I congratulate all involved with country preschool committees, because they are under enormous pressure. I ask the government to show some thought for these people and to put the money forward at its meeting in Horsham next Monday.

Eastwood Primary School: leadership awards

Ms BEARD (Kilsyth) — Recently I had the pleasure of attending the Eastwood Primary School leadership awards presentation ceremony. It was a privilege to see such a large group of young people being rewarded for their initiative in a variety of roles within the school. Some recipients were elected by their peers, and others by their teachers. Awards were presented to house captains in each grade, as well as the school captains.

One of the major initiatives at Eastwood Primary School is its deaf facility, where 19 hearing-impaired students receive quality education. To achieve maximum participation, the speeches at the presentation awards were signed for these students.

The principal of Eastwood Primary School, Mr Ray Symons, announced at the assembly that Friday, 4 April, was being set aside as a Walk Safely to School Day, an initiative of the New South Wales Carr government. This day was intended for parents and children not only to enable them to practise good road safety skills and increase their knowledge but also to encourage them to share the experience of using the day by walking to school instead of being overly dependent on cars. It was also an opportunity to reduce the level of traffic congestion.

Eastwood Primary School is also celebrating its wonderful performance at the recent district athletics sports, where it finished in second place — a great effort by students, staff and parents.

I congratulate all involved with this vibrant and happy school, especially the recipients of the awards I was so fortunate to present, and I look forward to visiting them again for the jubilee art exhibition on 15 May.

Building industry: warranty insurance

Mr BAILLIEU (Hawthorn) — Government claims to have resolved the crisis in builders home warranty insurance are proving to be a joke. Hundreds of reputable builders are still unable to access insurance. Still more are unable to secure the cover they need. These are experienced builders who are enduring great pain, despite the fact that many of them have never had claims lodged against them. Many who have been granted insurance have had their capacity to work severely limited. The impact of unparalleled security requirements is placing enormous pressure on families.

For consumers, the coverage is now arguably next to useless with only 20 per cent coverage of project cost. With cover limited to death, disappearance or insolvency, it is fast becoming a view in the building industry that warranty insurance in this form is no longer worth while.

With premiums soaring, builders are strongly voicing their concerns that the benefits now accrue only to the insurers and to artificially propping up the builders registration system. In addition questions are now being asked about the legality of the conduct of and contracts offered by insurers.

I call on the government to reconsider its stand on warranty insurance in the broadest possible sense, to consult openly with the builders directly — and I emphasise directly — and to move to provide consumers with useful protection, builders with an efficient registration system and insurers with competition and rigorous scrutiny.

Schools: class sizes

Mr LUPTON (Prahran) — I wish to congratulate the Bracks government on achieving its significant election commitment to reduce class sizes and to inform the house that school class sizes in Prahran primary schools, comprising Stonnington, South Yarra and Toorak, are at the lowest level in recorded history.

The Bracks government has achieved its target of reducing statewide average prep to grade 2 class sizes to 21 by 2003. Prahran schools have seen large decreases in class sizes, but also an increase in the number of students. As an example, Toorak primary has seen an increase of approximately 25 students this year, mainly through new prep enrolments. This shows the confidence the local community has in our schools.

Prahran primary school class sizes in the crucial years of prep to grade 2 have dropped an average of 5.2 since 1999. When the Bracks government came to office, the average prep to grade 2 class size in Prahran was 25. Today I am pleased to say it is at the record low of 19.8.

I can also say that Prahran's average prep to grade 6 class size is the lowest since records were started 30 years ago. The overall average primary class size from prep to grade 6 in Prahran is now at the record low of 22.3, down from 25.6 in 1999.

I believe our youngest students starting their education should have the chance to learn in smaller classes where teachers can give more individual attention. These crucial early years provide a strong foundation for the future. I congratulate the Bracks government on its commitment to education.

Bunyip-Cardinia Catchment Landcare Network

Ms LOBATO (Gembrook) — Today I wish to commend the work of Julie Weatherhead, Landcare facilitator for the Bunyip-Cardinia Catchment Landcare Network, and her dedicated band of volunteers, who are promoting sustainable land management. I have spent time inspecting their fantastic achievements in protecting and improving indigenous vegetation. By replacing bare areas with plantings of trees they are assisting both the environment and the farmers. The productivity of the land is improving, as is water quality. Salinity and erosion problems are decreasing. Windbreaks are providing stock with shelter from the weather.

Landholders are provided with indigenous native plants for revegetation, which volunteers then plant. They receive free advice and information as well as grants to assist them with fencing off waterways and bushland. The transformation of some properties has been outstanding and is a credit to the eight Landcare groups in this network.

A major reason for their success has been their ability to connect the community with their work. Their motto is 'Connecting community and environment'. The work carried out on private land is an example of landholders and the community working together to achieve a common objective. It is on private land that the Landcare groups are focusing their attention, as that is where they see the danger in loss of indigenous vegetation. The results they are achieving are changing attitudes to land clearance. They are helping Landcare to be seen as an essential accepted practice that is now becoming part of mainstream farm management.

I congratulate the Landcare network on its dedication to protecting existing areas of significance and on replanting other areas with indigenous vegetation.

Greenhills Primary School: volunteer planting day

Mr HERBERT (Eltham) — On Sunday, 4 May, I had the pleasure of planting a native orchid at Greenhills Primary School, which is one of the electorate of Eltham's highly successful schools. It not only produces excellent educational and academic outcomes for its students, it is an integral part of the local community.

Sunday's volunteer planting day was well attended, with hundreds of parents, children, grandparents and neighbours purchasing a plant, a tree or a bush and then planting it. During the time I spent there it was clear that this enjoyable day out was not just a school beautification project but was part of the infectious community spirit that drives innovation and education at Greenhills Primary School. Satisfaction at the education provided at the school was made very clear to me by the parents I spoke to, many of whom had gone to the school as students and were delighted that their children could also attend the school.

Greenhills Primary School is a thriving and successful school, with a committed team of teachers, a dynamic parent body and an administration that puts the students' interests first. I wish them well and look forward to participating in many more successful community and school events.

East Coburg Cricket Club

Ms CAMPBELL (Pascoe Vale) — Congratulations to the East Coburg Cricket Club on another fantastic year of competition. To be able to boast three teams in the finals again in 2002–03 was a great feat, with particular congratulations going to the B Matting team for its fabulous premiership, so ably captained by Dave Hallal.

I have been advised of the many great individual performances throughout the season, and I congratulate every member for his contribution, but especially the four best and fairest winners in the respective competitive grades — Vic Chand in A Turf, Anthony Angrilli in B Turf, David Hallal in B Matting and David Mergianos in C Matting.

East Coburg Cricket Club clearly exhibits an ethos of friendliness and acceptance that is evident to everybody who goes there. I am delighted that my electorate of Pascoe Vale boasts such a strong club which succeeds in fostering excellent sporting achievements, fun and fitness for so many. The development this year of a junior team has further highlighted the value of the club to the community.

I congratulate George Georgiou as president and all committee members for their tireless and incredibly loyal contributions, representing countless hours of voluntary work both on and off the field. Hearty congratulations also go to George on being awarded a Centenary Medal — a more able and worthy recipient you could not find. Congratulations also go to George for the work he has done in ensuring that the reserve — —

The ACTING SPEAKER (Ms Lindell) — Order! The member's time has expired.

Glen Iris Primary School: ministerial visit

Mr STENSHOLT (Burwood) — I would like to congratulate everybody at Glen Iris Primary School. We went there with the minister — —

The ACTING SPEAKER (Ms Lindell) — Order! The member's time has expired, and the time for members statements has expired.

APPROPRIATION (2003/2004) BILL

Second reading

Debate resumed from 6 May; motion of Mr BRUMBY (Treasurer).

Mr CLARK (Box Hill) — The budget the Treasurer delivered on Tuesday can be summed up very simply: it is a budget that continues the tax slug on motorists and property owners and relies on rising government debt, yet it still shelves or delays numerous election promises.

This budget also brings back memories — memories of the 1980s; memories of the mild-mannered former Premier John Cain, the Premier who insisted on paying for his own biscuits at morning tea; memories of young Treasurer Rob Jolly promising to bring modern financial management to the state's coffers.

It all seemed to go so well for a while, but then the property market stalled and revenue stopped flowing while spending kept rising. It ended with a state near bankruptcy and needing four years of hard toil under former Premier Jeff Kennett to sort out the mess.

Tuesday's budget also brings back memories of last year's state election when the Premier told us that the state's finances were like those of a household — only bigger. He said he would look after our money. Now, barely five months later, we find promises being postponed, charges being raised and freeways being turned into tollways. Now, five months later, we know the financial reality is that tax revenue is up — —

Mr Maxfield interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Narracan will not make interjections while out of his seat.

Mr CLARK — Tax revenue has risen by $3.4 billion since 1998–99 — that is, around $1900

extra per household. Police fines have nearly quadrupled, and but for a $512 million windfall gain in stamp duty, the budget would be in deficit.

Why is it that the government is having to rely next year on land tax collections that are $124 million, or 25.6 per cent, higher than budgeted for last year; general insurance duty, up $107.4 million, or 24.8 per cent higher than in last year's budget; or police fines, up $90.9 million, or 27 per cent higher than last year's budget? Why is the government having to rely on the failure of its road safety messages in order to keep our budget in the black? If the government is scraping the bottom of the barrel when revenue is still running strongly, how will it cope when the property boom and the speeding fines level out?

Where has all the money gone, and why were we not told about these troubles earlier? The short answer is that all the money has been spent and the Premier and Treasurer kept our troubles well hidden until after they were re-elected. Some of the money has been spent on extra police and teachers, but much of it has gone on blow-outs such as sweetheart deals and cave-ins on wage claims, including pay rises outside the government's own wage-increase guidelines which have added more than $412 million each year to government spending over and above its own forward provisions. In contrast to the government's claim that it spent the money on extra services for people, based on the figures reported by the Auditor-General in his report in October last year, only a quarter of the extra salaries and on-costs incurred by the Bracks government up to June last year had been the result of policy decisions to appoint more teachers, nurses or police. The rest were the result of wages deals.

Then we have had blow-outs due to sheer waste and abuse, like the $44 million spent on forcing out the Seal Rocks operator, the $50 million or so of pre-election political advertising, and the $77 million to avoid the inspection of union practices at the Melbourne Cricket Ground. The government has blown its spending budget every year since coming to office, and in three years out of four it would have ended the year in deficit but for unbudgeted windfall revenues. Now we see a government so strapped for cash that departments will be making $140 million in unspecified savings cuts over the year ahead, but the government is not prepared to tell us where those spending cuts will be.

We also see a government so strapped for cash that dozens of election promises for new schools and hospital upgrades have been deferred, including the upgrade of the Royal Women's Hospital. Of the $30 million promised during the election campaign for community facilities at schools, only $500 000 was allocated in Tuesday's budget. Of $45 million promised for a metropolitan level-crossing initiative, only $1 million has been allocated; and of $24 million promised for rural police stations, only $6 million has been allocated.

We also see a government so strapped for cash that it is increasingly resorting to borrowing to fund its spending. If we ignore the improper way in which the government accounts for its so-called Growing Victoria infrastructure reserve, the government last year budgeted to increase net debt by $334 million in the financial year 2003–04. However, now it plans to borrow $621 million for the coming financial year — almost a 100 per cent increase on the amount it proposed to borrow only 12 months ago.

Last year the government budgeted to borrow $79 million in 2004–05; now it plans to borrow $271 million. Last year it budgeted to borrow $42 million in 2005–06; this year it plans to borrow $484 million. This is a budget that even on paper stretches to the limits any semblance of financial responsibility. But even worse, we know that Labor's budgets are like Soviet five-year plans — the reality turns out to be a lot different from what is put down on paper. The government has put together this budget on the basis of forward estimates that assume an annual growth in the total wages bill of just 3.6 per cent per annum over the 2002–03 revised figures, even after allowing for all the additional staff the government announced on Tuesday. This growth rate of 3.6 per cent per annum in the forward estimates contrasts with an actual annual growth rate in the wages bill of 7.3 per cent from 1998–99 to 2002–03 based on the revised figures.

Given all this, it is no wonder that the Premier and the Treasurer are desperately trying to point the blame for our budget woes in any direction but their own. However, their explanations, like their promise not to toll the Scoresby freeway, are simply not believable. Drought, bushfires and superannuation have had only limited effect on the government's budget figures for the new financial year. Almost all the costs have already been incurred this year, as the government has paid for firefighting and compensation and has written off its share market losses. Furthermore, a large part of the much smaller increase in superannuation costs for 2003–04 will be due to the cost of the wages deals the Bracks government itself has done.

The international situation will have some effect, but thanks to our federal Prime Minister and Treasurer, Australia is well placed to weather that storm, just as it

weathered the Asian economic crisis a few years ago. Victoria's relative economic decline compared to that of the rest of Australia is something this Premier and Treasurer themselves have to answer for, as Victoria increasingly pays the price for Labor's neglect of the fundamentals of investment attraction and facilitation, regulatory and decision-making certainty, and competitive taxation.

With the much-flaunted public transport cost increases, which are under a franchising system which the Labor government plans to keep and which it admits is better and cheaper than public operation, we now find that the government has not even been prepared to disclose them in the budget as a separate cost item.

What is even more worrying than the government's excuses is something else that brings back memories of the 1980s — the artificial arrangements Labor used to prop up its budget figures before the 2002 election. Labor knew then that our finances were starting to slide and it took an extra $141 million in dividends from our water and gas authorities over and above what it had scheduled to take at budget time last year. It also continued to take dividends from the Transport Accident Commission, even though the TAC was making losses. On top of that it collected a $66 million up-front fee from the developers of the Spencer Street station, and counted that fee as revenue; it left out of its pre-election costings most of the Commonwealth Games costs, on the pretext that it had not worked out a final amount; and it put off counting the cost of the Seal Rocks fiasco by lodging an appeal against the arbitrator's decision. On top of all of that $115 million of roads expense was fortuitously reclassified as capital, so that further $115 million was also added to the reported surplus.

These significant accounting adjustments have continued after the election. It now seems that $25 million of the road expenditure has mysteriously converted back again, from capital to expense. On the other hand $142 million of funding for the Office of Housing has been reclassified as a capital expense, and a further $30 million of dividends has been taken from public authorities. As well as that, the government has classified as revenue the one-off receipt of $135 million in performance bonds forfeited by National Express.

If you take all of these factors out of the bottom line, the budget bottom line for the current financial year that was reported to us on Tuesday as an estimated $160 million surplus would have been reported as $604 million worse than that: as a deficit of $444 million — a turnaround of more than $965 million on the 2002–03 surplus that was budgeted for at the beginning of the financial year. The follies of the 1980s are well and truly on their way back, which is perhaps not so surprising, given that the Premier and so many of his ministers started their political careers as advisers in the Cain and Kirner governments.

I now turn to look in more detail at the answer to the question that is currently on everybody's lips, the question that is crying out for an answer: where has all the money gone? We knew we had money four years ago; we know we do not have much now. Just where has it all gone? As I have said, so far the financial story of Labor in office has been one of spending blow-outs paid for by windfall revenue. Year after year revenue, particularly taxation revenue, has been far higher than budgeted for and this has offset the spending blow-outs. Thus in 1999–2000 spending blew out by $1141.7 million, but to help Labor out of its hole there was a windfall revenue of $2210.5 million. But for that revenue, the budgeted $128.7 million surplus would have been a deficit of over $1 billion.

In 2000–01 spending blew out by $561 million, and the budgeted surplus of $591.5 million would have shrunk to $30.4 million, but for windfall revenue of $1186.8 million. In 2001–02, if it were not for windfall revenue of $1897.6 million Labor's budgeted surplus of $508.4 million would have ended up as a deficit of $1624.2 million thanks to a spending blow-out of $2132.6 million.

This current financial year the situation continues to deteriorate. Spending has blown out by $1543.9 million beyond Labor's own budget, threatening to turn its budgeted $521.8 million surplus into a deficit of $1022.2 million. It has only been the windfall revenue of $1182.1 million, plus those other matters that I referred to earlier, that has produced on paper the revised surplus of $159.9 million.

We can also look at the same point in another way if we examine how the annual increases in expenditure compare with the budget estimates. On the final estimate in the Kennett government for 1999–2000 the budgeted increase was 1.1 per cent; that year the actual increase was 9.3 per cent. You may perhaps forgive the government to some extent for that, because it had election promises to implement. However, if we look at the following year we see that it budgeted for a spending increase of 7.4 per cent, but it went up by 8.1 per cent. In 2001–02 the government budgeted for 3.1 per cent, but it went up by 11.1 per cent. For the current financial year the government budgeted for an increase of 1.6 per cent, and on the revised figures it is up 4.8 per cent. If ever any demonstration was needed

of Labor's lack of financial management responsibility, it is that sorry record.

Mr Nardella interjected.

Mr CLARK — I should also make it clear that when I refer to windfall revenue I am referring not to increases in revenue that were budgeted for, whether as a result of economic growth or government policy decisions, but to revenue increases over and above what was expected to be received at the time the budget estimates were put together. Similarly, in referring to blow-outs I am talking not about increases in spending that were budgeted for and included in the budget estimates, because those increases can be debated on their merits, but about spending increases over and above what was included in the budget papers — thus in every year other than in 1999, over and above what was in Labor's own budget papers.

What have these blow-outs been spent on, and where has the rest of the money gone since 1999? The first way we can start to find an answer to this question is to compare revenue and spending under the last year of the previous government with revenue and spending under the present government.

Honourable members interjecting.

The ACTING SPEAKER (Ms Lindell) — Order! The level of interjection is too great. I ask members to refrain.

Mr Perton — Madam Acting Speaker, it is a tradition in this house — —

The ACTING SPEAKER (Ms Lindell) — Order! It is a tradition in this house to wait until one is called. The member for Doncaster, on a point of order.

Mr Perton — On a point of order, Acting Speaker, it is a tradition in this house that in the budget debate the Treasurer and the shadow Treasurer are heard in silence, with only the occasional interjection. The honourable member for Melton has continually interjected. I ask you to warn him and to allow the honourable member for Box Hill to continue his address to the house while being shown the courtesy that is normally accorded to a shadow Treasurer.

The ACTING SPEAKER (Ms Lindell) — Order! I do not uphold the point of order.

Mr CLARK — As I was saying, Acting Speaker, the first way we can start to find an answer to the question of where the money has gone is to compare revenue and spending under the last year of the previous government with revenue and spending under the present government.

I seek leave to have incorporated into *Hansard* a table entitled 'Where has the money gone? Victorian budget changes since 1998–99'.

Leave granted; see table page 1621.

Mr CLARK — This table shows that from 1998–99 to 2003–04 total government revenue has risen by $5 677.5 million, an increase of 27.1 per cent. At the same time total government spending has risen by more than 37.9 per cent, a massive $7.2 billion on top of the $19.1 billion spent in 1998–99. Of this increase in spending there has been an increase in employee entitlements of some $2.6 billion, or 37.4 per cent. That is exceeded only by the huge $3.2 billion, or 60.8 per cent, increase in spending on the purchase of supply and services. The other major increases are a $647.1 million, or 49.6 per cent, increase in superannuation costs and a $942 million, or 26.2 per cent, increase in grants and transfer payments.

I will talk later about the increases in employee entitlements and superannuation, but at this stage I want to flag the fact that remarkably little information is given in the budget papers about the composition of spending on grants and transfer payments, which total $4.5 billion, or about purchases and supplies services totalling $8.6 billion.

Budget paper 2 at page 189 tells us simply that around $509 million of grants went to local government, about $892 million of grants went to other state government agencies, and almost all of the balance is in grants to the private sector, such as school grants, first home owners grants and grants to agencies funded by the Department of Human Services. But there is very little breakdown of this enormous amount of expenditure.

Similarly we can find out from the 2001–02 financial report that expenditure on purchases of supplies and services consists of a wide range of purchases for the general government sector — to which the budget papers relate — of about $4.2 billion in 2001–02 to supplies and consumables, $3.1 billion to services, $400 million to maintenance, and the balance to sundry smaller amounts out of the then total of $7.8 billion. Some of that increase in the supplies and services figure in the table I have presented is due to a reclassification of the cost of public transport as a result of the franchising in late 1999, which amounted to about $315 million in 1999–2000. However, the explanation for the balance of the increase under Labor remains unclear. It is, nonetheless, worth noting that under this

heading will be found some notorious areas of expenditure — that is, consultants, which the Labor Party has hired an abundance of to conduct its reviews and write its reports, as well as the taxpayer-funded political advertising.

The table I have presented gives us a general picture of where the money has come from and the sort of things on which money has been spent, but it does not really tell us why the money is now so short and how so much has been spent so quickly with so little to show for it.

To try to answer these questions I turn now to a second, and perhaps more revealing, way of looking at where the money has gone. This way looks at how the amounts Labor has planned and budgeted to receive and spend in a given a year have changed over time. Because this way of looking at the numbers examines how spending estimates for the same particular year have changed, it takes out of the equation the ordinary year-on-year increases in revenue and expenses which are simply due to inflation and to economic and demand growth. If you look at the numbers in this way it provides a good comparison of like with like, and changes between the original figures and the final figures should all be capable of being given a specific explanation. This way of looking at the numbers also means that Labor cannot pass off increases in spending due to demand growth as genuine policy initiatives.

So it is worth making the point at this stage that the answer to the question of where the money has gone will in some respects be different for 2002–03 compared to what it will be for 2003–04, because some of the factors that are relevant for one year are not going to be relevant for the other. Superannuation, drought and bushfires all fall into this category. While each of them has affected the budget outcome significantly in 2002–03, they have far less relevance to 2003–04.

So let us look firstly at where the money has gone in 2002–03 and try to find out what has happened as Labor has added blow-out after blow-out to its spending. The first budget document that Labor handed down after coming to office was the mid-year budget review of 1999–2000. In that review Labor had its first chance to set out what it planned to spend over the next four years up to and including the current financial year, 2002–03. When we compare what Labor planned to receive and spend in this current financial year, 2002–03, when it first published its budget document in mid-1999–2000 with what Labor's estimates in Tuesday's budget predicted it will actually end up receiving in revenue and spending this financial year we notice some significant differences.

The analysis I have undertaken comes from those sections of budget paper 2 for each year and from each of the budget updates since then which reconcile the forward estimates to previously published estimates — for example, the section beginning at page 37 in this year's budget paper 2 and also from appendix C of budget paper 2, which discusses the revised budget outcome for 2002–03.

The advantage of looking at these sections of the budget papers is that they mainly classify the changes to the estimates according to the nature of the reason for the change rather than by the amount of the change in any particular item of revenue or expense. In principle it should be possible by tracking through each of these explanations of the changes since Labor's first set of numbers for this year to Labor's most recent set of numbers for this year to get a good understanding of how the estimates have actually changed over time. However, I suspect that the Treasurer and his bureaucrats have found that if these reconciliation statements were done properly they would have the potential to be far more revealing than the Treasurer realised when he first decided to publish them. As a result, much of what should be disclosed in these statements is concealed in bland terms such as 'other administrative arrangements' and accompanied by cryptic footnotes and boring and dissimulating explanations.

There is also an appalling lack of consistency over time and between budget papers and budget updates as to how the different changes in the estimates are categorised. This fudge also makes it virtually impossible to fully reconcile the figures from those reconciliation statements with the figures from the estimates tables that they are supposed to reconcile to.

Nonetheless, these statements are revealing enough to justify careful attention. I have been through them, and to try to get some consistency while keeping the totals unchanged I have been prepared, based on the limited descriptions given in the footnotes and the text, to reclassify the various items to try to get some sort of consistency. However, if the Treasurer wants to dispute my classification or interpretation of the footnotes and the text and have the Department of Treasury and Finance produce a more accurate and complete table that would be a very valuable contribution to public debate and understanding.

On the best assessment that I can make: since Labor first put together the figures for 2002–03 it has received an extra $4529.6 million in revenue for this year and incurred an extra $5197.9 million in expenses. To be fair to the government, and we always try to be fair on

this side of the house, it should be noted that this overstates both the revenue and spending increases to the extent that it counts factors that are basically book entries on both sides of the ledger — such as the movement from the budget sector to general government sector accounting, or the Victrack capital assets charge.

However, even after allowing for this, the analysis shows the deterioration in the position, and it also shows exactly how much extra money Labor has got into the till. Labor started off projecting a surplus of $828.2 million for this year as part of the 1999–2000 midyear review. Since then it has received a massive $4529.6 million in extra revenue over and above what it expected in 1999–2000 to receive this year.

One would have thought that even the Labor Party would have had trouble spending a net extra $4.5 billion, but it has managed to do that, and more. In fact it has managed to spend an extra $5197.9 million and as a result our surplus for 2002–03 is now expected to be only $159.9 million. Of this, some $2196.2 million is said to have been spent on what the budget papers describe as policy decisions but which are in fact a mixture of genuine policy decisions, wage and other blow-outs, and the cost of Labor's bungles.

So let us look at some of the factors that Labor, in its budget papers, has classified as so-called policy decisions. These include the $27.4 million to help departments meet the ongoing costs of the Workcover premium increases and the bungled premium model of 2000. It includes $23.5 million due to the November 2001 Community and Public Sector Union wages deal exceeding its own wages growth guidelines and budgetary provisions.

It includes $53.9 million due to the 2000–01 teacher wages agreement exceeding its own wages growth guidelines and budgetary provisions. There is a $124 million cost above Labor's own guidelines for the 2000–01 nurses settlement. There is $73.1 million for costs above the guidelines for the 2001–02 Human Services industrial agreements. There is $79.1 million, listed at page 210 in budget paper 2 tabled last Tuesday, for costs above guidelines for Human Services industrial relations awards and wages deals done in 2002–03.

Then we have the $19.9 million provided for the rail franchise interim operating agreement to help meet costs caused by union obstruction, insurance cost increases and delays in resolving ticketing issues after Labor came to office. We find $58.5 million for costs above guidelines for the August 2001 Police Association enterprise bargaining agreement. We find 14.6 million for the electricity network tariff rebate, much of which would not have been necessary but for Labor's planning delays, its regulatory uncertainty and the union obstruction, which has undermined investment in the power industry and pushed up power prices.

We also find $5 million for Labor's unnecessary and counterproductive industrial relations strategy, which seems to have done little other than cause months of frustrating and costly delays for Saizeriya, for the national gallery and for other projects. The budget papers also include a reported $44 million for the damages and legal costs arising from Labor's campaign against the Seal Rocks operator.

These blow-outs, bungles and waste come to a grand total of $479 million. That is $479 million that has been added to the bottom line for 2002–03 and is money that would otherwise have been available for service improvements, for honouring Labor's election promises or for tax cuts.

I should also make it clear that the wage cost increases I have cited are only those proportions of wage deals that have required additional government funding. The Auditor-General has documented the total cost of these increases in detail. At page 58 of his October 2002 report on state finances he reported that the total cost of Labor's wages deals in 2002–03 was $1056.9 million, excluding the cost of policy decisions. The cost of staffing engaged under major policy decisions totalled only $330.2 million, or barely one quarter of the total increase in wages bill.

The Auditor-General further reported at page 59 of his October 2002 report that a further $74 million per annum of wage increases was to be funded by internal redirections of resources, including $37.4 million in 2001–02 that was taken out of school global budgets.

Of course the Auditor-General has also recently warned about the dangers posed by these unbudgeted wage increases. In fact he has given two warnings. As early as November 2001 he cautioned:

> There are a number of challenges facing the government which will impact on its flexibility in responding to future opportunities. These include managing the impact of increasing expenditure pressures, including wages growth …

If that was not enough — and clearly the government was not taking the message from that first warning — he repeated it even more bluntly in October last year, stating:

> Any downturn in the economic cycle and further expenditure pressures, including wages growth, will inevitably impact on the government's capacity to maintain existing program levels.

In other words, he gave this warning to the government: if you cannot control your spending, you will have to make cuts. Here we are, six months later, and the government is having to make cuts. If the government had only paid attention to the warnings being sounded by the Auditor-General and by the opposition six months ago, instead of falsely pretending to voters that all was well, Victorians may now well not be facing the severity of the cuts they are facing.

On top of the additional wage costs that I have referred to, a further $1238.2 million in increased spending in 2002–03 has gone on superannuation costs. These are a mixture of costs. They result from the equity market fluctuations, which the Treasurer is keen for us to know about, but they are also a result of costs flowing from the wages blow-outs, which the Treasurer is not so keen for us to know about, and from sundry other costs due to actuarial reassessments and other factors.

The budgets papers do not provide a breakdown of the various factors that contribute to these increased superannuation costs. However, the Auditor-General, at pages 62 to 63 of his October 2002 report, states that higher than forecast wages deals added $72.5 million to the superannuation liabilities of the state superannuation fund in 2000–01, and a further $73.5 million in 2001–02. The Auditor-General also reports that higher than forecast wage rises added $40 million to the unfunded liabilities of the Emergency Services Superannuation Scheme in 2001–02.

We can look at these superannuation cost increases in another way: total employee entitlements for 2002–03 have now exceeded Labor's initial estimates by $1102.3 million, out of a total which now stands at $9261.1 million. On that basis overall increases in employee entitlements since Labor came to office — that is, increases over and above the allowance for wage increases already built into the forward estimates — now represent over one-ninth of the total superannuation cost of a bit over $2.8 billion, or in other words, some $333 million out of the $1278.2 million by which the superannuation costs now exceed the original estimates. It is possible that this $333 million is already covered in the cost of new policy decisions; but if that is the case, it is very hard to find out from the budget papers.

I now move on to that other fascinating area of determining where the money has gone, and that is the $434.2 million of taxpayers money that in 2002–03 has gone on what the budget papers very helpfully describe as 'Other administrative variations'. That figure is even after I have taken out some of the numbers that on the basis of the text can more accurately be reassigned somewhere else.

If patriotism is the last refuge of the scoundrel, other administrative variations are the last refuge of our Treasurer and his bureaucrats, which they use for hiding the things they do not want the public or other ministers to know about. The lack of explanation of this $434.2 million is a disgrace.

The Treasurer may well boast that he brought in these reconciliation statements, but if he is going to claim he is providing a reconciliation, he should genuinely do so. But let us make an effort, despite all this obscurity, to trace back through the various budget papers and find out what we can from the limited explanations that are provided.

In the 2000–01 budget, $65 million in relation to 2002–03 was provided in total. Of that, some $26 million was due to a review of contingency allowance which was perhaps the result of one of the wages deals that was then being done. We were also told in bland terms that unspecified amounts were for increased education department depreciation expenses and changes to timing of programs for teachers' notebooks and the rural and regional strategy.

In the 2000–01 budget update a total of $94.3 million for 2002–03 was justified as being due to revised depreciation, increased sales of goods and services and what it referred to as 'appropriation transfers' and 'revised estimates for departmental underspending' — whatever that might mean. In the 2001–02 budget a total of $58.5 million for 2002–03 was put down to increased depreciation due to asset revaluations, growth in capital expenditure and increased employee entitlements due to the impact of expected future wage increases on accrued entitlements — yet another sign of the strain being imposed by the wage blow-outs.

Again no breakdown of these various components was given, and ministers who have had to fight over every $1 million in the spending program — ministers like the Attorney-General — must be boggling at the cavalier way in which the Treasurer is able to treat such large amounts. In the 2001–02 budget update the entire amount of other administrative variations of $76.3 million for 2002–03 appears to have been due to expenses incurred in the sale of goods and services. One wonders why it was not assigned to that category in the first place.

Now we come to the real beauty, the other administrative variations in the 2002–03 budget, which provided $408.5 million worth of expenditure that was classified as other administrative variations — almost four times the entire budget of the Department of Tourism, Sport and the Commonwealth Games. Yet for all that massive amount of expenditure, all we are told directly at page 41 of budget paper 2 is that about one-half of it is due to recognition of outer budget agencies and the balance is due to increased superannuation costs, to an increase in the contingency 'to take account of various risks facing the budget' and to amortisation of motor vehicles due to the centralised leasing facility.

I referred to this huge and unexplained expense in my budget reply last year, but I have to say that I am increasingly reaching the conclusion that the explanation I have referred to which is given in the budget papers is just plain wrong. Superannuation and leasing costs seem to be covered by other items in the reconciliation, and at page 226 of budget paper 2 last year the increased revenue which is supposed to offset the increased other budget agencies expense was stated to be only $67 million for 2001–02. It seems to me that the most likely explanation of that huge and unexplained expense in the budget is that the government was trying to build up a concealed pre-election war chest of some $300 million or so. If that is correct, it makes all the more serious the fact that despite this huge increase in contingencies we are now facing a serious financial situation.

As if what we saw in last year's budget papers was not bad enough, the true nature of these other administrative variations becomes even more murky when we look at the pre-election budget update (PEBU). In that update there was a negative other administrative variation of $27.5 million shown for 2002–03. However, the explanatory text suggests that some $70 million or so should be classified as increased hospital expenses funded by higher third-party revenue, which means that there is a net negative $97.5 million of other administrative variation, suggesting that the Treasurer's advance was being heavily used to fund the $100.4 million of policy decisions covered in the pre-election budget update.

Moving on to this year's January budget update, we find that the other administrative variations which stood at negative $27.5 million in PEBU had increased to a negative $65.1 million, implying a further $37.6 million use of the Treasurer's advance towards the additional $80.2 million of policy decisions in the budget update.

Last, but certainly not least, when we look at the 2002–03 budget paper 2 tabled on Tuesday, we find one of the least thorough explanations so far of the variances in this year's expected result from budget. Some of the further increase above that included in the budget update may well be attributable to other administrative variations. If so, it is impossible to work it out.

That is not the end of the funny-money shuffles that are increasingly appearing in our budget papers. There have been some equally unexplained items turning up on the revenue side of the ledger as part of the $213.3 million of other administrative variations for revenue for 2002–03.

The earlier administrative variations are relatively small and innocuous. However, the big money and the cover-up begins with the pre-election budget update. A massive $161.5 million of other administrative variation in revenue suddenly turns up, just at the time when the Treasurer wants the bottom line to look good before the election. Around $70 million of that seems to be due to additional hospital revenue offset by higher expenses. However, that still leaves $91.5 million or so of unexplained extra revenue. What could it be? The opposition looked in vain for an explanation in the pre-election budget update. A footnote blandly refers to revenue impacts flowing from the finalisation of Partnerships Victoria contracts.

What could that be? It was not until Tuesday's budget that there was a full admission of at least $66 million of that increase, because page 271 of budget paper 2 discloses that $66 million of what is described as non-recurring revenue has been included from a payment from the developer who was awarded the contract for the Spencer Street station redevelopment — a $66 million up-front payment.

When we go to the Auditor-General's report of October 2002 and look at page 135 we find that the Spencer Street Station Authority received $66 million from the developer in exchange for the right to receive income from commercial operations within the interchange over the 30-year lease period and for a licence over each commercial site to construct the commercial elements of the project, with the developer to be granted a lease until 2100 upon completion of each development. In other words, at least $66 million of the $151.5 million of other administrative variation in the pre-election budget update appears to consist of those developer contributions.

It is yet another Labor Party funny-money scheme, just like Rob Jolly's interest rate swaps and balloon

payments. You get the cash up front, you boost the budget just in time for the election, and there are no payments until 2005, when the new station is finished. It is just like going to Honest Joe at the car yard and getting cash back for your trade-in!

You probably think that not even the Labor Party could top that one for fiddling the figures, but there is one more that comes close, again from that embodiment of full and frank disclosure, the pre-election budget update. Suddenly for the first time in any reconciliation statement we see the appearance of a line marked 'Expenditure reclassification'. Under that we find that total expenditure was reduced by a huge $115.4 million due to the fact that what was previously classified as operating expenditure on roads was reclassified as capital expenditure. So a cool $115 million went straight off expenses and straight onto the bottom line just before the election. How very convenient!

Also highly convenient were the extra dividends from our gas and water authorities and the Transport Accident Commission (TAC) dividends that the government was able to take just before the election. Overall, Labor has increased its public authority and other investment income for 2002–03 by over $387 million since 1999–2000. The first big increase came in the 2000–01 budget, which added $154.8 million for 2002–03, due to the forecasts of increased profitability for government business enterprises and due to the TAC special dividend to fund the black spot program. The TAC annual report for 2001–02 indicates that $110 million then remained to be paid, presumably in the current financial year 2002–03, as a black spot dividend. However, a further $61.9 million was added to public authority income for 2002–03 in the budget update for 2000–01, due again to higher than expected TAC revenue and tax equivalent payments. That was revised down by $20.1 million for 2002–03 in the 2001–02 budget due to the effects of weaker share market conditions on TAC dividends. However, no further downward revision for 2002–03 was made in the 2001–02 budget update.

Most surprisingly, expected investment income was revised upwards again in the 2002–03 budget by $1.2 million, and even more for later years, despite the fact that the text at page 40 of budget paper 2 last year states that there had been a decrease in the distributions expected from the TAC due to higher long-term care costs and weaker-than-expected investment returns. At the same time, page 404 of budget paper 3 for last year states that TAC distributions were expected to increase compared with 2001–02 due to the rate of investment market return. Significantly, for reasons I will come to in a moment, at page 404 of last year's budget paper 3 it is also stated, and I quote:

> … distributions from the gas industry are forecast to decrease with the proposed introduction of full retail contestability in September 2002. Distributions from the water industry are also forecast to decrease in line with the more subdued level of land development activity.

Mr Maxfield interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Narracan will desist.

Mr CLARK — To back that up, budget paper 3 on page 404 shows expected gas industry dividends falling from $120.5 million in 2001–02 to a mere $400 000 in 2002–03, and water industry dividends falling from $303.8 million in 2001–02 to $279.2 million in 2002–03.

To recap: the budget papers for last year say that for the year ahead, 2002–03, the government was expecting a fall-off in dividends from the TAC because of long-term care costs and declining equity markets, and it expected a fall in dividends from the gas industry and a fall in distributions from the water industry.

When we come to the pre-election budget update, what do we find? Lo and behold, despite the weak market conditions which had continued unabated, expected investment income suddenly leaps $106.5 million, even though it falls by $47.1 million for the following year and falls again by $21.4 million for 2004–05. When you look at the detail you find that the dividends being taken from our public authorities in 2002–03 were increased by $140.8 million between last year's budget and the pre-election budget update.

At the same time the dividends the government expects to receive in the coming year, 2003–04, have slumped by $82.4 million. The text of the pre-election budget update at page 7 states that the extra dividends are a one-off increase dividend in 2002–03 from the gas sector as a result of the delayed introduction of full retail contestability in gas markets. It refers as well to:

> … increased dividends from 2002–03 from the metropolitan water companies mainly reflecting additional dividends from certain water companies to reinforce the commercial focus of the businesses and ensure appropriate financial ratios are maintained.

So within five months we have a change of position from one where, in the May 2002 budget, dividends from the gas and water authorities were set to fall to one where, barely five months later, they have risen by a massive $141 million, just before an election and at a time when the forecast budget surplus would otherwise

have fallen sharply. If ever there is a prima facie case of a government raiding the hollow logs to prop up a sagging budget, this is it. It stinks to high heaven of a return to the Labor Party financing techniques of the 1980s.

At the same time, in the same pre-election budget update, TAC dividends were set to slump by an average $64 million per annum from 2002–03 to 2004–05 due to reduced investment returns. That is hardly surprising, because as we know, the TAC made massive losses in both 2000–01 and 2001–02. Indeed it is questionable that the government is taking any dividends at all from the TAC while it is making losses. We know the government still took the black spot dividend; but we do not know, because neither the pre-election budget update, the January budget update nor Tuesday's budget tell us, whether the government took further dividends from the TAC on top of the black spot dividend.

As I said earlier, subsequent to the election it looks as though $25 million of the roads expenditure that was reclassified from 'operating' to 'capital' is being converted back again, from capital to an expense. At the same time $142 million of funding for the Office of Housing has been reclassified as a capital expense instead of an operating expense, and an extra $30 million in dividends has been taken from the public authorities.

So in other words the bottom line from the pre-election budget update and from Tuesday's budget is the following: if it had not been for Labor's dividend stripping, for the up-front developer contributions for Spencer Street, for the reclassification of $115 million of spending as capital rather than recurrent, the Treasurer would have been telling Victorians before last year's election that Victoria's projected surplus for 2002–03 was $220.3 million rather than the $542.1 million he proudly announced. If it had not been for these and other reclassifications and dividends, on Tuesday the Treasurer would have been explaining to Victorians why their budget this year was in underlying deficit to the tune of $444 million.

This comprehensively demonstrates Labor's financial fiddles. But what is the reason that we have got to the situation where our finances for this year are in underlying deficit and we are being propped up by these manipulations? The principal reason, as I referred to earlier, is that Labor has done wages deals which overspend its own wages guidelines by a minimum of $412.1 million for this year, and possibly more — and of course, its other blow-outs. Again, as I referred to earlier, these wages deals have also had flow-on superannuation costs which are not yet quantifiable but which are likely be substantial.

Labor has also spent a total of $66.9 million in 2002–03, much of which would not have been necessary but for its bungling, on items such as higher Workcover costs, the regional power tariff subsidy and rail franchise subsidies, as well as the $44 million on the Seal Rocks damages and legal costs.

That explains how we ended up for this year. What about next year? Where has the money gone for 2003–04? Again, let us look at the changes for 2003–04 between the initial budget estimates and the estimates in Tuesday's budget papers. We will start this time not from the midyear budget view of 1999–2000, but from the 2000–01 budget, which was the first time that Labor published its revenue and spending estimates for 2003–04.

It is easier to go through the exercise a second time than the first time, but the bottom line is still the same. We see the sad tale of deterioration over the period that Labor has been in office. In the 2000–01 budget Labor forecast a surplus for this coming financial year of $603.4 million. Despite additional revenue of $3283.9 million since then for 2003–04, net increases in expenses of $3642.9 million have dragged down the surplus to the point where it is now budgeted to be only $244.5 million.

The sources of these spending increases are similar to those for 2002–03, with the notable exception of superannuation, which is now budgeted to be $269.5 million more than was initially forecast, but a large part of that increase will be due to wages deals rather than international equity markets because the budget figure for total superannuation cost is based on the expected long-term rate of return on equity and other investments by superannuation funds.

So the largest cause of spending increases for the coming year is again these so-called policy decisions of various descriptions, and again many are more aptly described as blow-outs or bungles than policy, including all of the factors I have mentioned for 2002–03, other than perhaps Seal Rocks, but also including for the first time in 2003–04 the first instalment of $38.5 million of the $77 million being thrown away by the Bracks government on the Melbourne Cricket Ground (MCG) redevelopment because it refused to allow commonwealth industrial law to be enforced on the building site. In total these wages blow-outs and bungles for 2003–04 amount to a $507.2 million net addition to our expense and net

reduction in the funds that would otherwise be available for better services or for tax reductions.

Also for the first time in 2003–04, we see the explicit additional flow-on cost to other industrial agreements of the wage rises already conceded by the government. The infamous PEBU for once clearly and expressly states that the wage growth contingency adjustment of $95.8 million made in 2003–04 reflects the expected outcomes of a number of industrial agreements under negotiation, taking into account the likely flow-on effect of previous agreements. When Labor does a deal that blows the budget provision, not only does the budget have to wear that cost, it flows on to other industrial agreements that have been negotiated and adds further cost down the track.

As for 2002–03, for 2003–04 there are also a series of poorly explained other administrative variations, in both expenditure and revenue. Those variations in PEBU and the January budget update add $33.7 million to revenue in 2003–04 and reduce expenditure by $94.2 million. In Tuesday's budget paper 2 at page 40 further revenue administrative variations are disclosed, including a decline in expected interest revenue of $57 million due to a projected run down in financial assets and an average increase of $68 million in fees and fines due to revised speeding and traffic infringement revenues — part of the big increase we have been hearing a lot about lately.

Page 41 of Tuesday's budget paper 2 also blandly refers to administrative variations and expenses due to increased superannuation of $86 million, increased insurance claims liabilities of $16 million, due in large part it would seem to the government's failure to act on the public liability and medical indemnity crisis, unspecified revisions to the Community Support Fund flowing mainly from revisions to gaming tax revenue, and further increases in sales of goods and services of approximately $66 million.

We have got to the point where we have seen that Labor has raised a lot of money, spent a lot of money and wasted a lot of money. I now move on to the issue that in some respects is most worrying of all for those members of the community who rely on government for the provision of services, and that is the fact that even where part of Labor's spending increases have actually gone into increased staff or other resources in many instances that has failed to produce the results that would have been expected.

Prisons are desperately overcrowded. Budget paper 3, at page 233, shows that the government expects to fail to meet its target for 2002–03 of 117 per cent average daily prison design capacity utilisation rate, instead expecting to come in somewhere between 118 per cent and 125 per cent. That is excess numbers of prisoners over the capacity for which the prison was designed.

In hospitals, if we look at the *Hospital Services Report* for December 2002 and at the key measures of emergency patients not admitted within 12 hours, people on waiting lists for semi-urgent elective surgery and people on waiting lists longer than ideal time for semi-urgent elective surgery, we see that on all of those measures the government is performing worse now than in December 1998 or in December 1999.

When you look at how Labor has attempted to implement its policy in the health portfolio you get some of the explanation for this. If you track through all the various budget papers, you see a multitude of separate funding items showing money being put into hospitals — a special line for retaining and recruiting nurses, a special line for human services demand growth, another line for rural health funding, another line for winter emergency and longer term integrated elective and emergency strategy, another line for hospital infection control, another line for public hospital diversion services, another line for public hospital prevention services, another line for increased costs of medical and pharmaceutical supplies and consumables, and another line for human services industrial agreements. We have all these separate lines, and the debate is not about the total amount of money being put in; it is about how hospital managers are expected to make good use of the money that is being given to them when it is being fed to them in such thin and highly itemised lines.

If you expect managers to manage, you have to give them the responsibility, the authority and the capacity to manage. And that is what the weighted inlier equivalent separations system was intended to do — to give hospitals funding based on an objective assessment of the cost of treating patients and then hold the managers accountable for delivering hospital services within the money that was given to them. But we are now seeing year after year that system become unravelled by all these dribs and drabs of funding that are being provided. It is getting to the point where hospital managers are saying, 'Why should we worry about the problems that we are facing in coping? It is not our difficulty. It is the government's. If we just let it run, sooner or later the government will give us some money'.

Even with the best will in the world, hospital managers do not know what money they are going to get. They cannot budget; they cannot plan accordingly. So it is no

surprise that despite all the extra spending that Labor has been doing, it has been failing to get the results it should have in health as in so many other areas.

So far I have been looking at where the money has gone and at Labor's artificial devices to bring in more cash. Now I want to turn to look at what Labor has been doing about taxes and other revenue it has been raising from Victorians. The short answer is that Labor has had its hands deep in Victorians' pockets to pay for its massive and often wasted increase in spending. Let us look at the figures. I refer to the table that I presented earlier. Since 1998–99, after adjusting for the GST, the Bracks government has increased its take from Victorian taxpayers by a massive $3440.7 million, or over 38.9 per cent. Since Labor came to office, the typical Victorian household is paying around $1900 more in state taxes than it did four years ago. This is a huge 28 per cent increase in the per-household tax burden. That is an average growth rate in that burden of over 6.2 per cent per annum, well above the rate of inflation, well above the rate of increase in average wages and salaries. What is perhaps even worse, a disproportionate share of the tax increase has occurred in two particular taxes — namely, stamp duty and land tax.

I seek leave at this point to have incorporated in *Hansard* the three charts entitled 'Stamp duty on land transfers', 'Land tax' and 'Police fines'.

Leave granted; see charts pages 1622–24.

Mr CLARK — In the last budget of the previous government stamp duty was budgeted to raise $911 million. This year it is set to raise $2102.2 million, an increase of 131 per cent in just three years. Stamp duty on the typical house in Melbourne is now 74 per cent higher than it was when the Bracks government came to office. First home buyers, growing families and older Victorians looking to move to smaller homes are all paying the price for Labor's spendthrift behaviour.

The duty slug is not just falling on higher priced homes; it is hitting homebuyers across all suburbs. As of December last year, duty on the typical house in Glen Waverley was up 107 per cent; in Blackburn, up 108 per cent; in Boronia, up 112 per cent; and in Box Hill, up 139.2 per cent. Homebuyers in Labor's heartland are amongst those who have also been very hard hit, as homes that used to fall within low duty rates are pushed more and more into higher duty rates. In Altona stamp duty on the typical house has increased by 162 per cent since the Bracks government came to office, and in Sunshine by a huge 180 per cent.

That shows how false it is for the government to try to suggest that the increase in the tax burden is a result of economic growth or a higher level of turnover. What is crystal clear is that the property price boom is pushing homes into higher and higher tax brackets, and the government is deliberately relying on that fact to grab higher and higher levels of revenue. The effect of this bracket creep can be seen from the fact that the 74 per cent increase in duty on the median priced house from September 1999 to March 2003 has occurred as a result of a price increase of 50.5 per cent. The 23.5 per cent difference is pure bracket creep, bracket creep about which the government is determined to do nothing.

Stamp duty increases are not just a burden on residential purchasers. They hit businesses of many different types. They deter businesses from growing or from moving to more suitable premises. They also affect productivity, and they affect investment. Research by Access Economics and others has shown the enormous net economic loss caused by increases in stamp duty.

Next you have got land tax. Land tax was budgeted to bring in $378 million in the last budget of the previous government. This year it is expected to total $653.9 million, and next year Labor is planning to raise $767.8 million, a further 17.4 per cent increase. This rapidly increasing burden is having seriously distorting effects on investment and land use. It is diverting properties from taxable to non-taxable uses, and it is diverting properties from holdings that bear a high rate of tax to holdings that bear a lower rate of tax. The rapid and unexpected increases are also making it impossible for many businesses — whether as tenants or as owner-occupiers — to predict, budget or pay for these sudden imposts, and the uncertainty is adding to the risk of investing in Victoria and thus deterring investment not only in existing properties but in new construction.

The Treasurer has boasted of the tax cuts he has given or intends to give. However, these so-called tax cuts give back only a fraction of the massive tax increase that Labor has imposed since it came to office. If you take the $77 million of tax initiatives for 2003–04 that were disclosed at page 78 of budget paper 2, these more than wipe out all of the $71 million of so-called tax cuts that the Treasurer announced last year in his Building Tomorrow's Business Today package. Those tax cuts were set out at page 30 of last year's budget paper 2.

We all remember how long and how hard the Treasurer talked up last year's tax cuts. We can bet he did not put quite as much effort into talking about his tax increases at his fundraising breakfast yesterday. In fact the tax

wipe-out this year gets worse next year and worse than that the year after. Tuesday's tax initiatives will raise $120 million in 2004–05 compared with $72 million in the so-called tax cuts announced last year for 2004–05. In 2005–06 the tax increases announced on Tuesday will raise $133 million compared with $75 million of so-called tax for 2005–06 that the Treasurer announced so proudly last year. The Treasurer gave out a few tax crumbs before last year's election, but he has taken them back with a vengeance as soon as the election is over.

To call last year's measures genuine tax cuts is itself a misnomer. If we look at what Labor budgeted to receiving in tax revenue this year and how that estimate has changed over time, we see that this year Labor originally planned to receive $7548.1 million. Then we can trace through successive budget statements and budget updates to determine how that figure has gone up and up each time — by $203.6 million, by $217.3 million, by $77.6 million, by $299.4 million, then by $405.8 million, $402.1 million and then on Tuesday by a further $141.1 million. The grand total for windfall revenue years is $1746.9 million.

Against that comparison, comparing like with like and comparing the initial expectations of revenue for this year with what Labor is now expecting to end up with, we see that even against that comparison the $224.7 million of so-called tax cuts given by the Bracks government for 2002–03 in both of its tax packages represents only 12.9 per cent of its windfall gain for its first budget estimates. In other words, for every $8 extra windfall initially unbudgeted tax revenue, barely $1 has been returned to taxpayers this year.

An Honourable Member — One for eight.

Mr CLARK — Yes, the payout ratio from this government is one for eight — and it is odds-on, not odds-against!

The equation gets even worse for next year. To put the point in an even more striking way, this $224.7 million of so-called business tax cuts this year is far exceeded by the increase in speeding and other fines that Labor has been imposing. In the last year of the previous government police fines totalled $99 million. Next year that figure is set to reach $427 million. That means that the state budget can now only remain in surplus if the government fails in its road safety objectives of having people obey the law. This grab for cash raises the justifiable suspicion in the minds of the public that Labor is more interested in revenue raising than in genuine road safety, thus undermining the credibility of the road safety messages that the Transport Accident Commission, Victoria Police and others are trying to get across.

The government has been aided and abetted in its grab for cash by a State Revenue Office (SRO) that has become more ferocious than a poorly trained Rottweiler. A revenue authority should be diligent in collecting the revenue owing to the state, but it should do so in accordance with the law and in accordance with the sensible application of the law. The SRO is now going way beyond this. Last year the SRO started claiming that the value of the goodwill of a business formed part of the value of the land on which that business is based and thus was liable for stamp duty if the business were sold. This imposed a sudden and unexpected increase in the liability of many small businesses and others across the state. More recently the SRO has begun to claim that where a tenanted property is sold, duty must be paid on the value of any tenant's equipment installed on that property even though the equipment remains the property of the tenant, and the tenant has the right to remove that equipment at any time. This means, for example, that if an investor builds an industrial estate and is successful in attracting tenants to establish businesses, install equipment and create jobs, if that investor subsequently wanted to sell the estate the purchaser will be required to pay stamp duty on the value of all the tenant's manufacturing equipment installed as fixtures in the factories of that estate.

Dr Napthine — That is stupid.

Mr CLARK — That is absolutely stupid. That sudden invention by the SRO of new grounds to impose stamp duty is yet another blow to business confidence and the stability of Victoria as being the place to invest, on top of the damage to confidence already being done by the government's deliberate exploitation of rising property values and bracket creep to rapidly ramp up stamp duty and land tax.

Despite all this extra money Labor still does not have enough to go around, so services are being cut and the election promises are being stretched and broken to make up for Labor's waste. To try to pay for its election promises Labor has had to cut services in this year's budget, but it has not had the nerve to come out and tell people what those cuts will be. It has simply written a line in the budget and labelled it 'Government-wide and departmental savings'.

The government hopes to quietly implement those cuts when no-one is looking. It has been dropping hints to the media that savings will be in areas like advertising. However, a respite from the propaganda barrage is the

last thing that the public can expect from the Bracks government whose only skill is spin. We will remember the government's promise before the 1999 election to follow the Auditor-General's recommendations. I quote its policy:

> We will implement the Auditor-General's recommendations for limiting political advertising by stipulating that government information material should not promote or have the effect of promoting its interests above those of other political parties and attempt to secure political support for a political party.

What has happened? Nothing on that front.

Mr Brumby interjected.

Mr CLARK — The Treasurer says he will cut advertising. I will be interested to hear by what figure he is going to cut it. The Auditor-General got fed up waiting for the government to act on its promises not to engage in political advertising, so he came up with a set of guidelines as to what he believed should be defined as political advertising — guidelines that he believed the government should abide by. Did the government abide by them? Of course not. It came up with its own package of guidelines, which are a travesty of its election promise.

Do we think it is going to dry up? The Treasurer says the government is going to cut advertising. Let us look at the estimates for the Department of Premier and Cabinet, as set out in budget paper 3. On page 259 we see that $26.6 million is budgeted to be spent on 'Government information services and support'. Budget paper 3 says that the prior year's figures for comparison with that $26.6 million are not available, but if you look at page 289 of budget paper 3 for 2002–03, the budget costs for the identically described output group are specified as $22.3 million.

Thus the cost of the Premier's propaganda department is set to rise by 19.3 per cent at a time when everybody else is being forced to make cuts. For good measure let us look at the strategic policy advice output at page 257 of budget paper 3. This is the unit dedicated to thinking up ideas for a government that cannot think of its own.

Mr Doyle — It must be a big unit.

Mr CLARK — It is a big unit. It must have had a siesta last year, because it spent only $23.6 million, compared with its budget of $29 million. But it is back in action again this year! A budget of $33.3 million — a 28.4 per cent increase on what it spent last year. So it looks pretty unlikely that it is the advertising or the coffee-table brainstorming that will be cut, but rather services to the community.

It must be remembered that this $140 million in spending cuts is additional to the 1.5 per cent productivity dividend which the government has continued to apply every year since it was elected, despite having condemned it in opposition. I was told this morning that the productivity dividend represents about $130 million a year off the departmental estimates. Even prior to the change of government people were arguing that, although it might have been worth while as a short-term measure to get fat out of the system, it was not sustainable to keep going with these productivity dividends year after year. Yet four years later they are still being applied. Perhaps it has proved to be sustainable as an ongoing requirement; let us not pass judgment on that point. Without being inside government it is hard to tell. But what is not hard to tell is that this $141 million saving is being imposed on organisations that have already had to subject themselves to pretty thorough efficiency scrutiny and also that this saving is being imposed, generally speaking, across the board roughly in proportion to departmental spending.

As I have said before, reprioritisation in principle is not objectionable. Whether any particular reprioritisation is objectionable depends on the relative merits of what is being dropped and what is being done instead with the money, but if as a government you are going to reprioritise, let us have the debate out in the open. Tell the community what is being dropped and why, and why the alternative use of the money is a better one. If these were genuine savings and productivity measures, the simple question is: why were they not implemented earlier? Why has the Treasurer been asleep at the wheel and not insisting on them in past budgets? Why have they only emerged when the budget is in crisis? The answer is pretty clear: they are not genuine savings and productivity measures; they are hidden cuts.

Let us look at the government's election promises, and in particular at its capital works promises. We see from the budget papers tabled on Tuesday that only 8 out of 51 capital works election promises have been committed to be completed in the current term of the Bracks government. The reason for this is clear: Labor has badly overcommitted its capital spending budget, both during the election campaign and in prior years. I went into this point in some detail in my response to the budget speech last year. The government had successively run down the amount of funds available for capital works, yet it committed to $1.9 billion of capital works promises during last year's state election campaign, money that it promised it would spend on capital works and projects for Victorians — promises with which it no doubt sought to influence people's votes and which did indeed influence people's votes.

Of course it is easy to promise, but it is not so easy to deliver, and that is the true reason why the Scoresby freeway has become the Scoresby tollway. It has nothing to do with having to keep the budget out of the red in the current year or the next, as the Premier has tried to make out. On that score there is no logical connection between tolls to be received by a private operator on a toll road after 2008 and helping make up for a budget situation being faced in 2003–04. The reason is that if the government left that Scoresby freeway money in its capital works budget as a capital commitment there is no way in a pink fit it would be able to come anywhere near honouring its election promises and other capital works promises. Even after breaking its promise not to toll the Scoresby freeway, and even with all the borrowing I referred to earlier and all the staging and deferring and putting off until later, it is failing to meet its promises.

Let us just look at a few examples. One I know well because it affects my own electorate: the government promised during the election campaign that it would spend $45 million on a grade separation of the rail and road in Middleborough Road, Box Hill. What do we find provided for that grade separation in the budget papers delivered on Tuesday? We find the grand total of $1 million to be spent over four years. The footnote says '2003–04 funding provided for pre-construction planning activities'. Honourable members who have had anything to do with putting budgets together will know that when you put a project in your capital works budget you spell out the whole schedule of payments that are going to be made under that project. You do not say, 'We will put some money in this year and we will see if we can find the rest to put in next year'. This is $1 million that the government has scheduled because it does not have a clue where it is going to get the other $44 million that is needed.

Let us look at rural police stations. The government promised to spend $24 million on rural police stations. It has listed it as a promise it is honouring this year, but it is only providing $6 million. If you are going to deliver a promise, why not schedule to do it? We see this time and time again throughout the papers. Take the community facilities fund that was to provide community-use facilities in schools: the government promised $30 million but has committed only half a million dollars in Tuesday's budget.

We also need to ask exactly how the rubbery arithmetic on page 136 of budget paper 2 adds up, because there it has tried to say, 'Don't you worry. We've got the money somewhere. We'll scrape it up. We've got $3 billion sitting around in kitty uncommitted, so she'll be right, mate'. But when you try to find where that $3 billion comes from, you are struggling. You can find some of it up front in budget paper 3, but there seems to be a big black hole between that $3 billion and the money that can be explained from budget paper 3. You again have to ask how much creative accounting has been going on.

Labor has given us a lot of excuses for the budget crisis, but those excuses just do not add up. Labor would have us believe that the crisis has nothing to do with it and that it is all somebody or something else's fault — the federal government, the Kennett government, the bushfires, the weather or the war.

Trying to hide their difficulties by an appeal to factors relevant to the commonwealth is drawing a pretty long bow. The Victorian Treasurer does not have to find the money to fight a war, nor can he blame the international situation for all our budget troubles. The international situation is just one element contributing to Australia's and Victoria's economic growth, which in turn has some impact on our budget figures. But the key question the Treasurer has to answer is about Victoria's relative decline compared with the rest of Australia.

As I have said, the drought and the bushfires have also affected the state's finances, given the cost of the relief that has been provided by the state government. However, the bulk of that drought relief — all but about $3 million of it — has been spent in the current financial year and therefore does not affect future years, as has a large part of the spending on the bushfires, including the whole of the $115 million that has been spent on fire suppression costs.

A similar point about timing applies to equity markets. The downturn in the equity markets has affected the result for the current financial year, but it does not directly go to the surplus or deficit for future years. It also has to be remembered that there have been prior swings and roundabouts in markets affecting superannuation. This is one of those externalities that governments just have to take on the responsibility for managing, just as the previous Kennett government managed issues relating to the Asian economic crisis. It also has to be remembered, as I referred to earlier, that a significant part of the cost of the superannuation blow-out has been due to the flow-on effect of the generous wages deals that have been done by the Bracks government.

Then we had the excuse about the alleged $1 billion in extra costs being caused by the problems with the public transport system. You will search in vain to find that so-called $1 billion documented in the budget

papers. There is a single throwaway line about the $1 billion at page 41 of budget paper 2, referring to:

> … an increase in budget contingency provisions to provide for additional costs of operating the train and tram systems of around $1 billion over five years …

But not even that actually says it will be $1 billion; rather it says that money for it was provided in the contingencies. The big question the Treasurer has repeatedly failed to answer when he makes this assertion is whether he is measuring the cost increase against the original estimates or against what has already been provided for in the budget papers. As the transport situation has deteriorated under the Bracks government, you would have expected it to be factoring in money to provide for additional costs. It has handed out a number of subsidies already, and it should have budgeted for the future.

It is most revealing to look at the administrators report on National Express to try to find some of the true explanations for the public transport difficulties and National Express's withdrawal. The administrators report very clearly points the finger at the union movement's breaking loose under Labor and deliberately obstructing National Express from earning its performance bonuses in order to apply industrial muscle and win larger pay rises.

Mr Cooper interjected.

Mr CLARK — With very little help whatsoever from the government and its expensive industrial relations unit. On top of that, there has been a significant increase in insurance costs, which again must be linked back to the government's failure to manage the public liability crisis.

I refer also to the delays by the Bracks government in tackling the ticketing system. It was clear at the time of the change of government that the ticketing system was one of the unfinished items on the agenda. In the end the problem, as the government now admits, has been largely sorted out with the expenditure of around $500 000 on improvements to the ticket machines, but it took around three years to do it. If the incoming minister had listened to the bureaucrats and got on with the job when he first took his seat at the desk, that problem could have been solved years ago and a very large part of the transport cost difficulties that we are now facing could well have been avoided.

I want to say a few words about some other aspects of the government's management of our finances, about the blow-outs in its capital projects and about its public-private partnerships program. The bottom line conclusion is that the longer and fatter the policy documents become, the skinnier the list of projects that are actually implemented becomes. Two wastewater projects were signed up under a program that was set up under the previous government; the County Court project was well under way under the previous government; and the Spencer Street station redevelopment program was signed up under the Spencer Street Station Authority, again under a program the previous government set up. I think they are about the limits of this government's success.

Two hospital car park projects have fallen over because the government tried to force them into its clunky and costly Partnerships Victoria program. Hospital car parks might not be a big deal in the scheme of things, but since one of them is in my electorate I can say fervently that they are most important to hospital patrons and staff, and to the local community. After months and months of delay, successful bids were unable to be obtained for those projects at the Box Hill and Alfred hospitals.

Then just yesterday we saw further reports of cost blow-outs with Federation Square. At the time of the change of government it was budgeted to cost $236.2 million and was on track to cost around $260 million, but now that has blown out to approaching half a billion dollars. With the National Gallery of Victoria there has been a cost blow-out of $12.7 million, and its completion is overdue by 18 months; and there have been blow-outs and delays with the Austin hospital, the Geelong Road, the fast rail links, the Docklands studio development, the synchrotron, the Commonwealth Games and the state library.

I want to touch briefly on another worrying aspect of the current situation — that is, the increasing extent to which the Labor Party is coming to rely on liabilities to fund its election promises. I have explained in the past why the accounting technique being used for the so-called Growing Victoria reserve is most improper. On a proper accounting basis the Growing Victoria reserve should be ignored in all assessments of what is happening to debt and liabilities.

Earlier I referred to the increased reliance on borrowing by the present government, even compared with the situation 12 months ago. That point is reinforced when you look at pages 120 and 121 of budget paper 2. Page 120 contains a chart relating to how the government proposes to pay off all unfunded superannuation liabilities by 2035. It can be described, if I may put it this way, as a St Augustine plan: 'Make us good, but not yet'. If you look at the chart you can

see that, sure, in the end it gets to 2035, but there is a heck of a period of an increase going on before it starts to come down again. If you look in the table on page 121 at net financial liabilities you will see that net financial liabilities for Victoria bottomed out at June 2001 — on the back of the massive windfalls flowing on from the Kennett government — to $14 billion but that they are scheduled to be up to $18.9 billion by 2007. This is stretching absolutely to the limit any semblance of fiscal responsibility.

There have also been a number of miscellaneous omissions, anomalies and fiddles in the budget papers. Let us take for example the chart on tax revenue at page 20 of budget paper 2. The chart purports to tell us, if you take it at its word, that if you impute into last year's tax figures the tax changes announced in the current budget, then Victoria's tax is going to fall. This may seem a little bit strange since we have not had any tax cuts announced in this year's budget — we have only had tax increases announced in this year's budget — yet according to the footnote adding in those tax increases results in a fall in Victoria's tax payments.

Mr Cooper — That's creative!

Mr CLARK — It is very creative. The other creative aspect is apparent if you compare this chart with the corresponding chart set out at page 19 of last year's budget statement 2, which also purports to show a fall in tax collections and which I questioned the veracity of last year.

The additional striking point between these two charts is that on last year's chart, which was supposed to have been based on taxes that only continued after 1 July 2001, Victoria's tax to gross state product (GSP) ratio was about 4.3 per cent. This year's chart purports to have taken out some of the taxes that were in last year's chart, because the chart this year is supposed to be based only on taxes that remain after 1 July 2006, which on my reading means you take out the bank account debits tax on the assumption that the government is going to proceed after all with the abolition of that tax. Yet, with one tax less, we find that this year Victoria's tax to GSP ratio for 2001–02 is at 4.5 per cent — in other words, same period of time, purportedly same adjustments, one tax less: last year, 4.3 per cent of GSP going in taxes; this year 4.5 per cent of GSP going in tax. Take taxes out, tax-take increases. I cannot explain it; I hope the Treasurer at some stage will.

The bottom line is that the Treasurer and the bureaucrats in the department should be ashamed to be perpetuating such a misleading, deceptive and flawed chart, because to do so brings the credibility of all of the budget papers into disrepute.

Let me just say a few words about the Victorian economy, and I will move — —

Ms Kosky interjected.

Mr CLARK — To respond to the interjection by the Minister for Education and Training, who claims that the Auditor-General ticked off on this part of the budget papers, I draw her attention to page 200 of budget paper 2 and the fact that the Auditor-General ticks off only on that central part of the budget papers the margins of which are coloured purple. He has a look at those figures. He leaves the government to take full responsibility for everything else.

On the subject of shonky figures, let us have a look at page 47 of budget paper 2. It is a theme the Treasurer has used in a number of his speeches, that over the last five years Victoria's economic growth rate has averaged 4.8 per cent and thus, 'Isn't the Victorian economy going well!' — and thus, by implication, 'Isn't the Bracks government doing well!'. Let us look at the year-by-year figures and find out where the bulk of the credit for this 4.8 per cent average growth lies.

In 1997–98 the growth rate was 5.1 per cent; in 1998–99 it was 7 per cent; in 1999–2000 it was 4.1 percent; in 2000–01 it was 2.9 per cent; in 2001–02 it was 4.9 per cent; and this year the growth rate is down to 2.75 per cent. You can work out where the bulk of the credit lies for those figures. It certainly does not lie with the current government.

Under the previous government Victoria led the nation in economic growth; now we are running mid-field, falling rapidly back through the pack. Access Economics has stated that, with housing activity on the brink of dropping to more sustainable levels and with growth in retail demand having done its dash for this cycle, Victoria is already seeing output growth drop below the national average with only drought-affected New South Wales currently below it.

The key driver in the weakness of growth in Victoria is the forecast decline in private construction investment. Access Economics and others forecast a continued decline in that on top of the recent Australian Bureau of Statistics (ABS) figures. Similarly we have seen declines in most of the indicators of approvals for housing and for non-housing construction.

We are also, disturbingly, seeing signs that the labour market may have run out of puff. We see job creation slow considerably in the first quarter of 2003 with

18 700 full-time jobs lost in the first three months of 2003 compared with 7600 new full-time jobs created nationally over the same period. Just last week the ANZ job advertisement index showed a fall of 14 per cent over the year to April in Victoria, compared with a fall of 7 per cent nationally.

We are also seeing a slowdown in exports and a significant decline in business confidence in Victoria, both generally and particularly in manufacturing. Population growth is also slowing down. The Treasurer in his budget speech said something to the effect that increasing numbers of people were flowing into Victoria from other states. However, the latest statistics published by the ABS through to September 2002 estimate that a net total of 89 people migrated to Victoria over the last preceding quarter.

Honourable members interjecting.

The ACTING SPEAKER (Mr Kotsiras) — Order! The member for Box Hill, without assistance.

Mr CLARK — Indeed, we could almost manage to personally acknowledge each of them during members statements in this house. We also see steady increases in the number of public servants employed in Victoria and in public sector wage rates compared with national figures.

One of the reasons for Victoria falling back through the pack is the failure of the Department of Innovation, Industry and Regional Development to meet its targets, and on key performance measures its performance is well below what its predecessor was achieving under the previous government. Its target for investment facilitation for 2003–04 is $1.4 billion, which is a fall of 38 per cent on its outcomes in 2001–02. The number of jobs it expects to be deriving from these investments in 2003–04 is 4000, which is 31 per cent lower than what was achieved in 2001–02. The number of investments expected to be facilitated in 2002–03 in rural Victoria is set to fall to 300 from the 538 achieved in 2001–02, a fall of 44 per cent. We have seen the Regional Infrastructure Development Fund suffering from the inability of the government to organise itself in respect of decision making and capital investment.

Last, but by no means least, we have seen the damning evidence on industrial unrest that has come out of the Cole royal commission, which found that all the major Victorian building and construction projects it studied were beset on a regular basis by industrial action, almost all of it unlawful. It found that the Bracks government refrained from awarding contracts to otherwise successful tenderers because of the fear of reaction by unions. It is no wonder that business confidence is falling and Victoria is slipping back through the economic pack when the government is neglecting the essentials of investment attraction and facilitation, when it is tardy in its decision making, when it lets regulatory uncertainty hang over many industries affected by government and when it allows the unions to run amok.

To reverse that situation we need a government that can set real goals and priorities and not just mouth platitudes; a government that can contain wage growth to an affordable level; and a government that can focus on results, ensure our money is spent wisely and create growth and prosperity. These are things that our side of politics has succeeded in doing in the past.

Our side of politics also has a successful record, contrary to what is frequently asserted by the government, of increasing funding for services when the finances to do so are available. We increased funding for schools, hospitals and numerous other services rapidly after 1996 when the financial damage done by the Guilty Party had been restored. We increased funding for service delivery in a way that we could afford and in a way that was focused effectively on delivering results. Both of those elements are strikingly absent from the performance of the present government.

This is a budget handed down by a government that should have been flush with funds, because it inherited a strong economy, strong finances and a strong public service. However, it has squandered the opportunities it had: it has frittered the money away on blow-outs, on waste and on bungles. All Victorians are now paying the price for the Bracks government's failure to live up to its responsibilities.

Mr RYAN (Leader of the National Party) — Labor cannot manage money. It has been the Achilles heel of the Australian Labor Party throughout its time in politics. It is a familiar pattern: it involves Labor winning government, Labor breaking the bank and the conservative parties then coming in to clean up the mess. This budget is a case of 'Here we go again!'.

Much of what I might otherwise have said about the detail of the budget was accommodated in what was nothing less than a brilliant contribution by the shadow Treasurer in analysing the budget papers and the budget documentation.

An honourable member interjected.

Mr RYAN — I hear the interjection from the member opposite about the coalition being alive and

well. The fact is that I have always been ready to give credit where credit is due, irrespective of the political persuasion that might deliver it. It can justifiably be said that it was an absolutely brilliant delivery by the shadow Treasurer.

The inability of Labor to manage money is a fascinating topic in many senses. It would not matter if it was not supposedly running the show, but it is. I have wondered about it over the years, and I do not whether it is because of sheer naivete; a lack of business experience; the fact that they are not masters of their own destiny, being subject to all sorts of outside influences; a question of factional differences; the fact of union influence; or just a sheer lack of discipline in government. I suppose it could be an amalgam of all those things. But at the end of the day the result remains the same: Labor simply cannot manage money.

Inevitably Labor is unravelling, as has historically been the case in Victoria and in other states around Australia — and I hate to say it, but it is happening again. If you look at contemporary politics of relatively recent history, you can see this being played out, such as during the Cain-Kirner era from 1982 to 1992. We finished with them in 1992, when Labor lost government, with Victoria owing a debt of $34 billion and staring at recurrent losses each year of $2 billion. Over the years of the Kennett-McNamara government, from 1992 to 1999, that damage was substantially repaired, to the point where by 1999 the debt was about $7 billion and the surpluses were about $1.8 billion.

It has taken about three and a half years — from 20 October 1999, when they were sworn in, until now — to get to a point where, although the debt is around about the same but about to climb, the recurrent operating surplus has gone down to $245 million. I should add that it is an absolutely manufactured surplus, for the reasons which were set out by the shadow Treasurer and which I will also touch upon.

It is interesting that the Treasurer places so much store on the commentary by Standard and Poor's. He ought rightly do so, having regard to its importance in maintaining the AAA rating which we enjoy in Victoria and which was delivered by the former government. The real issue for this government has been highlighted by Standard and Poor's. Brendan Flynn from that organisation was reported as remarking on the afternoon of the budget's delivery, 48 hours ago, that the real issue was this government's spending and whether it would be able to rein back that spending.

In the context of this budgetary setting he was emphasising that over the next three years the state's net debt will grow by $900 million. It will be the first time in 10 years that Victoria has seen its net debt grow, and those comments are a shot across the government's bows by Standard and Poor's, which Labor so rightly and generously proclaims as being important to its future fortunes and those of the state.

It is this issue of spending which is the key. It is about the recurrent bottom line, and in the end there is no real rocket science about it. My son is fond of telling me, when I ask him whether he is doing as much as he can by way of study, 'Dad, there is no real rocket science about this'. People do it every day of the week in the sense of running their household or business budgets: you receive money in from certain sources, you spend it as you so design, and you squirrel some money away so you can accommodate whatever future growth requirements might occur, be they family or business interests, in the future.

It is a relatively simple theme, and it is the approach I take when I come along to these budget sessions each year, when we are presented with two or three volumes of gobbledygook — this year there are 850 pages of it, or thereabouts — comprising millions of words and millions of figures. In the end you distil it down to those basic principles: how much are you spending; how much are you getting in; and how much are you salting away?

When one considers those factors in light of this government's performance, one sees it fails very badly. Let me examine the spending aspects of this budget. I will do it on a slightly different basis to the approach adopted by the shadow Treasurer, because I will look at the budgetary figures of last year compared to this year — some of them raw figures — because the comparisons are very interesting.

On the issue of expenses and the lead item of employee entitlements, the budgetary figure last year was $9041 million. I might say that this sort of exercise is a horror for Hansard, so I will round up the figures and provide the sheets later. This year the budget figure for employee entitlements is $9597 million, which is a growth of about $550 million, or about 6 per cent. I could go through the rest of these figures for superannuation, depreciation and amortisation, borrowing costs, supplies and services and other expenses, but when you get down to the end of the list what it amounts to is that, compared to last year, the government is this year budgeting to spend another $1593 million, or an increase of 6.4 per cent. It is, in today's terms, a quite extraordinary state of affairs.

Then you look at some of the growth forecasts upon which the government says it is dependent — for example, a growth forecast of 3.1 per cent in the wages sector. The troublesome fact about that is that the government has never been able to rein in growth in that fundamental sector. Throughout the time Labor has been the government it has inevitably gone over budget. So the budget papers talk about a reliance on an estimated growth in employee entitlements of 3.1 per cent when the government absolutely knows that it has so far never been able to stick to the future estimates. We will inevitably see a growth and a blow-out in that area, because the government cannot contain its spending.

Brendan Flynn, from Standard and Poor's, is right: when you look at the other side of the ledger, the income side, again the figures are quite staggering. In terms of general revenue, last year taxation was budgeted to be $8802 million. This year it is budgeted to be $9593 million — an increase of $790 million. That is a 9 per cent increase in taxation income in the space of one year. It is a staggering amount of money.

When you look at fines and fees, investment revenue, grants, and the sale of goods and services and other revenue, as well as the general revenue categories, the figures are nothing less than frightening. When you break down the taxation revenue even further, it also tells its own tale. For all that this Treasurer has had to say about payroll tax relief, the revenue from payroll tax last year was $2710 million. This year it is $2730 million. That is an increase, yet the Treasurer is still persisting with this nonsense that he is doing wonderful things by way of cutting payroll tax.

The same is true of property taxes, and mainly stamp duty, of course. Last year the budgeted figure for property taxes — and this is a gross figure — was $2054 million. This year, as a gross figure, it is $2348 million, about 80 per cent of that being stamp duty on property transfers. It is staggering amount of money, yet the government is unable to contain its spending habits.

Where does all this take us in the sense of what the world at large has had to say about the budget? I have a grab bag of headlines here that I took from the various newspapers delivered to me on Wednesday. The *Herald Sun* headline was: 'Bite back'. I am sure John Ferguson did not write the headline, although he wrote the article. He starts with a paragraph saying:

> Hundreds of fees, charges and police fines will rise for life as the Bracks government slashes spending in a bid to keep Victoria in the black.

I thought the term, 'Slashes spending' was a bit generous. In the *Herald Sun* of the same day we also saw the headline 'Fines leap $100 million'. The editorial of the same day is headed 'The penalty of frugality', the opening paragraph of which reads:

> Those who still doubt that speed cameras are revenue raisers as well as effective road safety devices need wonder no longer.

It goes on to comment in a similar vein.

The *Australian* editorial of Wednesday, 7 May, had the headline 'Victoria starts adjusting to colder reality'. An article in the *Australian* of the same day had the headline 'Public sector pay showdown looms'. Another heading said, 'Surplus prediction is super optimistic'. And another heading in the same newspaper said, 'Tax rises mark end of property revenue party'. Another article on that same page was headed 'Welcome bailout for ailing museum'. If I remember, I will come back to that article, because it is deserving of its own comment.

Another headline in the *Australian* of 7 May was 'Payroll break for trainees dropped' — and I will come back to that. Then there was another one that said, 'Levy changes threat to hospitality industry'. I will come back to that one as well, because it refers to the payroll tax issue. Then there was one that said, 'Apparition of stability built on series of surplus assumptions', followed by another that said, 'Police anger over speeding fines'. And on and on they went. That range of headlines captured the general reaction from around the nation to this budget.

An article in today's *Herald Sun* discloses the extent to which a vast array of fees and charges will increase as a result of initiatives pursued by the government. So the general commentary has been that the party is over and that this government must understand that it has to rein in its spending.

No-one says it is not a difficult issue, but you have to be prepared to govern on these matters; it is very easy to be populist. Everybody would love to be constantly adding more staff and spending money in the way this government does, but just as people do at home and in their businesses, you have got to cut the requirements according to the cloth. This government is simply refusing to do that because it does not have the courage and the discipline.

Let us look at some of the specific measures the government has adopted, because some of them are nothing less than iniquitous. The one that I particularly refer to is in table 2.4 on page 31 of budget paper 2, which refers to the revenue initiatives which the

government has introduced. The most iniquitous is the indexing of fees and fines, because the government is launching an absolutely full-blown, unfettered assault on Victorian families. It is getting stuck into the battlers of this state and stitching up the people who are most vulnerable, and it is doing it in a cowardly fashion. The government does not have the courage of its convictions to go out each year, face the people and tell them, 'The government is going to put up your taxes this year, and this is why and where'. Rather, it has surreptitiously slipped in a provision which basically says that for ever after Victorians are going to be taxed increasingly on a range of government fees and charges.

The basic principle underlying government fees and charges is that they ought to be revenue neutral: it ought to be revenue neutral when you get your licence issued to you. The government gets paid back the amount of money it costs to produce it and provide it to you. Governments should not increase their income by the use of these mechanisms, but over the course of the next four years we will see that through a combination of the revenue initiatives set out in the table the government is going to garner another $558.6 million from Victorians — and it will happen in the dead of night, as it were. The government will not bring it to people's attention, but the National Party will, because this is a completely unfair way for government to conduct itself.

From now on, like other Victorians, people who live in country Victoria and who have a drivers licence or who like to go out and fish or who may want to hunt or shoot or do a variety of other things in company with their families will know that every time they access a pursuit which is dependent on a licence or a fee paid to government they are being taken to the cleaners by the government which has employed this indexation provision. It is the first time it has been done by any government in Australia: no-one else has done it, but this bunch has. It is a despicable thing to do to Victorian families.

Wrapped up in the same table is the question of motor vehicle registration increases. The government has lifted the basic fee by $17 and then added the indexation provisions. Over the next four years that will raise $253 million for the government — $46 million in the first year, $57 million in the second, $69 million in the third year and $81 million in the last year; all because it has pushed up motor vehicle registration expenses. It is another element of an absolutely blatant assault on Victorian families. It will attack those who have the least capacity to pay. It is a despicable thing to do, and the government will be judged in the fullness of time.

The government cannot even tell the truth about these measures. I was doing a radio interview on the afternoon of budget day and the interviewer took issue with me when I talked about the extent of the benefit the government will enjoy following indexation of fees and fines, set by regulation. I said to the interviewer that it will be about $100 million over the four-year period. He protested and said that he had interviewed the Treasurer only an hour before and the figure was only going to be $8 million. Of course when you look at the budget papers you see that is right — for the first year! What the Treasurer forgot to tell the interviewer was that over the first year it is $8 million but over the next three years it is another $90 million. This is the sort of stuff the government indulges in as a matter of course in the way it conducts itself.

Another one of the classics set out in the same table is the abolition of payroll tax exemptions employers presently have when they employ apprentices and trainees. Talk about despicable! This is an absolutely dreadful attack, not only upon employers but more particularly on our young people. It is anti-employment, it is anti-youth and it is destined to destroy jobs. Over the four-year period it is going to cost employers $210 million, according to government calculations, and if as is usual the government is underestimating this, it will cost more. In return employers who employ three apprentices are supposed to get back $51 million in bonuses.

The government justified that on budget day by wheeling out the usual suspects; all of them Labor Party apologists. It had Leigh Hubbard out there saying it is a great idea. 'The system is being rorted' was the expression he used, and he gave us his half-baked examples. What consultation was there with industry in relation to this? When you look at what the peak bodies have had to say you see that they have been condemnatory of this because they understand that this is absolutely anti-employment, but more particularly, anti our young people.

What happened yesterday in this chamber when I asked the Minister for Employment and Youth Affairs, 'Have you done any studies in relation to this, and what will its impact be on youth employment in this state? Have you done anything about that'? We got the same old, tired, troglodyte garbage rolled out by the government. Wouldn't you think this minister would have done some sort of study of this? Did she stand up for young people when this measure was brought to the Cabinet table? Did she get up there and argue the case for young

people, and did she produce evidence to indicate what is going to happen when the employers, inevitably, are dissuaded from taking young people onto the payroll because they are again being stitched up by this government? Did she do any of that? Where was the study that she should have undertaken? Who ran the case for our kids at the Cabinet table?

It is a reflection upon the minister that this issue is not being dealt with in the appropriate way. The Minister for Education and Training, who is sitting at the table, says that it is not her job to do it — that is the general tenor of what she is saying.

Ms Kosky — It is not her ministerial responsibility.

Mr RYAN — The minister says it is not her ministerial responsibility. Is the Minister for Education Services also the minister for youth? I take it by the silence to my rhetorical question that I am right. She is the minister responsible for youth. Most of the people involved with trainees and apprenticeships are young people and they will be shut out of their jobs. Who was making the case for them? Was the Minister for Education Services making the case for our young people at the table? Was she the one?

The Minister for Education and Training is here now and she says I should have asked the right minister. I will ask her, rhetorically, was she making the case? I tell you that no-one was making the case for these kids and it is absolutely despicable.

When you look at the totality of the budget, the worst thing is the trend. The shadow Treasurer has saved me time by very carefully taking us through the figures this morning. The trend is there — we have an established trend and the government is absolutely out of control in its spending and we will inevitably see its calculations on future growth — —

Mr Nardella interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Melton will have his turn.

Mr RYAN — They will blow out because that is what has happened before and we will see this government continue to belt families and small business as it has done in this budget and as page 31 of budget paper 3 amply demonstrates. Over the coming years we will see more of this because the government has a real difficulty in being able to maintain its income streams in circumstances where it is spending money like a man with no arms! Where does all of this take us in terms of the commentary around the state and around the nation? It is as I have set out to the house here this morning.

On a lighter note, I would like to introduce a bit of levity into the debate if I may. There is hope; there is a way forward and I am only here to help — —

Mr Nardella — And it's the National Party!

Mr RYAN — I take up the interjection: it is the National Party, the member is quite right. Apart from that there is hope and this is it: today in Western Australia the government is delivering its budget and it is being delivered by a Labor government — —

Mr Nardella interjected.

Mr RYAN — I hear the interjection — 'a great Labor government!'. In that budget the government will cut its expenditure by $750 million. The budget is being delivered by the Treasurer, Eric Ripper. I suggest we get Eric over here; he can do a double act with the Treasurer and we will end up with Jack the Ripper! This is what we need in terms of accommodating spending in the state of Victoria. We will have to take some serious steps because otherwise we will have ongoing problems.

Where is all this taking us in terms of Victoria's fortunes? As I say, we have a problem insofar as our families and small business sector are concerned, and there are issues pertinent to rural and regional Victoria. Out there in the parts beyond Melbourne the chief issue of concern is this question of financial management. I have made some commentary about that already and I will not go across that again. However, now people are accepting of the fact that we are in deep trouble with our spending in Victoria.

The other issue that is resonating out there is the way in which this whole Scoresby issue is being dealt with — the tolling issue. By its own admission, the government is breaking a promise which was made faithfully to the people in the Scoresby corridor. It is an issue that travels well beyond the dreadful trouble they have out there in Scoresby. I pause to say, it is a moot point today, on 8 May, whether the Scoresby freeway will ever be built. There have been some interesting articles by Terry McCrann and others over the last couple of days.

Putting that aside for the moment, one of the other interesting issues is the way the issue is being treated by the Treasurer and the Premier. At least they could get their lines right. When talking about his decision to scrap his promise and toll the freeway, at least the Premier had the good grace to say, in his press release of 14 April:

> The decision we have been forced to make to impose tolls is a difficult one — but it is the right one to protect the bottom line of the budget.

That is what the Premier had to say. What did the Treasurer have to say on this issue in his second-reading speech? He said:

> This was one of the most difficult decisions taken by the government …

So far so good, but then he went on to say:

> but it was a decision we had to take in order to build a vital transport link for the people of Melbourne's south-eastern suburbs by 2008, instead of many years later.

That was his explanation. Do not worry about the fact that the government may have run out of dough; and do not worry about the fact that it has no money to build the thing because the government cannot control its spending. The Premier and the Treasurer cannot even get their lines right. This is an issue that is causing very grave concern in country Victoria.

Look at the raft of things that have been promised by this government as opposed to those that have actually been delivered — and they are many. Many things here bear consideration. The Regional Infrastructure Development Fund — we have had a good talk about that over the last couple of days — —

Mr Nardella — A great fund!

Mr RYAN — It is a great fund — I take up the interjection — and we have always supported it. We have always said it is a great fund and it is, but as of today $50 million of it remains unallocated. There has been a 40 per cent cut in the future allocations to the Regional Infrastructure Development Fund. We have nine new councils now competing with the true regional and rural councils that are part of the original legislation. We will only have $130 million of the $180 million available in that fund over the life of this Parliament; and $90 million of that fund, if we are to believe the government, will be directed to both natural gas extensions and small town works — $70 million for gas and $20 million for small towns. Both of those are laudable, but it will leave the princely sum of $40 million in that fund over the life of this Parliament. You cannot help but wonder how that is going to play out.

Look at some of the other promises over the years. There was the question, prior to Labor coming into government in 1999, of maintaining the maximum uniform tariff. Do we all remember that one? That was a beauty. I should have brought it in with me. It said, 'We are going to cap electricity pricings. We are going to maintain the maximum uniform tariff'. What happened instead? They abandoned the winter power bonus which the former government ran for about three years and which provided about $360 million. They eventually installed a $118 million fund, which was welcome assistance. They said, mind you, that they would not reduce that until such time as they had carried out a full investigation among consumers on what they should do in the future. They said they would make appropriate inquiry and have consultation and all the rest before they took any decisions.

No inquiry was ever undertaken. I have talked to industry, local government and businesses about this. No inquiry was ever undertaken by this government. It is just a mickey mouse project that they have now decided on, and they have slashed that $118 million to $57 million. They have taken another $60 million away from country Victorians and done it without giving any rationale or any explanation as to why it is so, let alone keeping their original promise before they came into government about the maximum uniform tariff. It makes a joke of the promise they made at that time. It is reflective again of the way in which they conduct themselves.

They talked about establishing regional call centres. That has been an absolutely booming success — hold the phone! They talked about the fast rail links project, and that of course has seen more changes than Danny La Rue. Originally it was going to be an $810 million project, comprising $550 million of public funds and $260 million of private money. Of course they could not get the $260 million, despite it being the case that we were asking them about it over a period of about 12 months. The $260 million never materialised. Why did it not materialise? Because private enterprise recognised the project for what it is — the slightly faster train — and did not want to have anything to do with it.

The National Party commissioned the ACIL report of November 2001. Without going into it in detail again, one of the most interesting aspects of that very comprehensive and credible report is that when you examine the expectations that were created in the minds of country Victorians by this government about the outcomes of fast rail and compare them to what we are going to get, you see that there is a vast, vast difference. What the government created in people's minds was an expectation that the time frames would be 55 minutes travelling express to Ballarat; to Bendigo, travelling express was going to be 60 minutes; to Traralgon was going to be 60 minutes, again express, stopping only at Dandenong; and to Geelong it was going to be in the order of 45 minutes.

The regrettable thing is that when you look at the bottom part of the table prepared by ACIL based around the government's own figures, you see the real killer content of the table, which is that to build a fast rail project of that dimension that would deliver travel times of that order was going to cost, on the government's own figures, $1.75 billion. It is a sort of Scoresby on tracks, and of course it is impossible. It was always impossible. It was never going to happen, and it never will happen. It cannot conceivably be done. There are all sorts of problems with it, not the least of which is the difficulties that arise when the trains actually get into the metropolitan network and the major structural changes you would have to make to that network to enable fast trains in the true sense to be able to function. That is but one minor component in the scheme of things that are a problem for this.

What are we going to get instead? We have this $550 million project. Where precisely it is at the moment no-one knows. And we are going to have, on the government's own figures, a travel time to Ballarat, travelling express, of 70 minutes; Bendigo, travelling express, 90 minutes; Traralgon — —

Mr Nardella interjected.

Mr RYAN — These are the government's own figures.

Mr Nardella interjected.

Mr RYAN — I am reading the government's own figures. I am being told by members of the government that the figures are absolutely wrong. This only adds to people's confusion about this already confusing issue.

Mr Nardella interjected.

Mr RYAN — I am wrong? I am sorry, I got — —

The ACTING SPEAKER (Mr Delahunty) — Order! Through the Chair. There is too much audible conversation.

Mr RYAN — Continuing with the government's own figures, the travel time to Traralgon will be 100 minutes, stopping at Dandenong only; and the journey to Geelong might get down to in the order of 45 minutes perhaps. Again it is just a complete farce. If you look at what was promised and what is being delivered, you see there is no comparison between the two.

The question of rail standardisation — now there is a good story. In 2001 there was a commitment of $96 million. What has happened? It has hit the wall. We are not going to have any rail standardisation.

And while I am on the go, Acting Speaker, I want to jump to the defence of the Minister for Transport, because someone has been unkind enough to distribute a brochure in this chamber. I do not want to spend too much time on it because I know it is an embarrassment, but in my anxiety to protect his interests I think it is only fair that I identify the document. It is a brochure. It reads:

> Pig Iron Peter 'going out of business sale'. Give us your bid for all or part of 2300 tonnes of brand new steel rail line purchased by Peter for the now defunct rail standardisation project in Victoria. Successful bidders will have to collect because (as we all know) Peter never delivers.

I just hope that someone is assisting police with their inquiries as to how that thing was created.

It is a shame — another promise that was made — $96 million worth of rail standardisation would have been fantastic, as this Minister for Transport himself acknowledged in his press release of 18 June last year, when we was saying how wonderful the whole thing was going to be, but of course it has hit the wall.

What else have we got? The bushfire response. That has also been interesting. The government's response has been slow, and it has been patently inadequate. We still have so many people, particularly in East Gippsland and north-eastern Victoria, who are battling with issues such as fencing. I know the member for Gippsland East will agree with me. If he does not agree with me about much, he will agree with me about this issue for the people he represents up in East Gippsland.

The fencing issue is terribly difficult for these people. Something like 3000 kilometres of fencing was destroyed in the fires, and it is going to cost an astronomical amount to put it back. It will depend on what sort of country it is. You get quotes which vary depending on the topography in which you are having to reconstruct the fencing, but it is going to cost multimillions of dollars to do it. The government has effectively put up about $5 million, half of which is to be devoted to dog-proof fences. It is absolutely insufficient and inappropriate.

On the question of feeding the stock up there, we pleaded with the government to open up the state game reserves — those former grazing areas — to enable the stock to be fed, and got nothing from it. The conduct of the inquiry that we all wanted on the conservative side of politics, and I think the member for Gippsland East also wanted — —

Mr Ingram interjected.

Mr RYAN — He wanted an independent inquiry to be conducted. What have we got instead? We have this sort of half-baked internal thing running, with Bruce Esplin, with all due respect to him, hopelessly compromised. Now we have a federal government inquiry, which this government in Victoria, as I understand it, is refusing to cooperate with.

You have all sorts of costs attributed to the fighting of the fire which are being used by this government to in part explain why it cannot produce a budget which is appropriate to the state's needs at the moment. It is said that the cost of fighting the fires was $139 million. We have asked the government to give us a breakdown of where those figures come from because we strongly suspect that much of that money would have been paid out anyway to Department of Sustainability and Environment (DSE) employees who were otherwise doing their tasks in their respective offices around the state. What is the breakdown of the money that was devoted to the fighting of the fires?

I come back to the article I touched upon a while ago about $100 million being chipped to the arts community at this particularly difficult time in the course of this budget in circumstances where we have people up there in some instances still fighting for their lives, and certainly for the lives of their stock, and for their wellbeing and for their future, and they are not being supported by the government.

We welcomed the recent announcement of the $70 million package. That is meaningful money. We welcomed it, but in the end about $3 million of it makes its way on to the ground and into the hands of the people who are bearing the brunt of all of this. We can rebuild the assets in our national parks in due course. We can do all that in the future. We have to help our people now, and that is where I think the government has failed miserably. And into the bargain, of course, the Department of Sustainability and Environment is about to cop a cut in its funding.

It might be said that I cannot have it both ways. I cannot be up here complaining about no spending controls and yet complaining about the fact that this department has had to sustain a cut. But of course this is an example of where the government is just completely inappropriate in the allocation of its priorities.

We have the Auditor-General reporting today, and I quote from the 'In brief' pamphlet:

> The DSE's strategic management of hazard reduction on public land has been poor. The DSE has consistently failed to achieve its own hazard reduction targets; however, the significance of this failure cannot be easily assessed, because the DSE does not report on changes to the level of risk associated with the completion or failure to complete hazard management activities.
>
> Funding arrangements for the DSE could be changed to better support wildfire prevention and preparedness.

It says further:

> Achieving fuel reduction targets is likely to require a significant increase in resources …

There are various other elements contained within the actual report which reflect the very grave concern on the part of the Auditor-General that DSE is not being properly accommodated in the sense of the needs of that department to deal with the risks that country Victorians face, because they are out there on the fire front fighting fires they should not have to be fighting. Again I just look at the relativity issue. How can it be that as a state we have a Treasurer chipping $100 million into the arts fraternity to help save these facilities which cannot run properly, as opposed to the urgent situation we have up there with people in need?

The same can be said of the drought issues. Yesterday, 7 May, the government cut the funding for the drought assistance packages. To be precise, it will not receive any more applications for those packages, which are up to $20 000. This was a terrific initiative at the outset by the government. We congratulated the government on it. It has meant that many people in country Victoria have been able to receive support from the government to ease them through a very difficult time to do with the drought. I again commend the government for it; but we still have dreadful trouble out there. I receive calls daily in my office on behalf of families who are struggling with this. In South Gippsland, for example, where I have the honour to represent those communities and where the declaration of drought was made only about three or four weeks ago, the people are supposed to go and see one of two counsellors to consult before they lodge their applications, and they simply have not been able to do so. It is impossible for those counsellors to accommodate the workload and equally impossible for people to get these applications in.

Over and above that we have areas of the state which are still in terrible trouble. Yes, we have had some rain and that has been terrific, and yes, we have had some follow-up rain in other areas and that has been equally marvellous, but by Jove, we have a lot of communities that are still in desperate trouble. I plead with the government to unlock the program again, and give these people the opportunity to share in these moneys,

because it was a good initiative by the government. It should be extended; there is no reason to have cut it off.

There are other things the government has done. The Seal Rocks fiasco. How much is that ultimately going to cost us? It is said in the budget papers to be $44 million; that is the figure at page 33 of budget paper 2. I think it is more likely to be something like 80 million by the time this finishes.

What about the ambulance inquiry! There $80 million was thrown against the wall, just like that, in the blink of an eye; $80 million produced absolutely nothing.

I see the commentary in the newspapers and the budget papers about the synchrotron. This was one of the issues where the government raced to the line in a bidding war with Queensland and put up its hand for $100 million to build the synchrotron at Monash. Now we find the fact is they cannot get any funding out of the private sector. They wanted about another $57 million or thereabouts from the private sector, but the private sector will not put it up, for all the obvious reasons. So what has the government done? It has gone off to the federal government. It announced a couple of years ago that it was going to build this thing, and now when it cannot get the money it is up bleeding to the federal government and looking for another $50 million.

Without breaching any confidences in this Parliament, I can absolutely and utterly assure the Treasurer, the Premier and all other ministers and members of the Labor Party who are the government in this state at the moment that they are not going to get a single cracker out of the federal government for this project. And indeed nor should they in the sense of any reasonable dissection of the administration of the financial affairs of respective levels of government. Of course the government should not get it. It is a nonsense.

We have the Commonwealth Games blow-out. Who knows where that is going to end? Another $300 million or $400 million tipped down the well only recently.

These and other things are what trouble country Victorians about the way this government conducts itself. That brings me to the point of where we in the country parts of the state and in the regions beyond metropolitan Melbourne see our future, including the sorts of things we regard as important, and where the government can do constructive things to assist.

While I am on that point I reiterate, as I have often said here and in other forums, that this is not a them-and-us thing. It is not about Melbourne versus the rest or about the rest of us versus Melbourne. All Victorians have a great pride in this wonderful city, which is truly one of the great capitals of the world. To enable our export products to leave our shores, for example, we are dependent on the proper functioning of our port facilities and the like, as well as the other infrastructure networks in and around Melbourne. Rural Victorians as a matter of course come to this city to enjoy its many aspects. We all share a pride in the city of Melbourne.

The fact is that beyond the borders of Melbourne, which is growing at a stupendous rate, there are needs to be met if we are going to make sure we get the best out of country and rural Victoria. This is not an issue I ever advance on the basis of the poor-boy-me argument, which I cannot stand. The proper approach is to say that if there is an equitable distribution of resources by governments of whatever persuasion across country and regional Victoria, we will all get better outcomes — not only those of us who live in those areas but everyone in the state as a whole.

Therefore the principal issues of concern beyond financial management and the inability of the government to control its spending are various. The first is the issue of water. Water administration, as is recognised by every person in the chamber, is going to be critical to the future of country Victoria. We welcome the fact that we are having a discussion about it, and we welcome the fact that the government has enunciated various policies based on its intent to become involved in a meaningful way in the debate.

But people beyond Melbourne are concerned about the balance to be applied to this whole debate. That concern comes from the fact that about 75 per cent of the water in Victoria's storages is devoted to agriculture. Therefore, the relativity of the debate is important. For Melburnians the issue of water is important when it comes to getting up in the morning, having a shower, cleaning your teeth, going to work, having a cup of coffee during the day, and coming home at night and perhaps do likewise all over again. That is not to denigrate those who live in Melbourne and for whom Melbourne is home.

In a country Victorian context the issue of water is something that is ever present. It is not just those basic uses that I just described that are relevant, it is also to do with many people being dependent for their very livelihoods upon the way water is used in country Victoria. I am very concerned to see that the government grasps this issue of relativity. The water industry is extraordinarily complex, so it is incumbent on government members to get a working knowledge of how it functions. The government has the numbers,

so in reality it is going to be administering this extraordinarily important aspect of policy over the next three-and-a-half years. It is imperative, therefore, that government members get a proper understanding of what the industry is about.

I plead with the government to keep the question of balance in mind. Recent initiatives give me very little cause for comfort. Parliament has passed legislation which enables the Essential Services Commission (ESC) to have future control over pricing issues, including the price of rural water — and that is another promise broken. In the previous Parliament we had a deal with this government that control of agricultural water would not go over to the ESC, but it has. Such is life. The undertaking has gone by the bye, and now we have what we have.

But there are issues around the ESC being in control in this area which are causing great concern out there. There is the treatment of the *Living Murray* document, whereby, at one end of the scale, we have the prospect of 1500 gigalitres of water being put down the Murray River. Who knows where it will be sourced from? We have the added concern of Mr Crean, the federal Leader of the Opposition — for the present time, at least — recently making the comment that he would be looking to put 450 gigalitres of that water down in his first term. You wonder where Mr Crean is getting these figures from and how he can satisfy these sorts of obligations.

There is also the question of the budget papers that the house is now looking at. The government has moved to change the whole structure of the industry so it can make a quid from it to help bolster its diminishing resources. There is a very troublesome and worrisome component at page 35 of budget paper 2, where, in the third dot point in a paragraph dealing with the reason for a decline in investment income, it says:

> … lower distributions from the water sector, mainly reflecting one-off additional dividends of $100 million from certain water companies in 2002–03 to reinforce a commercial focus —

and I reinforce 'commercial focus' —

> of the businesses and ensure appropriate financial ratios —

and I also reinforce 'and ensure appropriate financial ratios' —

> were maintained.

These are really issues that, when spoken about, raise the hairs on the back of the necks of those of us who live in country and regional Victoria and who are so dependent on water.

There is the question of the Snowy River and satisfying the commitments to restore the environmental flows. There is also the ongoing discussion about the Murray River, which I have just referred to. There are many scenarios about the future treatment of this finite resource. All the members of this chamber are apparently around the proposal that in time to come those involved in our irrigation industries and in the fantastic agricultural pursuits that substantially underpin the economy of this state are somehow all supposed to do much more with much less water.

In all of this the question of property rights has been absent from the discussion. In his recent ministerial statement the Minister for Water urged our communities, by word and by the tenor of the document, to do more with less water; but as I said, in all these discussions the issue of property rights does not appear. If water is to be acquired from these people, are they to be compensated? I know we are having a discussion about this at the federal level, but at the moment no-one is saying who will put up the money.

Clearly finding the money is an obligation on the states, and in the instance of Victoria it is an obligation on the state government. I want the government to start talking about the implications of its going down this road of taking water from our farming communities — and I pause to say that that is the last thing I want to see happen. What are the implications for property rights if the government goes ahead with it?

On the other side of this whole discussion I urge the government to become more and more involved with the innovative work that is being done within our magnificent agricultural industries. The people who work within these industries are some of the best environmentalists and innovators that the government will ever find. They have demonstrated that on their farms and on their properties, given the various productive ways in which they have used water, particularly over the last decade.

The government needs to respect that for what it is, and it should respect the fact those people, who are using the water in a responsible fashion, have an extraordinary capacity to continue to make a constructive contribution on this vital issue. Yes, we are very happy to have a discussion about the issue of water, but the government should do it on a balanced basis, respecting those who have an interest in it in the manner I have described.

The question of the extension of natural gas has already been dealt with, but it is imperative. That was at the forefront of the policy development that the National

Party took to the last election. Members will recall that on behalf of our party I proposed the establishment of an infrastructure fund of $1 billion, spread over four years. The proposal was supported by the 10 leading local councils outside metropolitan Melbourne. Ironically enough, in its recent submission to the government the Victorian Farmers Federation (VFF) also proposed a fund of about $920 million for these infrastructure developments.

What we proposed incorporated $150 million for natural gas, $120 million for rural roads, $80 million for water and sewerage projects in small towns, $100 million for electricity upgrades and extensions, $100 million for water and wastewater initiatives, $150 million for water savings projects, $100 million to boost the bulk rail freight movements, $50 million for information technology and $150 million to supplement the Regional Infrastructure Development Fund.

They were all things we talked about and, as I said the other night here, I am perfectly happy that the Labor government has plagiarised a lot of these ideas and has incorporated them into its policy development. That troubles me not one iota, but it is important that we actually get these things delivered, not just talked about as this government has done, and not in a situation where these initiatives are not being delivered simply because this government cannot control its spending.

I look at the commentary by the Victorian Farmers Federation about the recent budget. In the press release that was issued by the president, Paul Weller, on the afternoon of the delivery of the budget, he has made reference to his disappointment about the spending in the face of the extra money available to the government and which should have been there since the Premier had committed to it before the election. It should have been there for the purpose of infrastructure developments, particularly in country Victoria. Mr Weller rues the fact that we are apparently not going to see the repair of rural Victoria's ageing bridges, the upgrade of the Eildon dam, or the deepening of the port of Melbourne access channels within the term of this government. He also reflects upon the fact that the government has cut road spending by $36 million this year and plans to cut it by another $35 million in 2003–04. He makes other comments reflecting disappointment in the overall budgetary impact, while commending the government for the initiatives it did adopt from the VFF's submissions. But in the scheme of things his release has an air of disappointment, and I think justifiably so.

In country Victoria and in the regions there is the issue of the small business sector. The government needs to do more about the matter of abolition of payroll tax. What it has done here is to fly in the face of it by abandoning the payroll tax exemptions for employers of apprentices and trainees. It is a terrible sign; it sends a shocking message. There is the issue of Workcover, and I am pleased to say that James McKenzie who now has charge of that venerable organisation is doing the country tours that I spoke to him about and they are going well. It is enabling business to have a better association with Workcover on the home ground of business. That is a good initiative.

There is the public liability insurance debacle. The government has to do more in this area. The National Party led this debate, I think everybody acknowledges that. The Minister for Finance was generous enough to do so just the other day in the course of debate in the other chamber, but in fact the program has stalled. We have to address this public liability insurance issue, but also the question of the way in which our laws operate at the moment to compensate people who have had the misfortune to suffer injury in personal accidents. In that sense it should not matter whether it is a public liability insurance-related issue or a medical negligence issue or a product liability issue. There needs to be a form of amendment to the legislation which is not based on the ad hoc approaches being made at the moment. The simplest way to do it is to introduce the threshold for payments that we have advocated over the last couple of years.

So there are many issues for small business, both on-farm and off-farm, that I would ask this government to take into account. There is the matter of our families and the impact upon them of this budget, and I have dealt with that. I welcome many of the Labor programs in health and education, but again I urge and plead with the government: do not let us go down the track of these Hume reports that we saw recently. Government members should have conversations with our people about these initiatives if they want to do these things. That is the best way to get the best outcomes.

In my own electorate — and my time is nearly up — things have been happening which have caused and continue to cause terrible problems, such as the wind farms fiasco in South Gippsland. After the stupid regulations that have been introduced by the Minister for Planning, who now coincidentally sits at the table as I finish my contribution, we now find in South Gippsland that if there is going to be another 100 megawatts of power added on to the network — this is beyond the 100 megawatts about to come in — whoever is going to do it will have to pay not the $6 million which the current proponent intends to do, but about $26 million in upgrades. Who is going to pay

that, for heaven's sake? It is just making nonsense of the development.

We have seen the fallout over the Basslink fiasco, which also has been a shocker that we can lay at the feet of the Minister for Planning, and people continue to suffer from that. We have the dreadful circumstance of Victoria Police turning up at the farms of country Victorians to enforce the law in favour of a massive British consortium, because this government did not have the courage of its convictions to be innovative and place that electricity cable underground, instead of allowing the construction of these blasted pylons. We have the ongoing saga of Dutson Downs and the establishment of a toxic waste dump about which the government has not the courage to tell Gippslanders what it intends to do. It is continuing to fiddle with the detail of that and will not front the music and tell us what is going on.

Those are the sorts of issues which continue to cause problems for us in my electorate, but more generally across country Victoria. Beyond Melbourne is a great place to live and work and play. We need the support and, to a degree, the leadership of the government if we are going to see the best out of country Victoria and its regions, but in the main what we need is to have the government recognise that those areas are very happy and are prepared and able to lead the way themselves. They have their hands up in a variety of ways and what they are looking for is to have the government come on board with them to enable the delivery of programs that are in the best interests of all of us. Unfortunately when you look at the sad way in which the government has conducted itself to date, it has fallen short to a huge degree. And why? The principal reason is the same one with which I started: Labor governments cannot manage money. The government is unable to control its spending, and of all the challenges it has, that is the first and foremost.

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

Mr STENSHOLT (Burwood) — This is a great budget, and it proves that Labor governments can manage budgets and that they can be financially responsible. It is a great budget in terms of getting on with the job and growing all of Victoria, because it is building on what we did in our first term and also delivering and making sure we have a smarter, healthier and safer Victoria.

It has been a challenge to bring in a fiscally responsible budget, and taking into account the challenges which have come up this year. They have been elaborated on by the Treasurer — the bushfires and droughts, the weak global economy which had an impact on exports and which was felt particularly in Victoria, the public transport franchise debacle and the downside of global equity markets. As has already been said in the budget papers, we have lost around 1.25 per cent in growth to the Victorian economy because of these downturns.

What comments has the opposition offered about the budget? The Leader of the Opposition said, 'We are on the brink'. The only one who is on the brink is the Leader of the Opposition!

This is a AAA budget. It is a tight but good budget. It gives a positive, optimistic outlook. It is a budget which sets the pattern for the next four years; it is a budget which looks to the future. It secures Victoria's finances forward, with surpluses of $245 million for the next year, through to an estimated $547 million in 2006–07. We would probably do even better if the feds got their act together, but unfortunately there will not be a positive impact on Victoria from the GST until 2008–09.

What does the opposition have to say about the budget? It asked, 'Where has all the money gone? Where has the $1.8 billion gone?'. I can tell it where it has gone — it has gone on services and better government for the whole of Victoria. It has gone on an extra 800 police; it has gone on an extra 3000 teachers; it has gone on an extra 3000 nurses; over $800 million has gone on rebuilding our schools and TAFE colleges following the neglect of the previous government; it has gone on rebuilding our hospitals and health services; and it has gone on the highest commitment to infrastructure ever in Victoria's history.

Both the member for Box Hill and the Leader of the Opposition have asked, 'Where has the money gone?'. Let me tell them that in Box Hill it has gone on the Box Hill TAFE; it has gone on the Box Hill Secondary College; it has gone on the Box Hill High School; and it has also gone on primary schools in the Box Hill electorate.

Where has it gone in the electorate of Malvern? The Malvern Primary School required urgent maintenance. Where was the member for Malvern? It required urgent maintenance of $399 000 to replace the roof, which the member for Malvern did not adequately advocate for under the Kennett government. That is where the money has gone.

What was said by the would-be Treasurer, the no. 3 choice? The first choice got dropped due to a lack of form; the second choice did not even get to bat; and

now we have the third one. The member for Box Hill rarely mentioned people. He is out of touch with ordinary Victorians. He did not say anything about the positive impact of the budget on the men, women and families of Victoria. He went into lots of detail, and I commend his interest in the detail — it is certainly better than that of the honourable member for Brighton, who completely failed to understand it.

I am afraid the member for Box Hill loses sight of the wood for the trees. He is the only one I know who can blow hard about supposed blow-outs but still be boring! He talked about a number of aspects of the budget. He talked about the budget update, he talked about changes and reclassifications, and he talked about the differences in them and bemoaned the fact that he thought there was trickery and chicanery involved in the budget update.

Let me tell you who prepares the budget update: it is prepared by Department of Treasury and Finance officials. The opposition Treasury spokesman is impugning the professionalism of Treasury and Finance officials. He ought to apologise to Treasury and Finance for that. It is an absolute disgrace!

Honourable members interjecting.

Mr STENSHOLT — He is the one who tries to say how good he is, but all he does is impugn those professionals. That is shameful. It is a typical put down of the public service by the opposition.

The member for Box Hill also talked about borrowings. I know borrowings are a bit complicated and we have to take into consideration different accounting systems — there are government financial statistics and AAS31. He focused on table 6.2 on page 121 of budget paper 2. What did he talk about? He talked about net borrowings. What were the net borrowings in 1999? They were $7.1 billion. What are they today? They are $6.1 billion. He talked about increases in borrowings, but he does not even understand the budget papers — and nor does the Leader of the National Party. We like to express it in terms of the percentage of GSP, or gross state product — and it is a better indicator. What were net financial liabilities as a percentage of GSP, excluding Growing Victoria, in 1999? They were 10.9 per cent. What are they today? They are 8.3 per cent.

Where are these famous blow-outs? Where are these famous increases? The shadow Treasurer forgets that the economy keeps growing. Over the last few years it has been growing by an average of over 4 per cent, and if you add to that the effects of inflation and general cost of living rises of around 2.5 per cent you will find it easily exceeds the 27.1 per cent growth in revenue.

As to the standards we are setting and the comment that the economy is practically in the red, I indicate that the surplus this year is an estimated $160 million, and it looks as though it will be $245 million next year. If you use the government finance statistics standards, the surplus for this year is predicted to be $1.277 million, as opposed to an estimate for next year of $423 million.

Mr Wynne interjected.

Mr STENSHOLT — That is right, that is accounted for particularly by the impact of super. This shows that there is a very healthy financial situation here in Victoria, in spite of the challenges Victoria has been facing over this current year.

Mr McIntosh — Did you write this?

Mr STENSHOLT — I wrote it all myself, mate; don't you worry about that. They also say that expenses have been going up faster — —

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Burwood will have the call after question time.

Sitting suspended 1.00 p.m. until 2.03 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Wind farms: Portland project

Mr DOYLE (Leader of the Opposition) — I refer the Minister for Planning to her answer on Tuesday to a question without notice from the member for Hawthorn when she claimed that the planning panel which evaluated Pacific Hydro's Portland wind farm had been appointed by Planning Panels Victoria and not by the government. I further refer her to the instruments of appointment, which confirm that on 25 July 2001 the previous Minister for Planning, now the Minister for Environment, terminated the original panel and personally appointed a panel to specifically include Dr Graham Redding. Will the minister now correct the record and in doing so advise whether it was appropriate for the government to appoint a panel member who works for the company which prepared the environment effects statement for the wind farm and which appeared for the applicant at the panel hearings which assessed the statement?

Ms DELAHUNTY (Minister for Planning) — That was a little bit like a ministerial statement, and it is only the Leader of the Opposition.

Mr Bracks interjected.

Ms DELAHUNTY — And he will not be a minister either, Premier! There were several questions involved in that, but it relates to planning approvals for one of the largest wind energy proposals ever approved in Australia.

The government set out to ensure that there was an environment effects statement — and there was! An environment effects statement was sought, and it was granted. We also, of course, required Pacific Hydro to move some of its proposed wind generators — we asked it to move seven of its proposed wind generators from Cape Bridgewater — which it agreed to do.

Under the planning approval process we also required that certain manufacturing targets be met. As we have heard in this house, both from myself and my colleague the Treasurer, these have been met.

Mr Doyle — On a point of order, Speaker, on the question of relevance and standing order 99, this is a very serious matter on which I have asked the minister to correct the record. If she is not prepared to do so, then there are other steps that are available. I simply asked her to correct the record, which was — —

Mr Bracks interjected.

Mr Doyle — Yes I actually did, Premier. I would read *Hansard*, because — —

The SPEAKER — Order! The Chair cannot direct a minister how to answer a question. I believe the minister was being relevant to the planning process that went through in relation to the wind farms. The minister has finished answering the question.

Water: sustainable management

Ms LOBATO (Gembrook) — My question is to the Premier. Will the Premier advise the house how the government is boosting water conservation measures and how this reaffirms its commitment to protecting our precious water resources?

Mr BRACKS (Premier) — I thank the member for Gembrook for her question and for her commitment, along with the rest of the government, to making sure that water is one of the highest priorities we have as we go forward in the state.

As the member for Gembrook mentioned, water conservation is a clear objective of our government. We have brought in some new water-saving measures and incentives to assist people in making choices about conserving water in their own homes, and I have to say that these measures have been an outstanding success.

I can also report that some research has been undertaken by the three water retailers, City West Water, South East Water and Yarra Valley Water, into people's perceptions of water conservation and water savings and how some of the measures we have brought in have been received around Victoria — particularly in Melbourne, where water restrictions are in place and in some areas will be in place permanently.

I can report that two-thirds of people want permanent restrictions on driveway hosing and on car washing other than with trigger hoses. I am pleased to congratulate the Minister for Water on bringing in such measures in accord with the ministerial statement he made to the house some weeks ago.

The survey by the three water companies also indicated that 69 per cent of people believe the level 1 restrictions are not in any way affecting their lifestyles, which is a very useful indicator of what might be the case in the future. I also indicate that 75 per cent of people — I think this is something we should congratulate the Victorian public on — are taking more measures than those in the level 1 restrictions. So they are saving water themselves over and above those restrictions. I want to place on record our congratulations to the people of Victoria on doing that task. It is pleasing to note that 96 per cent of people are aware of the restrictions and that 80 per cent are satisfied with the information they are receiving about them.

I can also announce to the house that following the excellent budget delivered by the Treasurer some two days ago we have taken a further measure to provide incentives for householders to conserve more water — in this case, to use grey water from washing machines and dishwashers. Following the election last year we have put in place a system which provides a rebate of $150 for householders using grey water systems. Today, with the water minister, I was able to announce that we are lifting that $150 rebate to $500 per household in Victoria. That will be for systems which cost between $1000 and $2000 and purify the grey water, keeping the solids separate and allowing gardens to be watered with the effluent that runs from washing machines and dishwashers.

There is no doubt that Victoria is leading the nation in water conservation measures, and there is no doubt that

out of the budget we will provide resources for the Victorian public to do even more.

Bushfires: prevention

Mr RYAN (Leader of the National Party) — My question is to the Premier. I refer — —

Mr Helper — Where did you get the tie?

The SPEAKER — Order! It is inappropriate to comment on the sartorial elegance of the Leader of the National Party!

Mr RYAN — It has colour and flair — both of which would be foreign to the honourable member!

My question is still to the Premier. I refer to the Auditor-General's finding that the departmental management of fuel reduction burning on public land has been poor and that funding arrangements should be changed to better prepare the state for bushfires, and I ask: will the government reassess its spending priorities given that the department has this week suffered a major cut to its budget?

Mr BRACKS (Premier) — I thank the Leader of the National Party for his question. He will also note that funding has been allocated in the budget for more firefighters for Victoria.

I welcome the report of the Auditor-General. I note in the overall conclusion of his report that he indicates that improvements in fire prevention and preparedness have been made since the audit of fire prevention on public lands in 1992 and the tragedy of the Linton fire in 1998. He also said:

> We concluded that the CFA and the DSE have made significant advances in areas of:
>
> > coordinated strategic planning …
> >
> > in implementation of common incident control systems …
> >
> > the DSE's risk-based approaches — —

Mr Ryan — On a point of order, Speaker, the question relates to fuel reduction burning before fires occur, not after they have broken out.

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

Mr BRACKS — The Auditor-General goes on to say that the community education programs that have been developed by the Country Fire Authority have improved significantly and that the provision of minimum skills training to CFA volunteers has improved. Importantly and necessarily — it helped us enormously in one of the worst fires we have had in Victoria since 1939 — he says the cooperative approach of the Department of Sustainability and Environment and the CFA in implementing nationally accredited competency standards within a joint training framework has improved.

The Auditor-General has given an overwhelmingly positive report on our fire preparedness in Victoria. He has made other recommendations about funding, as the National Party leader has indicated, which will be taken into account, along with the results of the inquiry that the Emergency Services Commissioner is currently conducting into the recent fire episodes.

Water: sustainable management

Mr LEIGHTON (Preston) — My question is to the Minister for Environment, who is also the Minister for Water. Will the minister advise the house how the budget will enhance the health and sustainability of Victoria's rivers and streams?

Mr THWAITES (Minister for Environment) — I thank the member for his question, which highlights the very important issue of the health of our rivers and streams. The fact of the matter is that only about 22 per cent of our streams are in a healthy condition. That is because of a change in flow regimes and poor water and management practices. It is why the Bracks government is committed to protecting and restoring the health of those streams, and it is why in the recent budget we have committed $16 million over the next four years to improve river health. That is in addition to the $10.6 million over three years that was announced last year under the Healthy Rivers strategy.

This extra funding will assist in increasing environmental flows and in undertaking river bank and other catchment works. So rivers such as the Latrobe, the Ovens, the Mitchell and the Aire will all benefit as a result of this funding.

That recurrent funding is on top of the $52.5 million in capital funding, which was also in the budget for expenditure on key water projects. It will be available in areas like the Gippsland Lakes and Macallister River region, the Goulburn and Broken rivers region and Mildura Sunraysia, as well as supporting the country towns sewerage program — and what a good program that is. It is a program that lifts the quality of water management in country towns as well as supporting communities in country Victoria, which would otherwise be paying far more for their sewerage systems.

We are a government that is committed to improving water and irrigation efficiency, which will improve river health. A good example is the Wimmera–Mallee pipeline, which will result in extra environmental flows — some 83 000 megalitres of water which would otherwise be lost to evaporation. These are on top of other commitments of the government — the $203 million over 10 years to restore the Snowy; $77 million for the Wimmera Mallee, and $15 million for the Living Murray initiative.

Mr Smith interjected.

Mr THWAITES — I may not be, but I will be very pleased to have left a legacy of healthy rivers and a healthy regional economy, unlike the legacy that you lot left! Regional Victoria was the so-called toenails of the state. That is the legacy that we inherited, and it is not the legacy that I would want to leave.

Tomorrow I will be attending the Murray-Darling Basin Ministerial Council, which meets to discuss, among other issues, the restoration and health of the Murray River. The Murray is one of our great icon rivers, but it is now at risk as a result of salt and algae levels, poor water quality and reduced biodiversity. We are committed to providing funding for improving the health of the Murray River and the Murray region, but unfortunately to date we have heard nothing from the commonwealth government. It is not prepared to put money into these major water reform projects. Water is the big issue facing Australia, yet the commonwealth has not been prepared to put real funding into our water system.

I call upon the commonwealth in the upcoming federal budget to put real funding into not only the Wimmera–Mallee but also the whole Living Murray process. It is no good just talking about water; you have to do what the Bracks government does and put real money into supporting our water systems.

Wind farms: Portland project

Mr BAILLIEU (Hawthorn) — I refer the Minister for Planning to the fact that Dr Graham Redding, the Minister for Environment's hand-picked panel member, was forced to resign from the planning panel evaluating the Pacific Hydro wind farm because of a conflict of interest, and I ask: who first raised the issue of conflict of interest? When did that occur and when did Dr Redding leave the panel?

Ms DELAHUNTY (Minister for Planning) — Let us be very clear what this question is about. It is not about transparency in planning; it is about now defaming someone else. The opposition has defamed Mike Fitzpatrick — a talented man, a leading businessman — and now it is trying to defame a member of a planning panel. Apologise!

Mr Doyle — On a point of order, Speaker, under standing order 108, I take that allegation of defamation both personally and on behalf of the opposition. It is not true. This question asked for a simple recitation of fact — nothing more, nothing less. And that is what we ask the minister to answer.

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

Ms DELAHUNTY — This government seeks the best advice, whether it is business advice or whether it is planning advice. We have accepted a wide source of advice on all planning issues, including this issue. We will continue to do so. The right decision was made.

Budget: family concessions

Ms GREEN (Yan Yean) — My question is to the Minister for Women's Affairs. Will the minister advise the house of how the budget delivers for Victorian families, and in particular details of the $11 million return-to-work grants?

Ms DELAHUNTY (Minister for Women's Affairs) — I thank the honourable member for her question and her continuing interest in women's affairs policy. We all know that getting the balance right between work and family is one of the biggest challenges of modern life, and if there is anyone in this chamber who believes they have the balance right between work and family we would like to hear from them.

This government understands that pressure, and this budget has responded to that pressure with $57 million to improve the lives and opportunities of women, including an $11 million grant program for parents to help them with that transition to work.

Within that $57 million there is also money for women's health and wellbeing, maternal and child health, breast screening services and the domestic violence division of the Magistrates Court, under the jurisdiction of my colleague the Attorney-General.

We have listened to Victorian women around the state. Many parents would like to return to the work force; women in particular have made that very clear in the conversations that this government has had with women around the state over the last few years. We know it is not an easy transition, and we promised at the

election that we would make it a little easier, that we would help. We understand that sometimes confidence needs a boost, sometimes there is a retraining issue, and there is also the cost of child care.

Women in this place understand that probably better than others, so this is a time of major adjustment. This $11 million grant program will assist up to 10 000 parents to get the skills and the training they need for a successful transition back into the work force. It is very good policy. We are giving parents choice. It is about lending a hand at a critical time.

The Leader of the National Party groans. I hope that he is supportive of this program. Parents have the choice of using the $1000 for the first year of a higher education contribution scheme course, a training course, TAFE or Centre for Adult Education courses, learning in a neighbourhood house, or payment of child-care costs.

The government is getting on with the job. We listened, in contrast to the Howard government which flirted with the child-family work balance but shelved it. It is gone. The work and family package is gone. The federal government started with a policy and did not finish it; but this lot opposite has not even got a policy on women! It did not have a policy on work and family at the election and fronted up without even a little policy on women's affairs.

The SPEAKER — Order! I ask the minister to return to answering the question.

Ms DELAHUNTY — Thank you, Speaker. The government has signed the work and family charter. It has delivered legislation to provide payroll tax deductions for paid maternity leave — and I thank my colleague the Treasurer for his assistance there — and it has delivered the dollars to make a difference for women and families.

Wind farms: Portland project

Mr BAILLIEU (Hawthorn) — My question is to the Minister for Planning. Is it not the truth that when the previous planning minister attempted to stack the planning panel which was to evaluate the Pacific Hydro wind farm and failed because of exposure of conflict of interest issues, the government rejected the recommendations of the panel because it had already promised the deal to Pacific Hydro?

The SPEAKER — Order! The Minister for Planning can only answer on behalf of her own portfolio. She certainly cannot answer on what was in the mind of the previous planning minister. If there is a part of that question that relates to the minister's current portfolio, I ask her to answer it.

Ms DELAHUNTY (Minister for Planning) — Now the member for Hawthorn is trying to defame the Deputy Premier.

Honourable members interjecting.

Mr Thwaites — I might get some money if I could sue, but he will not say it outside.

Honourable members interjecting.

Mr Thwaites — Say it outside! He is one person who has got plenty of money!

The SPEAKER — Order! The Deputy Premier should restrain himself.

Ms DELAHUNTY — That might have been the way planning was conducted under the previous Kennett government; it is not the way we conduct planning under this government. This is good policy. It was an appropriate process, and this is very strong for the environment.

Terrorism: preparedness

Mr DONNELLAN (Narre Warren North) — My question is to the Minister for Police and Emergency Services. Will the minister inform the house of what action the Bracks government is taking to respond to potential terrorist threats?

Mr Ryan interjected.

Mr HAERMEYER (Minister for Police and Emergency Services) — Don't worry, Peter, you will never qualify as a terrorist, no matter how hard you try!

The SPEAKER — Order! The Minister for Police and Emergency Services, to give a succinct answer!

Mr HAERMEYER — The events of 11 September and more recently the bombing in Bali certainly highlight the fact that we live in a far more uncertain world and that Australia — —

Honourable members interjecting.

The SPEAKER — Order! Members of the opposition!

Mr HAERMEYER — Australia can no longer consider itself immune from terrorist acts. We are now a far more susceptible community than we were, and

that requires governments across Australia to improve their — —

Honourable members interjecting.

The SPEAKER — Order! I ask members of the opposition to cease worrying about what the minister is wearing and allow him to answer his question.

Mr HAERMEYER — The challenge of doing that is considerable. It requires that those responsible for prevention have the intellectual and operational resources to enable them to do their job successfully.

Honourable members interjecting.

The SPEAKER — Order! I ask opposition members to cease interjecting. There is far too much noise!

Mr Cooper interjected.

The SPEAKER — Order! Don't be silly! I warn the member for Mornington.

Mr HAERMEYER — The government has already undertaken considerable work to enhance our capability in response, prevention and recovery in the event of any major incident, including terrorist attacks. It includes the establishment of a counter-terrorism coordination unit within Victoria Police. It includes enhancing the capacity of the special operations group and engaging additional firefighters and emergency service workers and providing them with appropriate training in responding to emergencies such as chemical, biological and radiological incidents and also urban search and rescue. It also requires effective counter-terrorism and close cooperation amongst all government agencies across different levels of government.

In this budget the government has committed $33 million over four years for additional search and rescue resources, protective equipment and training for the Metropolitan Fire and Emergency Services Board, the Country Fire Authority, the Victorian State Emergency Service, Victoria Police and the State Coroner. There is also $11 million over five years for a new emergency services coordination unit and a chemical, biological and radiological planning unit in the Department of Human Services, and $12 million over four years to ensure that the Victorian digital map database, which incorporates information from local government, utility companies and private sector surveyors across Victoria, is as up to date as we can possibly make it. It is a big task for all of our emergency services.

Speaker, I mentioned the State Emergency Service, and it is a very tragic note that I have to refer to now — and I seek the indulgence of the house, because technically this is not related to the question. In the early hours of this morning a volunteer of the Upper Yarra unit of the SES died responding to a joint call-out with the Country Fire Authority off the Warburton Highway near Launching Place. The volunteer, Rodney King, was a 53-year-old who had 16 years of service with the SES. He is survived by a wife and two adult sons. The SES was called to a tree that had caught fire and was asked to cut the tree down so that it posed no danger to other members of the community. Unfortunately he died as a result of the tree falling. Two other SES workers narrowly escaped with their lives.

This highlights the heroism of the volunteers in our SES and CFA. Very typically, this volunteer was called out to an extremely dangerous situation in the early hours of the morning to do something to protect the community, and he lost his life. Emergency service volunteers demonstrate a great degree of professionalism, and I use that word advisedly. Professionalism is not about whether you get paid to do a job, it is about the attitude and the proficiency that you bring to that job. Volunteers do not expect a reward in their wallets, and they receive none. The only reward they receive is in their hearts. Today Rodney King and his family, his close friends, and particularly his close colleagues in the Upper Yarra SES, are in our hearts.

Agriculture: genetically modified crops

Mr WALSH (Swan Hill) — My question is to the Minister for Agriculture. I refer to the 12-month moratorium by the government on genetically modified (GM) crops. How will this decision impact upon the research and commercial work on gene technology currently being undertaken by the government's own plant biotechnology centre and Agriculture Victoria, which have a joint venture with the private sector on GM crops?

Mr CAMERON (Minister for Agriculture) — I can advise the house that for the current season there is an agreed moratorium on companies seeking to plant or develop genetically modified (GM) canola and that as a consequence of that agreed moratorium that will not occur this year. It is a sound and sensible decision. Notwithstanding the fact that the federal regulator has ticked off — or in all likelihood will tick off — on the human and environmental health consequences, the government has to consider the marketing issues, in particular for our international exports.

There has not been the industry consensus that we had hoped for. For example, the Australian Wheat Board and the Australian Barley Board had concerns about the potential impact on their markets. We have to consider all those matters, and in the coming year, before the next season, all of that will be considered. That is the only prudent, cautious and sensible policy to adopt.

The question regarding research licences is a matter for the federal regulator who grants research licences. I can advise the house that if there is a general licence for GM canola this year there will be no plantings pursuant to that general licence.

Budget: capital works

Mr LOCKWOOD (Bayswater) — My question is to the Treasurer. Can the Treasurer inform the house of the extent of the capital expenditure forecast in the budget and how this will support a dynamic Victorian economy?

Mr BRUMBY (Treasurer) — I thank the member for Bayswater for his question. I am pleased to advise the house that the budget delivered earlier this week provides that the next four years will see just under $10 billion of new, publicly funded capital investment in our state. Ten billion dollars over four years is a record high, and I point out to the house that all of this is being delivered with net debt as a proportion of gross state product (GSP) at historically low levels. Indeed as a proportion of GSP all of this $10 billion is being delivered with net debt to GSP at its lowest level in well over 20 years. It is an extraordinary performance.

Whether it is transport, schools, hospitals or water projects, the government is delivering across the state with $10 billion over the next four years. All of this will generate and support a more dynamic economy in Victoria.

I will advise the house of just how dynamic the Victorian economy has become under the Bracks government. If you look at business investment, you will see that over the past two years Victoria has attracted 27 per cent of national business investment — that too is a record high for our state. Here we are with 25 per cent of the national population and 27 per cent of national business investment. We have been above the national average per head for each of the past four years.

In my speech on Tuesday I mentioned that people and ideas were moving to our state. Since the election of the Bracks government net migration to Victoria — overseas migrants choosing Victoria as their home, and net interstate migration — has totalled 116 000 people. You have to go back to the 1950s to find a higher number moving to Victoria to call it home. Over the past two years 40 000 people a year have moved to our state — that is, overseas and interstate migrants.

We are not just attracting new capital, new business investment and people to our state, we are also attracting major events. Over the past two years the Bracks government has attracted more than $262 million worth of new major events to our state.

I hear the Leader of the National Party groaning about major events. One of the things we have done — remember the Kennett years, the toenails years — is bring major events to country Victoria.

Mr Ryan — On a point of order, Speaker — although I do not know that I really need to make it.

The SPEAKER — Order! The Treasurer, answering the question.

Mr BRUMBY — The tie has done it for him!

The government has brought something like 15 one-off events to the state since the election of the government, including the 2001 British Lions Rugby test, the world wrestling and the 2006 world lifesaving championships. In total, all of these events have injected something like $800 million into the economy, which is the equivalent of holding an Olympic Games each year.

It is a sensational performance, but the government is spreading it about, not just in Melbourne but right across the state. Look at this for regional Victoria: the women's road cycling world cup in Geelong; the world cup triathlon, to be held in Geelong in November; the 2004 Commonwealth Youth Games in Bendigo; the 2004 world hot air ballooning championships in Mildura; the 2005 Deaflympics in Ballarat; and the 2006 world lifesaving championships in Lorne and Geelong.

We are investing a record amount in capital to build the infrastructure to replace the schools, to fix the hospitals and to link all of Victoria. People, capital, business and events are moving to our state. They moved in record numbers during the first term of the Bracks government, and with the budget that was brought down earlier this week they will be moving here again in record numbers during the second term of the Bracks government.

APPROPRIATION (2003/2004) BILL

Second reading

Debate resumed.

Mr STENSHOLT (Burwood) — I was talking about the member for Box Hill and the very unfortunate mention he made of the budget update and how he impugned the professionalism of officers of the Department of Treasury and Finance. In fact, an independent report was made by Treasury and Finance officials.

But there were other comments the member for Box Hill made. For example, he really cannot make up his mind about what he wants in the details of the budget. He talks about how he wants more details on various lines. He wants more information. Then he gets on to the health area and suggests that there are too many details and asks why we do not give them a one-line appropriation that the managers manage. He should make up his mind. He is really not consistent.

He talked about road safety and fines and said, 'These fines are going up'. Don't members of the opposition want to arrive alive? Don't they want to look after the people of Victoria? We have had an impact on road safety this year with a range of policies. We want people to obey the law. Doesn't the opposition want people to obey the law? We have even asked them to Wipe off 5!

An honourable member interjected.

Mr STENSHOLT — They had no new policies in their budget. The member for Box Hill talked for nearly 2 hours. He hardly even mentioned people. He hardly even mentioned the positive impact of our budget on the people and families of Victoria. He did not mention the fact that we are undertaking 133 output programs. We promised them in the last election, and we are undertaking all 133 of them. There is some detail. You want some good detail — it is there in the budget paper, and we are delivering.

An honourable member interjected.

Mr STENSHOLT — I said before that I wrote this speech, and no-one else, thank you very much.

The Leader of the National Party showed a stunning understanding of the budget. He started off by doing comparisons. What did he compare? He compared last year's budget paper with this year's budget paper. He completely ignored the fact that in this year's budget paper we have actually got the updated figures. He was making grossly misleading comparisons. But do not worry, there is more from the Leader of the National Party. We have really got some great ones here. I am really disturbed that the Leader of the National Party said that he does not like the arts. Where is the Minister for the Arts? He does not like the arts. He said he does not like technology and innovation either.

Honourable members interjecting.

The SPEAKER — Order! Perhaps the member for Burwood could lower his voice a little and the member for Doncaster could cease interjecting.

Mr STENSHOLT — Thank you, Speaker, but I was actually projecting a bit of a contrast. We had to make up for the 2 hours of energy loss due to the enervating speech of the member for Box Hill.

Also the Leader of the National Party does not like the Commonwealth Games. I am sure everybody in country Victoria is looking forward to the Commonwealth Games — but not the leader of the National Party.

And there is more from the Leader of the National Party. He talked about taxes, and he referred us to a page about revenue. He talked about increases in taxes, and what did he say? He accused the Treasurer of not understanding how the budget process worked. He accused him of not being a good financial manager. He said taxes should be revenue neutral. Who has ever heard of taxes being revenue neutral, unless it is the Leader of the National Party? If we actually kept taxes revenue neutral it would be represented by a straight line, and what would happen? He has probably never heard of growth. He has probably never heard of the fact that there are cost-of-living increases. Expenses normally go up because we actually pay people more. We have additional costs, unless we are in a depression. And let me assure you that Victoria is not in a depression. Victoria has a really solid base. So I think we have to give the Leader of the National Party a zero for his understanding of fiscal processes.

He also said, 'Look, really there have been poor comments from the press'. What is the approval rating in the *Herald Sun*? We know the *Herald Sun* is the real Leader of the Opposition. What did it say?

An honourable member interjected.

Mr STENSHOLT — I do not want to go there. Seventy-five per cent of the people in the poll said it was a good budget. And what did the trades hall say? 'Modest but progressive in difficult times'. What did Kindergarten Victoria say? 'Over 10 000 volunteers

will benefit'. What did the master builders say? 'Welcomes budget training and construction initiatives'. What did the Victorian Employers Chamber of Commerce and Industry say? 'Budget steady', 'financially prudent budget'. What did the Australian Industry Group say? 'Budget maintains a responsible approach'. What did the Health Issues Centre say? It is 'largely conservative' and it 'welcomes the commitment to public hospitals'. What did Ferguson say in the *Herald Sun*? 'The government is looking strong'; there is 'no overwhelming evidence we are in financial nightmare'. What did Tim Colebatch say? 'Good budget', 'It is responsible with a bit of daring'.

There is a Treasurer with daring. And I think the best summary and best analysis I have read so far is from Vince FitzGerald in the *Australian Financial Review* today. He says, 'Bracks looks set to tough it out'. And how is the Treasurer going? He has already had his tough budget. It is this one, the one that we are in now.

> In fact, the toughest year for Treasurer Brumby has been 2002–03. This year the government has taken a $1 billion hit …[in] superannuation —

as well as the drought and other problems that we have had such as bushfires et cetera. And he says that the Treasurer has actually looked forward in this budget.

This budget sets the basis for the future, and Vince FitzGerald acknowledges that. The article talks about there being some modest savings. The Treasurer is putting the acid on people. There are savings. There are actually going to be improvements in the future.

This is a great budget for Victoria, and I commend it to the house.

Debate adjourned on motion of Mr HONEYWOOD (Warrandyte).

Debate adjourned until later this day.

CONSTITUTION (WATER AUTHORITIES) BILL

Second reading

Debate resumed from 10 April; motion of Mr BRACKS (Premier).

Independent amendments circulated by Mr SAVAGE (Mildura) pursuant to sessional orders.

Mr INGRAM (Gippsland East) — It is a pleasure to rise on the Constitution (Water Authorities) Bill. In politics the two parties try to make out that everything we debate in this place is either black or white and there is nothing in between. I do not think the issue in this bill is clearly black or white. The government has painted the Constitution (Water Authorities) Bill as a bill that is going to maintain in public ownership all of the water assets and services in the state. That is basically how this bill has been sold and continues to be sold all way through.

This is a copy of a bill that was introduced in the last Parliament and that bill had a number of changes different from this bill. But I will be arguing strongly that this bill does not actually do all it has been painted to do. I will try to explain that.

Basically this bill — even if you look at the Premier's announcements on it — allows for the continuation of PPPs, or public-private partnerships. In essence that is a form of privatisation. Whilst we maintain within the gamut of public ownership the services, and we maintain that within the control of the public, you could clearly argue that there have been few examples where PPPs have been a benefit to the state. We can go back to all of the privatisation or PPPs we have had — in hospitals, in public transport, in freight rail, in some education services and in water and public rail and road as well. It is very rare that the real outcome which is meant to be achieved by removing the risk to the state, by gaining investment from private companies, ever happens.

What normally happens is that the risk still remains within the state, but we lose an important part of an asset; we lose the ability to manage that asset properly. There are a number of very clear examples which I will try and discuss later in this debate. In those examples, in water services right around Australia and in the world, PPPs have caused major problems to human health and the water supply system. The result is always that we end up with the risk being borne by the public and the cost in the end to the public is even greater.

The changes from the last bill are quite significant. That bill had a list of all the water assets that were to be protected by this bill. It is a good thing that three-quarters of the members of this Parliament have to pass any bill that makes changes to the public ownership of water. That is still possible, it still could happen if all parties in this place agreed, so the bill is not totally protecting forever the public ownership of water assets. But in the last bill the water assets were listed. It actually had a list of the dams and pipes. It was a limited list because it did not include the treatment plants, wastewater treatment, or the domestic water treatment plants. It did not include some of the piping

systems in the irrigation areas. I think the minister needs to really fully explain during this debate — we will probably run out of time today — why that decision was made. Why was it so important to change the bill from the last one to this one?

The Independents in the last Parliament put up some objections to the way it was drafted, and we had some potential amendments. Some of those amendments have been dealt with in this bill, but there are still some issues that need to be addressed.

I will go through some of the international examples of water privatisation. In Osaka, in Japan, there was a meeting of world water experts. There is a news report from that which indicated that:

> … privatisation has become something of a dirty word.

I quote from the *Trade and Commercialisation News* report:

> Once thought of as the new frontier for private investors, the idea of letting corporations operate municipal and regional water systems has been criticised by environmentalists, international organizations and governments alike as a flawed solution for getting water to the poor people who need it the most.
>
> These days, even companies in the water business, speak carefully. 'We do not say privatisation', said Gerard Payen of France's Suez, a leader in the industry, earlier this week.

It further states:

> World Water Council vice-president, William Cosgrove, said he expects the discussions to be productive, particularly since companies can teach governments a lesson in efficiency.

At that meeting he said:

> I don't think you'll find the positions entrenched …

Basically they have changed their terminology from 'privatisation' to 'PPPs'. An article in yesterday's *Age* highlighted the challenges in PPPs and how the risks end up back with the public. In Adelaide a contract was let to turn the water treatment plants over to private consortiums owned by British and French water companies. That project resulted in what became known as the Big Pong. An investigation was held into that by a Queensland water expert. He is quoted in that article as saying that it was the dollars driving everything. He said the big emphasis was on minimising costs. That is an illustration of what can happen when things like monitoring and maintenance are cut to the bone.

Basically he found that the monitoring and organisational structure was not up to standard. The article discloses that since 1993 more than $1100 million of PPP contracts have been signed in the water industry in Australia. Most of those contracts have involved the world's biggest water companies. That is basically what is happening to the water industry in Australia.

I am in a bit of a dilemma about the way in which the bill has been prepared, because the Snowy River environmental flows arrangement — that is, the final 7 per cent, from 21 per cent to 28 per cent — is to be delivered through a public-private partnership. I will not be opposing the bill, although I put on the record that I am very uncomfortable with PPPs as they are set out, because it is extremely rare that these arrangements actually end up delivering benefits to the community. It is rare those arrangements remove the risk from the Victorian taxpayers and from the government. You only have to look at some of the partnership disasters we have had recently to know that no matter what we do, the main driver of the companies is to save money.

The other clear example occurred in Sydney. A recent book outlined some of the relevant issues in Australia, including the outbreak of giardia in Sydney. Australian Water, a consortium of two international water authorities, won a contract which, incidentally, was another PPP, to build and operate the Prospect plant in 1992. Once the problem occurred the government and the water authority starting fighting and would not talk to each other.

I refer to an article entitled 'The water barons', which states in part that the process of selection was more about obtaining the lowest price rather than about ensuring the highest quality. The New South Wales people put in a system that cost millions of dollars less than any other, because it had only one sand filter. The taxpayers of New South Wales got a cheaper product, but in the end it caused them significant health problems.

Mr JENKINS (Morwell) — It gives me a great deal of pleasure to speak in the debate on the Constitution (Water Authorities) Bill and to follow the member for East Gippsland and his well-thought-out and considered comments. It is good to be following the member for Gippsland East, because he has some credibility on the issue of privatisation and on the protection of public assets. He has a credibility that is completely lacking in the two parties on that side of the chamber.

The member for Gippsland East talked about the provisions that will preserve the people's water authorities in public hands. As we know, when in government the opposition did all it could to set up the privatisation of that industry. We in the Latrobe Valley

know what the former government did elsewhere with essential public services such as the generation, distribution and transmission of electricity. It privatised the electricity industry and sold the people's assets. It set about dismantling essential public assets that had been built up over generations by the people of Victoria.

This legislation is good law. It will enshrine the ownership of our water authorities in the constitution on behalf of the people of Victoria. I am proud to be speaking on this legislation. Once and for all the legislation puts beyond doubt the commitment that the Bracks Labor government has made to the people of Victoria. It has not just had a germ of an idea like the National Party had, it has listened and acted. Now we are putting in place legislation that is going to protect an essential public utility — water — from the grasping hands of the Nationals and the Liberals.

We in the Latrobe Valley are experts on this. In selling off the electricity industry the former government put 10 000 people out of work. It sold off the Moe and Traralgon hospitals, one of which was barely 20 years old, and put health professionals, including nurses, out of work. The community of the Latrobe Valley once again suffered from the effects of privatisation.

This government has listened to the people. If you do not listen to Victorians when you are in government, they will decimate you, which is what they did to the Liberals opposite. If you are in the National Party, the third party in this chamber, and you have played tick-tack with the Kennett government, you are reduced to claiming that you had the ideas that only Labor was brave enough to put into practice.

If you are the former Leader of the Opposition and do not listen to the community, you will be left with giving fashion advice to backbenchers instead of dealing with the big issues. If you are the state president of the only union to support the Kennett government — the Victorian Farmers Federation — you might end up sitting on the benches with the same people you supported and who sold off our electricity industry and so many other public assets. I commend the bill to the house.

Mr MULDER (Polwarth) — I rise to make a brief contribution to debate on the Constitution (Water Authorities) Bill. I took a great deal of interest in the original legislation which was introduced prior to the last election. That bill gained great notoriety in the lead-up to the election, given that it was introduced to protect Victoria's water management facilities and water assets from sale. I listened to the Premier make his second-reading speech on the legislation this time around. As he went through the clauses I was ticking them off against the legislation that had been introduced prior to the last election. He got to clause 97, but when he got to what should have been clause 98, we got nothing. That was the end of his second-reading speech.

Clause 98 in the original bill was the crux of the entire legislation and of what was sold to the Victorian public prior to the last election. That clause, which has been deleted from the new legislation, would have protected Victoria's water assets from sale. We do not have to go back all that far to realise that the last time we had a Labor government in enormous difficulty — the Cain and Kirner governments — they attempted to sell off the Cardinia and Thomson reservoirs to prop up its failing budgetary position.

We all remember well the strong campaign the Liberal Party ran at that time under the slogan 'Save our dams', because their sale was exactly what was going to take place. When the last Labor government got into deep water — and that is an intended pun! — it tried to start selling off our water assets.

Irrespective of that, I will just go back to the original proposed legislation which had a few flaws in it. It gave the minister at the time and the Treasurer power to set up a register of major dams and pipe works that would be protected from sale. The minister and the Treasurer would draw up that list and they would also have the right to decommission any dams they considered to be no longer necessary. But in fact that was an opt-out clause because it gave them the ability to set up the list and exclude from the list those items which they were prepared to sell.

When the opposition flagged that, the legislation sat on the notice paper and did not come forward. It sat and sat and we kept asking, 'Where is the Constitution (Water Authorities) Bill?'. It did not go through because we intended at that time to deal with the legislation in a different manner. We flagged the issue of the way that clause was put together, and we were advised that it had been put together by Treasury in order for the minister and the Treasurer to set up a list which would actually allow for the sale of dams and pipe works.

The new legislation has come into the house amidst a great deal of interest, but when we look for clause 98 there is nothing there. It is a blank page. There is absolutely no doubt that the government intends at some future date, when the financial needs of the state dictate, to start to privatise and sell off the state's water assets. This will not be restricted to major dams and pipe works. It will go beyond that to other water-related

infrastructure across the state. There is no other reason that you could give for the fact that the government has excluded an entire clause that protected our dams and our pipes and water infrastructure from a sell-off. In fact when you look at clause 97, which deals with the delivery of water services, you could have that entire process contracted out to the private sector and also under this legislation have a statutory authority sitting at the top of the private sector as a contract manager.

So gone is the perceived intent by the government to protect Victoria's water assets from sale and to protect the management of our water assets from sale and we have here now the framework that has been put in place for the sell-off of water assets across the state of Victoria. It is interesting to note that when the Premier was questioned on this matter he said that it was going to be a bit too difficult and messy to put the register together and that the register had some problems associated with it. How difficult would it be to have a schedule attached to this particular legislation and list the dams? All you would need to do is to go to the various water authorities and ask for a copy of their assets register. The government could ask, 'Can we have a copy of your assets register?' and in some way have a discussion with a parliamentary draftsperson, the people who handle these bills.

How difficult would it be to attach a schedule to this bill detailing, for instance, the Cardinia, Thomson, Barwon and West Gellibrand reservoirs, all the dams and pipe works in my electorate. All of those, as I say, appear on the water authorities' assets registers and are very well recorded. It is a simple matter of attaching a schedule to the legislation and therefore protecting them.

And did not the government get a great response on that issue prior to the election? It said, 'We will protect the water resources and we will protect the assets in Victoria from sale and it is only those Liberals who would even attempt to do something like that!'. Yet here we have it now, a piece of legislation wholly and solely set up for the sale of our water assets across the state.

Mr SAVAGE (Mildura) — I thank members on both sides for allowing me this opportunity to speak on the Constitution (Water Authorities) Bill. I would like to start by quoting Franklin Delano Roosevelt, the 32nd President of the United States, who said: 'Rules are not necessarily sacred; principles are'. I believe it is a fundamental principle here that public assets are sacrosanct, and water authorities are in such a category. They should never be put up for sale, not now, not tomorrow, not ever!

I have to say that I do not like the back-door method of putting in private-public partnerships (PPPs) because you end up with a similar outcome, although, as the member for Polwarth said, you could have a management authority controlled by the state yet the whole structure underneath is like a white ant colony and it is only a shell, not a true ownership by the people of Victoria. You could look at Telstra as a very good example, where 60 per cent to 70 per cent of people in this country — many of them Telstra shareholders — do not want any further sales of Telstra. They do not want T3 to come onto the market, not that it is likely to occur with the price of its shares at the moment.

This Constitution (Water Authorities) Bill has a very sound objective in the first paragraph, the objectives of the legislation. But that is where it ends. It gives no protection whatsoever, and that is where I find it very disappointing, because I recall having discussions with both sides of the house on the subject of privatisation. We said, 'No more privatisation in this state or we will not support you'. I speak from the perspective of the Independents then, and I think it applies today. PPPs are not the answer to saying that we are not going to have privatisation. In fact PPPs are a form of privatisation, but you do not call them that. That is the disappointment for me about this bill.

I have great respect for the Treasurer and the Deputy Premier. The Treasurer has delivered some very significant budgets in this place and his track record is good. In terms of the people who whinge and complain that it is going to be a doomsayer outcome, it has not happened; it is still there as a very logical effort. But on the issue of PPPs I very much say, 'You are wrong, and the government is wrong'. We have seen an array of disastrous privatisations in this state, whether they were called PPPs or full privatisation. They are not what the people of Victoria want, and that is what this place is for — to listen to the people of Victoria and enact their will. I know it does not happen every time, but this is a fundamental issue that we are ignoring.

The member for Gippsland East detailed a large number of those issues which are very significant in our memories and our minds today, and which indicate that this system does not work. I know the previous government had a plan to sell off water. It was quite clear to me.

Mr Jasper interjected.

Mr SAVAGE — The member for Murray Valley says I am wrong. I asked a question of the former Leader of the National Party, Pat McNamara, about water, and he said — and you can go back to *Hansard*;

I remember it — 'We have no intention of selling off water this term'. That is not saying never; it is saying this term. The next time I asked he said, 'No, we have no intention of selling off water'. So at some point there was an intention to sell off water. I remember it. It is indelibly imprinted on my — —

Mr Jasper interjected.

Mr SAVAGE — You deny it? Have a look at *Hansard*; it is there.

Mr Jasper — You are wrong.

Mr SAVAGE — I am wrong? Good! Check *Hansard*, and you will see that I am right.

It is ironic for me to be referring to that great economist — in some eyes, but not in everybody's — John Maynard Keynes, who said:

> There is no clear evidence from experience that the investment which is socially advantageous coincides with that which is the most profitable.

I think there is a message there that says: it does not mean you will get a better outcome because you have a more profitable outcome. You do not. On every occasion the people of the state are dudded when state assets — like rail, like prime public land down at Seal Rocks and like the hospital system — are handed over. We have only one privatised hospital in the state now — in Mildura, of all places. It does not work.

The recipients are taking advantage of the state. They have a money stream that is guaranteed. It is a very attractive outcome — usually, but not in the case of the Latrobe hospital — for the recipient.

I refer to material put out by Christopher Sheil in a couple of areas where he has assessed PPPs. The material states:

> … PPPs present and exploit an accounting quirk, whereby the liabilities incurred —

this is in the state's finances —

> are entered into the public accounts as expenses rather than debt.

This is why public-private partnerships are attractive to government. It does not show up on the debt ledger, but it is a debt. Whether it is in public or private hands, it is a debt. The material continues:

> While strictly this means that they will increase the exposure of the governments to financial risk compared with debt, they are not accounted for in the same way and therefore do not incur the same scrutiny or criticism.

I do not understand why, when there is such opposition to privatisation under any circumstances, we are going down this path. The conclusion of the document from Mr Sheil states:

> In conclusion, the PPP policies effectively spring from an unholy alliance between the irrational economics that underpin the zero public debt policy and the special pleading of vested financial interests … Private consortia will always seek to purchase the benefit of a very secure income stream, with risk characteristics similar to a government security, but higher returns.

The people of Victoria always bear the risk — as is proven in the public passenger carrying area. How many millions of dollars do we feed into that as a subsidy only for the operators to keep asking for more on top of it?

Probably the best example is the Australian Water Services Company, which ran a filtration plant in Sydney. In 1998 there was an outbreak of cryptosporidium and giardia. In a state in America 100 people died from such an outbreak relating to a water authority operation; in Sydney I think only one person died. The company had a contract to filter Sydney's water. It went to a bare-bones system, which meant that the health of the people of Sydney was severely jeopardised. It is an organisation that wants to make a profit. It does not build into its operation the safety factor that you find with the Melbourne and Metropolitan Board of Works or Lower Murray Water or whatever their corporate names are today. Once you hand it over to the corporate sector, the operators are looking for huge profits, cutting the work force and cutting the safety factors. That is why those facilities should always be kept in public ownership.

I will briefly mention some amendments that have been circulated in my name. I do not view them as likely to succeed, but I have put them in because I think they should be considered by this house. We have an irrigation authority — the First Mildura Irrigation Trust (FMIT) — which is over 100 years old now. In New South Wales Western Murray Irrigation is owned by the irrigators, and I see no reason why we cannot allow irrigation districts, such as the FMIT, to have ownership if they choose.

Mr Mulder interjected.

Mr SAVAGE — It is public ownership; it is not — —

Mr Mulder interjected.

Mr SAVAGE — There may be opportunities for others. This is a bit different from having corporate

ownership; this is owned by the people. This is different.

Mr Mulder interjected.

Mr SAVAGE — If the FMIT wishes to — —

Mr Mulder interjected.

Mr SAVAGE — In some respects it should not be in the Constitution (Water Authorities) Bill, because it is not an authority like Sunraysia Rural Water. But it is in there, so I view this as a potential opportunity.

This a very important bill, and it should have been given greater priority in this place than it has had. This is one of the most fundamental planks that has faced this house in this session, yet the bill will be guillotined in some 40 minutes time and there are limited opportunities for members to speak.

I am indicating my opposition to this bill because it does not, in the true sense, enshrine in the constitution the protection that every Victorian deserves and wants — that no government from this day forward can suddenly sell off a dam or a filtration plant or have a build, own, operate and transfer (BOOT) scheme under which in some 15 years control is handed over to the authority but in the interim make a killing at the expense of every Victorian, every consumer.

We saw that with the Lower Murray Water plant. Treasury heavied Lower Murray Water to have a BOOT scheme. Fortunately it was unable to be persuaded that the figures added up. On my analysis of it, on most occasions the BOOT schemes and PPPs are more about privateering and profiteering than private-public partnerships. The analysis shows they are skewed.

Mr JASPER (Murray Valley) — The lead speaker for the National Party clearly enunciated our views on this legislation and the other water bills that are before the Parliament.

As far as I am concerned, water has always been a huge issue. As a member from an electorate which is based along the Murray River, I recognise the importance of water, and have since I entered Parliament in 1976. I applaud the actions that have been taken by the government in looking at a greater recognition and improving the quality of water systems that are provided right across the state of Victoria, particularly in metropolitan Melbourne. I believe most people in country Victoria have always recognised the importance of water, and that has been especially so in more recent years.

I also took particular note of the ministerial statement made by the responsible minister. I have great concerns with some of the comments he made in his statement. It seems to me that the government will be using increased water charges to seek to push efficiencies in the use of water. Recognising that irrigation is a huge part of water use in Victoria, that certainly highlights my concerns about water issues generally.

I listened to the comments made by the member for Morwell. As a new member in this Parliament he is entitled to the views he puts forward, but I believe he was not right in his comments. As far as we in the National Party are concerned, there was never any consideration or discussion on the selling off of water assets in Victoria. My personal position as the member for Murray Valley is that I would have never supported any measure seeking to sell off water assets, but there needed to be changes, and I will come back to that in my contribution.

I also listened to the member for Morwell when he spoke about a government not listening to what the people wanted losing office. I remind him of what happened in 1992 when the Labor Party lost office. Clearly it was out of touch with the people of Victoria. The Victorian people recognised that, and there was change of government, with a massive vote against the Labor Party at that time.

As far as the National Party is concerned, the crucial issue is that this legislation is merely, as described by the Leader of the National Party, a stunt by the government, in that it is seeking to enshrine in the constitution provisions that will prevent changes being made to the ownership of water and the water industry generally.

I noted the comments by previous speakers that the inclusion of public-private partnerships in the legislation gives the government some flexibility in its ability not only to look at changes in the management of the water industry but to go outside the public ownership of the industry — that is, to look at where arrangements between public companies and private companies can assist in the management of the water industry generally.

In the 1980s the water industry was controlled by the State Rivers and Water Supply Commission under the 1958 act. There were gross inefficiencies within the industry, and massive changes were needed because the management of the water system across the state of Victoria was fragmented. The State Rivers and Water Supply Commission and a range of other water authorities controlled the supply and distribution of

water, particularly into the irrigation systems — and I can particularly relate this to the north-east and northern parts of Victoria.

We saw massive changes to the act in 1989 following a huge debate in the Parliament. The original bill should have been withdrawn and redrafted to take account of the massive number of amendments which were proposed to it. There were amendments on top amendments, and the Parliament had great difficulty in coming to grips with sorting them out.

Through the 1990s we saw further changes. I strongly supported the changes implemented by the former coalition government in setting up water authorities across country Victoria, rationalising the town water supplies into bigger units and achieving greater efficiencies in the delivery of water. Through the 1990s the coalition government put $1.5 billion into upgrading the water supply and into capital works generally. Half a billion dollars was put into country Victoria, which saw great developments taking place, particularly with town water supply and sewerage projects. But this has to go a lot further, and that is why I believe the water bills that are coming before the house certainly provide a greater opportunity to improve the delivery of water not only through irrigation but to country cities and towns as well as metropolitan Melbourne.

Again I indicate my great concern about how far this will go not only in looking to make efficiencies — and I support the actions that aim to get greater efficiencies in the water system generally — but in raising the cost of water.

It appears that the government — and we can see it in the budget — is raising charges on a range of services that it provides, which will be to the detriment not only of businesses but of individuals. I will be watching the changes closely to ensure that we protect those who have water rights, particularly in the irrigation areas, and that the efficient operations of the great profit and wealth producers in the Murray Valley area are not affected by the higher prices.

I support the protection that is to be provided by the legislation. I reiterate my view that the water industry is too important to the state of Victoria for us to consider any sell-off of its parts. I do not believe that was ever considered or discussed by the previous coalition government; certainly the National Party never, ever took a position to enable the selling off of any part of the water industry.

Of course corporatisation is a track that many have taken, and I cite Australia Post as a good example. As far as I am concerned Australia Post must remain in government hands, but the federal government has corporatised parts of it, so that in smaller country cities and towns — and indeed in metropolitan Melbourne — we see individuals taking over the management of Australia Post outlets. As a result we have seen greater efficiencies in the services and facilities provided at those outlets. But they have been corporatised as distinct from being sold off.

Mr Haermeyer interjected.

Mr JASPER — Telstra is a critical one. At this stage I do not believe there should be any further move to sell off parts of Telstra, recognising the important role it plays and the work that is being done by the federal National Party to see that Telstra improves its services in country Victoria. However, I believe just the same that Telstra provides an excellent range of services to Australians generally.

In summary, the National Party does not oppose the bill, but it has some concerns with the tack that is being taken by the government. While we see its bringing this legislation before the Parliament as some sort of stunt, we recognise the importance of ensuring that there will be no selling off of Victoria's water assets in years to come.

I agree with the two Independent members that the inclusion of public-private partnerships in the legislation is certainly an issue we will need to keep under close surveillance to ensure that we maintain the water industry in all its facets within public ownership and that none of the water assets across the state of Victoria is privatised.

Ms NEVILLE (Bellarine) — I will make just a brief contribution in support of the Constitution (Water Authorities) Bill. It is ironic that the parties that are talking about never privatising and never supporting privatisation are the Liberal and National parties. Just look through the list of what has been privatised across the state!

I do not believe them, and I am sure Victorians do not believe them. They did not believe them during the election: they voted overwhelmingly for the Bracks government, and they voted to ensure that we did not privatise our water assets. I am sure that Victorians today are waiting in anticipation of this legislation to entrench our water system in public ownership. I commend the bill to the house.

Debate adjourned on motion of Ms GILLETT (Tarneit).

Debate adjourned until later this day.

SAFE DRINKING WATER BILL

Second reading

Debate resumed from 7 May; motion of Ms PIKE (Minister for Health).

Mr PLOWMAN (Benambra) — The opposition supports the Safe Drinking Water Bill. Clearly the purpose of the bill is to protect and improve the quality of drinking water supplies in Victoria. Every one of us — no matter whether we are metropolitan or non-metropolitan or whether we are from the country or the city or the interface council areas — wants the same results for drinking water throughout the state of Victoria.

The bill requires that water suppliers develop and implement an integrated risk management framework for drinking water and comply with water quality standards. The bill also requires water storage managers to prepare and implement risk management plans in relation to the water supplied to water suppliers.

But all of this is at a cost, and it is important to recognise that the cost of this additional supervision, this additional layer of bureaucracy, is going to be met by the water authorities. That means that each one of us is going to be asked to pay more for our water, despite the fact that we have across Victoria one of the safest and best standards of drinking water anywhere in Australia and anywhere in the world.

Members on both sides of the house will recognise that, for its size, nowhere in the world compares with Melbourne for water. That is so largely because when the Melbourne water suppliers were first set up catchment areas were set aside, and they were called closed catchments: they were fenced and they were kept totally free of human intervention. As a consequence the Melbourne water quality standards have always been amongst the very best in the world. These standards have been maintained in later years by very strict water quality provisions.

When the Kennett government was in power it put $1.4 billion into the water industry to do two things: to improve the water quality standard and to ensure that, wherever possible, treatment plants for wastewater were introduced and utilised right throughout country Victoria, and any improvements throughout metropolitan areas that were possible at that stage were in fact made.

The bills deals with water quality from the catchment to the tap. It is interesting that non-metropolitan water authorities, as I have been advised, will have to abide by the 1993 World Health Organisation (WHO) guidelines, which have two criteria: one is a zero E. coli level and the other is a zero coliform level. High coliform levels indicate that the mains need cleaning so as to meet that zero coliform level.

In respect of metropolitan water the Melbourne standard will be fixed on the 1987 guidelines of the National Health and Medical Research Council, which allow 20 coliform. As I understand it, this is because it would cost much too much to try to implement the WHO guidelines because of the complexity of the Melbourne water supply.

I would like to touch on a couple of things very briefly. Firstly, we have problems with this in respect of country water. The national park huts all provide water for public use, roadside stops often supply water for public use and, as small country towns fall below the threshold for water authorities to have responsibility for them, very many of them have cooperative water suppliers. How are all of these individual areas of water usage going to be catered for? Even country schools collect their drinking water from their roofs. That too will have to be accommodated by this bill. All of these questions need to be answered.

It is because of that that I think this bill needs to go into the committee stage, and as a consequence I am quite happy to finish my speech at this stage.

Ms PIKE (Minister for Health) — I am happy to sum up the debate on this bill and to thank the members for Mulgrave, Caulfield, Lowan, Benambra and Bellarine for their contributions on a very important piece of legislation. The Safe Water Drinking Bill is a bill that responds to the community's ongoing concern about not only good quality drinking water but also other issues that are important to the community, such as the taste, odour and colour — the aesthetic aspects — of water.

The government has spoken to people broadly in the community. We have also spoken to industry, the water authorities — both the large metropolitan water authorities and the regional water authorities — and to people in little country towns right across the state.

It is important that we do not stand still on these matters, that we set in place a good regulatory framework and good risk management processes so that

not only now but into the future the community can be well assured that we do have good quality drinking water. The bill is one of a number of bills that are part of the overall commitment of the Bracks government to our water supply generally, maintaining it in public hands, providing frameworks where people can actually have a say in the delivery of water within their communities.

The other thing about this bill is that it really does put the onus back on the community itself and on the suppliers to work hard together in a consultative way to achieve the best outcomes. There are mechanisms within the bill where there may be variations to water standards, and those are driven by the community. They are adopted as a genuine partnership between the water authorities and the communities themselves, and we think that is the best possible way to move forward. Whilst the regulatory framework is there, in a sense as an overarching protection mechanism for the community we also have a great capacity for there to be genuine engagement and discussion over the more aesthetic aspects of water quality.

I am certainly confident that this legislation, which we currently put before the house, will enhance the quality and safety of drinking water supplies for Victorians. It does fulfil a major policy commitment of the government, it does strike the right balance between the quality of drinking water supplies and the affordability of the services, and as such I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr COOPER (Mornington) — In preparing the risk management plans, which I think are very important with regard to this question of safe drinking water, I want the government to take into account and pay special emphasis to the warnings that have been issued by Mr John Lawson of Lawson Consultancy Pty Ltd, in a report that he prepared in February this year entitled *Managing Melbourne's Water Resources*. I will quote part of one paragraph on the matter:

> Melbourne's closed water catchments were last extensively damaged by fire in 1939 and they are again at risk. Should they be extensively damaged the existing dams, which are presently at less than 50 per cent capacity, would suffer major deterioration in water quality and face diminished water yield for many years as burnt catchments recovered …
>
> We must plan for the worst, minimising the risks and concentrate efforts to ensure long-term sustainable water supply. Projected population and industrial growth exacerbate the problem.

I have raised this issue before in this house, and I raise it again because I believe it is incumbent upon the government to take this matter seriously. Certainly when you consider the population growth of Melbourne, and the fact that water usage is in excess of the population growth, and the dangers there for our catchments should a wildfire go through them — and it is only by good luck that one has not since 1939 — these are all the ingredients for a major catastrophe for Melbourne, not only in terms of the quality of supply but also quantity of supply.

The short contribution I am making on the matter is to ask the government to take that warning by Mr Lawson into account, to take it very seriously and ensure that the risk management plans prepared address the issues that Mr Lawson has raised.

Ms PIKE (Minister for Health) — The whole notion of risk management is thoroughly embedded in the bill, and clause 9 deals with that. It talks about the plan in relation to supply, and contains a detailed description of supply. It identifies the risk to the quality of water and the risk that may be imposed by the quality of water and then assesses the risks and sets out the steps that may be taken to manage those risks. The whole notion of risk assessment is that we do not have some kind of arbitrary set of standards, but we actually have a mechanism by which you can identity potentialities, look at the unique character of different circumstances, identity if an area is in a fire-risk area or has some particular industry or some farming characteristics that may have a genuine impact on the matters of water quality that are being assessed.

I can certainly assure the member that the whole notion of moving to a risk management framework rather than an overarching set of regulations and rules that do not have a fluid — excuse the pun — character is fundamentally embedded in the bill.

Mr DELAHUNTY (Lowan) — The point I wish to raise concerns the quote in the second-reading speech about rural water authorities being covered by the legislation, and the obligations of the various water authorities. The major concern raised with me is that for those locked-up catchments in the metropolitan area, it is easier to achieve the aims of the bill; but there are major concerns for the rural water authorities because

the bill stipulates that water to be used for drinking water is incorporated in this bill.

I know the minister talks about not having regulations, but if we do not have regulations to assist the rural water authorities how will we achieve this aim with dual purpose storages? Also is capital expenditure needed to achieve that aim?

Ms PIKE (Minister for Health) — The member is correct in identifying that rural water authorities will not be required to meet drinking water quality standards because they fundamentally manage storage, and those in the regional and urban areas have that direct supply from the source to the customer that will be required to meet the regulation. However, they will be required to have risk management plans which will be prepared in conjunction with regional water authorities, and one would hope and anticipate that it is that relationship between the rural water authorities and the regional water authorities that will provide the framework for them with their varying responsibilities.

There have been some management plans already put in place or at least some significant progress in this area through the environmental management plan process. There is a question of cost, and I certainly anticipate that the authorities do have ongoing budgets for capital upgrades, and as this framework comes into place they will be able to meet those requirements. Of course there is built into the bill a capacity for there to be negotiations between the regulator or the Secretary of the Department of Human Services and the authorities, and negotiations around those requirements.

Clause agreed to; clause 2 agreed to.

Clause 3

Mrs SHARDEY (Caulfield) — In relation to the definition of 'water supplier', I would like to know if Parks Victoria made a submission in relation to the legislation, and if so, how it will apply and if the minister is happy to make it available.

Ms PIKE (Minister for Health) — Yes, Parks Victoria made a general submission and certainly supported the policy proposal. In fact the policy proposal has overwhelming support across the community, which had very valuable input into the whole assessment process.

The more detailed aspects of the impact of this bill will now become subject to a rigorous public regulatory impact statement, and that will involve a comprehensive public consultation process. I anticipate that Parks Victoria will also want to be a part of that, because part of the issue here is that there has been widespread consultation and discussion about the potential cost and impact of this legislation. But until we have the detailed regulatory impact statement, none of that is able to be substantiated. The Parks Victoria submission was one of a number of submissions that were received through the earlier part of the development of the bill.

The issue about whether I will make it available is really not a matter for the discussion at this point. I will be happy to discuss that matter with the opposition in due course.

Dr NAPTHINE (South-West Coast) — I would have hoped the minister would have been more forthcoming about making the submission available. This issue was raised in the briefing, and the officers said they would get back to us; but we still have not got the submission. Since we are in the committee stage, we ask the minister to make it available.

This is a very important issue for people in rural and regional Victoria, because Parks Victoria supplies water on walking tracks, in huts and through its supply system. The impact of this sort of legislation and the cost for Parks Victoria is very significant. I ask the minister to make available to the chamber for its consideration both the submission and any advice she received from the Alpine Resorts Management Board about the implementation of this proposal.

Ms PIKE (Minister for Health) — I am happy to seek advice from the department about that.

Mrs SHARDEY (Caulfield) — I have a further question in relation to subclause (e) and whether small private water supply companies are to be included in the legislation. The opposition has already asked that question, and in response has been told that the legislation does not cover a small number of private water supply schemes and local water supply cooperatives around the state. We now ask the minister if she will give us a list of those suppliers which are not going to be covered by this legislation.

Ms PIKE (Minister for Health) — I have not been advised of that request, and I will certainly follow it up with the department. I see no reason why the member cannot be supplied with that information.

Clause agreed to; clauses 4 to 6 agreed to.

Clause 7

Mrs SHARDEY (Caulfield) — In relation to how this bill will affect Parks Victoria and its drawing up of

risk management plans, I ask the minister to supply the opposition with a list of sites throughout Victoria, particularly national parks, that would come under the legislation in relation to Parks Victoria. Further, will the minister guarantee that all current sites will continue to be maintained under this legislation?

Dr NAPTHINE (South-West Coast) — While the minister is considering that, the point being made is that Parks Victoria is responsible for very important water supplies on the Great South-West Walk and on alpine walks. Many of those supplies are in tanks which are perhaps not under the same management systems. If we have to have special management plans for them which are expensive and comprehensive, Parks Victoria may withdraw water supplies, which would have a huge detrimental effect on ecotourism and on public safety for walkers. We want an absolute assurance that Parks Victoria's response will not be to withdraw water supplies from crucial, more remote areas.

Ms PIKE (Minister for Health) — I certainly understand the issue being raised, which is an important and significant one. I am certainly happy to undertake to provide those areas. We cannot provide them right now, but we can provide them in time.

The intention is not to diminish the — —

Dr Napthine interjected.

Ms PIKE — Yes, and I appreciate that. Certainly there is enough flexibility in the regulatory framework to work through those specific instances. The intention is not to overtly or inadvertently diminish the capacity of anybody to provide good-quality water or to have any, as the member said, inadvertent impact on other activities that Parks Victoria or any other authorities may have as part of their responsibility.

Clause agreed to.

Clause 8

Mr PLOWMAN (Benambra) — Clause 8(3) states that the secretary may, by notice in writing, exempt a water storage manager from having to comply with either the preparation of a risk management plan or its implementation. Can the minister indicate under what circumstances that could occur?

Ms PIKE (Minister for Health) — I indicated in my previous response that we recognise that there are sometimes certain circumstances where water suppliers have broader obligations, where there might be capital or infrastructure issues, or particular local wishes or desires, or where people may simply not require or need a risk management plan. That assessment is made by the Secretary of the Department of Human Services.

Clause 8 agreed to; clauses 9 to 16 agreed to.

Clause 17

Mrs SHARDEY (Caulfield) — In relation to the standards I would like to ask which drinking water standards will apply — the National Health and Medical Research Council 1987 standards or the new standards that were done post-1996, which are called the Australia drinking water guidelines?

Ms PIKE (Minister for Health) — There will be further consultation on this matter. The standards will be drawn from the current version of the Australian drinking water guidelines. The current guidelines were published in 1996. They will be revised, as they are from time to time, depending on the standards of the time when the regulatory impact statements occurred. But the Australian drinking water guidelines are the ones that will be utilised.

Clause 17 agreed to; clauses 18 to 50 agreed to.

Clause 51

Dr NAPTHINE (South-West Coast) — I ask the minister to outline to the committee the sorts of levies that water authorities and water suppliers will have to pay to meet the administrative requirements under division 4. I know that at least nine extra staff are being employed by the Department of Human Services to administer this act, and there will be many more in water authorities and Parks Victoria. That will cost a great deal of money. Is it to be recouped through the administration levy, which will ultimately be paid by water consumers in higher water prices? Can the minister advise what sorts of levies will be charged to Melbourne water authorities and regional water authorities, and what sort of scale they will be on?

Ms PIKE (Minister for Health) — The matter which the member refers to is of course the cost, and the reality is that the cost will be less than $1 per Victorian household.

Dr Napthine interjected.

Ms PIKE — The anticipated cost is $1.5 million, which is substantially less than the $4.5 million which it cost the gas regulator to fulfil its requirements — although that, of course, was established at a previous time.

The government believes the cost will be around $1.5 million, which is certainly much less than $1 per household. It will be shared equitably across the state.

Dr NAPTHINE (South-West Coast) — The question I wish to ask is whether this administrative levy is subject to indexation, as outlined in the budget and what the typical fees for a water authority like the Portland Coast Regional Water Authority will be?

Business interrupted pursuant to sessional orders.

The CHAIR — Order! The time being 4.00 p.m., I have to interrupt business.

Clause 51 agreed to; clauses 52 to 59 agreed to.

Reported to house without amendment.

Remaining stages

Passed remaining stages.

WATER (VICTORIAN WATER TRUST ADVISORY COUNCIL) BILL

Second reading

Debate resumed from 6 May; motion of Mr THWAITES (Minister for Water).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

VOCATIONAL EDUCATION AND TRAINING (TAFE QUALIFICATIONS) BILL

Second reading

Debate resumed from 7 May; motion of Ms KOSKY (Minister for Education and Training).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

UNIVERSITY ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 7 May; motion of Ms KOSKY (Minister for Education and Training).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

DANDENONG DEVELOPMENT BOARD BILL

Second reading

Debate resumed from 6 May; motion of Ms DELAHUNTY (Minister for Planning).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from 7 May; motion of Mr BRUMBY (Minister for State and Regional Development).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

CONSTITUTION (WATER AUTHORITIES) BILL

Second reading

Debate resumed from earlier this day; motion of Mr BRACKS (Premier).

The SPEAKER — Order! The question is that this bill be now read a second time. As only one member

has asked for a division, under section 180 of the standing orders I ask the member for Mildura if he would like his dissent to be recorded in the *Votes and Proceedings*.

Mr SAVAGE (Mildura) — I ask that my dissent be recorded, Speaker.

Motion agreed to.

Read second time.

Third reading

The SPEAKER — Order! The second reading having been carried, I am of the opinion that the third reading of this bill is required to be passed by a special majority of 53 members. The question is that this bill be now read a third time.

Motion agreed to by special majority.

Read third time.

Remaining stages

Passed remaining stages.

FIREARMS (TRAFFICKING AND HANDGUN CONTROL) BILL

Council's amendments

Returned from Council with message relating to following amendments:

1. Clause 3, lines 22 to 30, page 5, lines 1 to 5, omit all words and expressions on these lines.

2. Clause 3, page 8, lines 8 to 17, omit all words and expressions on these lines.

3. Clause 3, page 9, line 23, omit "disregarded."." and insert "disregarded.".

4. Clause 3, page 9, after line 23 insert —

   "(4) This Act does not apply to a firearm that was manufactured before 1900, if —

   (a) in the case of any such firearm that is a longarm —

   (i) it does not take cartridge ammunition; or

   (ii) if it does take cartridge ammunition, the cartridge ammunition that it takes is not commercially available; or

   (b) in the case of any such firearm that is a handgun, it is not of a type that uses percussion, or methods developed during or after the development of percussion, as a means of ignition.".".

5. Clause 8, page 16, line 24, omit "the club" and insert "a club".

6. Clause 10, line 31, omit "taking part" and insert "competing".

7. Clause 10, page 20, lines 1 to 33, omit all words and expressions on these lines.

8. Clause 10, page 21, line 1, omit "(d)" and insert "(b)".

9. Clause 10, page 21, lines 6 to 8, omit all words and expressions on these lines and insert —

   "(3) If —

   (a) the holder of a general category handgun licence is authorised under the licence to possess, carry or use general category handguns for the reason of target shooting; and

   (b) that holder does not possess, carry or use more than one class of general category handguns under that licence —

   the licence is subject to the condition that in each calendar year for which the holder holds the licence, subject to sub-section (4), he or she must participate in, either as a competitor or as the supervisor, a competition judge or range officer —

   (c) at least 6 competitive approved handgun target shooting matches on at least 6 separate days; and

   (d) at least 4 handgun target shoots organised by approved handgun target shooting clubs on at least 4 separate days, being days that are in addition to the days under paragraph (c).

   (4) The holder of a licence, to whom sub-section (3) applies, must participate in at least 6 of the matches and shoots required by sub-section (3) as a competitor.

   (5) If —

   (a) the holder of a general category handgun licence is authorised under the licence to possess, carry or use general category handguns for the reason of target shooting; and

   (b) that holder does possess, carry or use more than one class of general category handguns under that licence —

   the licence is subject to the condition that in each calendar year for which the holder holds the licence, subject to sub-section (6), he or she must participate in, either as a competitor or as the supervisor, a competition judge or range officer —

(c) for each class of handgun possessed by the holder in the whole or any part of the calendar year, at least 4 competitive approved handgun target shooting matches for that class of handgun that take place on at least 4 separate days; and

(d) in any case —

(i) at least 6 competitive approved handgun target shooting matches on at least 6 separate days; and

(ii) at least 4 handgun target shoots organised by approved handgun target shooting clubs on at least 4 separate days, being days that are in addition to the days under sub-paragraph (i).

(6) The holder of a licence, to whom sub-section (5) applies, must participate in at least 6 of the matches and shoots required by sub-section (5)(d) as a competitor.

(7) For the purposes of this section, a person who conducts a handgun safety course, that is of a class of such courses that has been approved by the Chief Commissioner, is deemed to have competed in an approved handgun target shooting match.'.".

10. Clause 14, page 24, line 5, omit "compete in".

11. Clause 14, page 24, lines 6 to 12, omit all words and expressions on these lines and insert —

"(i) compete in at least 6 competitive approved handgun target shooting matches on at least 6 separate days; and

(ii) participate in at least 4 handgun target shoots organised by approved handgun target shooting clubs on at least 4 separate days, being days that are in addition to the days under sub-paragraph (i);".

12. Clause 14, page 24, line 17, omit "compete in".

13. Clause 14, page 24, line 18, after "(i)" insert "compete in,".

14. Clause 14, page 24, lines 26 to 33, omit all words and expressions on these lines and insert —

"(ii) in any case —

(A) compete in at least 6 competitive approved handgun target shooting matches on at least 6 separate days; and

(B) participate in at least 4 handgun target shoots organised by approved handgun target shooting clubs on at least 4 separate days, being days that are in addition to the days under sub-sub-paragraph (A);".

15. Clause 26, line 25, after "handgun" insert ", if the ammunition is not capable of being used in another firearm that is registered to that person and possessed by that person under a licence issued under this Part".

16. Clause 46, page 49, lines 8 to 17, omit all words and expressions on these lines and insert —

"(f) in the case of an application for a permit to acquire a handgun by a person who holds a general category handgun licence for the reason of target shooting —

(i) unless a nominated officer of an approved handgun target shooting club, of which the applicant is and has been a member for the period of 6 months immediately preceding the application, has endorsed the application; or

(ii) if the applicant has not been a member of an approved handgun target shooting club for the period of 6 months immediately preceding the application, unless —

(A) a nominated officer of an approved handgun target shooting club of which the applicant is a member has endorsed the application; and

(B) a nominated officer of an approved handgun target shooting club, of which the applicant has been a member, in the preceding 12 months, for a consecutive period of at least 6 months, has endorsed the application; or".

17. Clause 70, line 24, omit "66" and insert "67".

18. Clause 72, line 7, omit "35" and insert "36".

19. Clause 75, lines 9 to 12, omit all words and expressions on these lines and insert —

'"(2A) The key to the container in which the firearm is stored must —

(a) be carried by the holder of the licence; or

(b) be kept securely in a separate room from the container —

when the container is not being accessed.".'

20. Clause 75, lines 22 to 25, omit all words and expressions on these lines and insert —

'"(2A) The key to the container in which the firearm is stored must —

(a) be carried by the holder of the licence; or

(b) be kept securely in a separate room from the container —

when the container is not being accessed.".'

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That the amendments be agreed to.

Mr WELLS (Scoresby) — The Liberal opposition will be supporting these amendments. We believe they clarify a number of issues which were raised primarily by the National Party, and in consultation with the National Party we believe these are good amendments that make the bill clearer.

Motion agreed to.

APPROPRIATION (2003/2004) BILL

Second reading

Debate resumed from earlier this day; motion of Mr BRUMBY (Treasurer).

Mr HONEYWOOD (Warrandyte) — In looking at this appropriation bill we have already discovered that there is the usual spin over substance, but in my three portfolio areas of industry, employment and major projects, whilst I have already had occasion to highlight issues with major projects and indeed with industry, we have the cruellest budget ever when it comes to employment.

Let us just set the scene for today's employment situation. Victoria's unemployment rate today, for the month of April, has increased from 5.55 per cent to 5.9 per cent. What has happened to Australia's unemployment rate? It has come down. While Victoria's unemployment rate went up by 0.4 per cent, Australia's rate has come down. As business investment in Australia becomes more competitive, our state will continue to miss out because of more situations in which business impasse is such that employment is offered elsewhere. What was the government's election promise when it came to unemployment? We have to look no further than Jobs for Tomorrow, which was the key election policy only five months ago. What did it say? I will quote from it:

> The creation of 150 000 new jobs over the next four years and a target unemployment rate of 5 per cent.

Already in one month we have gone from 5.5 per cent to 5.9 per cent. We are a full percentage point ahead of its election promise only a few months ago! What an indictment of the employment situation in Victoria.

Then we discover that in the last month there were 14 300 full-time and part-time jobs lost across Australia. But how many of those 14 300 jobs, according to the Australian Bureau of Statistics statistics released today, did Victoria account for? Over one-third: 5000 of them came out of Victoria.

Mr Nardella interjected.

Mr HONEYWOOD — The member for Melton will be pleased to hear that youth unemployment has increased from 20.5 per cent a year ago to 22 per cent in the last month. This sets a scene for the cruellest cut in this budget. So cruel is this cut that the Treasurer and the Minister for Employment and Youth Affairs hope they can escape scrutiny of it. I refer to the community business employment (CBE) program and the community jobs program. The community business employment program, as many honourable members will know, commenced under the previous coalition government in 1994. It applied $10 million a year for 10 000 job seekers a year.

Bear in mind that this program was deemed so successful by the current government that it kept it going. What do we find now? Yesterday we had a meeting in which all 44 providers were called in to be briefed by Julia Griffiths, manager of the employment division of the new Department for Victorian Communities. What a maiden initiative this was for the new department! It has abolished the community business employment program. Was this announced in the budget briefings? Of course not. And who does the community business employment program look after? If you went to the government's webpage on that today you would find it has been deleted! But luckily the opposition obtained a copy of the webpage printout dated 3 February this year. Honourable members will be pleased to hear that in order to qualify for the CBE program grants you have to be between 15 to 24 years of age and your parents' income is such that you cannot qualify for commonwealth assistance, or you have to be a 45-year-old or older mature-age unemployed person or, crucially, you have to be a migrant who has been here for less than two years and has permanent residency but has not become a citizen yet.

Those are the three target groups, according to the state government's webpage. You must not be in receipt of commonwealth government job search training or intensive training assistance. Therefore the only safeguard in employment programs provided by the state government — if you are not able to get commonwealth assistance — has been taken away! It has been taken away by the state government so we have young people, mature-age unemployed and people from a non-English-speaking background not about to get a brass razoo from a Labor government that claims to be compassionate to the unemployed. What an indictment! And those 44 providers — who get a grand sum of $850 per placement — do not just come from the inner areas of Melbourne. No, they come from Kerang, from Swan Hill, from Traralgon, from right around the state of Victoria. How many people working for these 44 providers were told yesterday they would

be losing their jobs — with no warning? Two hundred full-time equivalent placement officers. Which Labor member of Parliament will go out to Broadmeadows Employment Project today and tell those nine full-time workers that the job they have been doing on behalf of young people and mature-age unemployed is no longer needed?

Mr Nardella interjected.

Mr HONEYWOOD — The member for Melton, as a Labor member of Parliament, should go out to any one of those 44 providers. If he does he will get one mighty reception, because the government has destroyed not just an employment program that has been successful for a decade but the livelihoods of 200 caring, professional employment program officers who have been helping out people in need.

Now I come to a cut that is even crueller than the cut to the CBE program — that is, the cut to the community jobs program (CJP). I read again from the government's web page on that program, because it is designed for people in particular need:

> The type of projects sought are anticipated to employ a minimum of 12 participants for up to 16 weeks and must provide a community benefit …

The webpage, which has now been abandoned because of embarrassment on the part of the government, further states:

> The CJP targets Victorian job seekers aged 15 and above who are at least 6 months unemployed in the last 12 months or unemployed and deemed to be disadvantaged and 'at risk' of long-term unemployment.

A program for people in real need, often with disabilities, who have found it impossible to get job placements has been cut in half. The government has abolished its largest state-based program and has cut in half the jobs program that helps out mostly those with disabilities and the long-term unemployed. Where do they go tomorrow?

Mr Nardella interjected.

Mr HONEYWOOD — I hear the interjection from the member for Melton. He has abandoned them, and it will take months and months for others to pick up where they left off. Some of the agencies that have been looking after the disadvantaged have 400 or more clients on their books. How do they get that message out, given that they were hauled in with no notice yesterday to be told, 'It's all over, Red Rover.'? What an appalling lack of consultation by a so-called caring government. So much for its social policy and caring philosophy! In this budget we have found that it is what is not said rather than what is that belies the government's commitment to looking after people most in need.

I turn to the skills migration unit, which is meant to provide skilled migrants with a range of migration and information services to assist them in migrating to Victoria. The target for that program in 2002–03 was 11 000 skilled migrants. I thought the Minister assisting the Premier on Multicultural Affairs was committed to migration. I thought I heard the Premier talk about increasing migration and how his government was leading Australia in bringing skilled migrants to this country.

I know that you, Acting Speaker, will be interested in this, because the target for skilled migration has been reduced from 11 000 in the year about to finish down to 5950 — in other words, it has been halved. The government will now try to get to Victoria only half the number of migrants it had been talking about. Why? Because although it is big on the rhetoric, now that it has won the election it could not care less about migrants. This statistic proves exactly what the opposition knows it is on about. Whether it be the CBE, the CJP or skilled migration, in this budget the government has in one fell swoop torn apart years of bipartisanship and, no matter what party has been in government, years of trying to help those in need. What an indictment!

When I look at the industry area of my shadow portfolios I realise that there is a certain synergy between employment programs and industry assistance, because the other major cut in this budget was to get rid of payroll tax exemptions for trainees and apprentices. If you are running a small business and you are just on the cusp of having to pay payroll tax, of course you will take on young people, because doing so means you will not be drawn into the payroll tax dragnet and have to pay the most inequitable tax in Australia.

There had been an incentive to take on young people, but now you will not qualify for any assistance — other than federal government assistance, of course, which is still there if you employ an apprentice — from this so-called caring Labor government until they have completed — —

Mr Nardella interjected.

Mr HONEYWOOD — The member for Melton should go and sell that policy initiative to a motor mechanic who takes on a young person for a three-year apprenticeship! Often an employer finds that, having

trained him up for two years or so, his apprentice is poached by another motor mechanic, so he would never get a completion fee from this government. The skills of young people are such that after a couple of years they do not need to finish their apprenticeships, and in those circumstances, therefore, the government will not have to pay a completion rate.

We know the government sees that as a major cost saving, because it claims it is currently losing about $63 million a year in payroll tax exemptions for these young people.

Mr Nardella interjected.

Mr HONEYWOOD — The member for Melton should tell a young person that they cannot get a job because they have been rorting the system. All we have to do is look at the budget papers, because they set out the government's own target for the number of young people who will get the completion bonus scheme payment. The Minister for Education and Training often highlights the fact that traineeships and apprenticeships have increased, claiming the figure is now 150 000, but how many do the government's budget papers indicate will get the completion bonus? It sets a figure of 7500 out of 150 000.

That again gives the lie to any claim by the government to be attempting to assist young people in their employment needs or to give an incentive to small businesses to take on young people and give them a go. It is an outrage and another indictment of this government, which is meant to be providing safety nets for people in most need.

If we look at industry as a whole, we can see that Victoria has the highest land tax rate in Australia — 5 per cent at the top rate, compared with 1.6 per cent in New South Wales and 1.7 per cent in Queensland.

Workcover premiums are going through the roof. Even to build a factory in this state will cost you a minimum of 30 per cent more than it would cost in another state. That is the going rate for looking after Martin Kingham and the boys. Whether it be one-off construction costs or recurrent tax levies and payments that you have to make if you decide to invest in this state, or whether it be pulling the rug from underneath any inducement to take on and give a job to a young Victorian, this state is not competitive anymore.

This state, which only a few years ago could hold its head high and say it was attracting business investment, is no longer in the marketplace. We are behind the pack. Today's unemployment figures are proof of that — up 0.4 per cent in only one month.

Major projects are another area about which I have had a lot to say in the house this week. I have highlighted how there is not one single major project in this budget, let alone for my electorate. No school is getting any capital upgrade money, maintenance money has gone missing in action, and the road-funding situation is so appalling that we are not getting black spot funding in my electorate. Because of the lack of public transport in Warrandyte and Park Orchards people have to use a car, and every time they use a car they get slugged.

Ms MORAND (Mount Waverley) — It is with great pleasure that I take this opportunity to speak on the budget. The member for Warrandyte called it the cruellest budget, but he should get off the grass. As if his party cares about disadvantaged people. Get real!

This budget continues the investment of this government in the future of Victorians. The budget has been welcomed by a broad and diverse range of industry, union and employer groups. Neil Coulson from the Victorian Employers Chamber of Commerce and Industry said the budget was financially prudent. Tim Piper from the Australian Industry Group said the budget contained something for everyone. Standard and Poor's has confirmed Victoria's AAA rating.

Those comments are particularly pleasing in light of the pressures existing in formulating this year's budget. As the Treasurer has already articulated, there were particular challenges in formulating a budget for this year, including a downturn in international markets, the drought, the worst bushfires since 1939 and the impact of the public transport franchise failures.

Despite all of these variables occurring at the same time and the impact they have had on the budget, the Treasurer and the government continue to deliver responsible financial management and maintain a healthy surplus. Victoria is in great shape, with a great government, a great Premier, great ministers, a great Treasurer and great financial management. Victoria has the lowest unemployment rate for 13 years — 5.75 per cent.

Ms Asher interjected.

Ms MORAND — Even the member for Brighton might welcome the lowest unemployment rate for 13 years — maybe. Business investment is at a record high and Victoria has a growth forecast of 3.75 per cent for 2003–04 — very impressive. The government is getting on with the job.

I will comment on a few specific aspects of the budget to which I feel the closest connection — education and health. I am particularly happy to comment on the

continued investment in health by this government which has a commitment to rebuilding the health system — a system that even the Liberal Party now concedes was cut too deeply. This government set about reinvesting in public health in 1999, not with empty rhetoric but with real and substantial increases in funding and a tangible philosophical shift in support of our wonderful health services.

Our key achievements over the past three years include increased spending on Victorian hospitals by more than $1 billion. I will repeat that: more than $1 billion. We treated an extra 35 000 patients a year with emergency department presentations increasing by 8 per cent. During the Labor government's first term an extra 900 hospital beds were opened. I assume this spending is what the shadow Treasurer meant this morning when he referred to the government's wasted increase in spending. The opposition has not learnt the lessons yet. Despite being decimated in the November election it talks about frittering away the surplus. I must tell all those extra nurses they are a frivolous waste of taxpayers money, according to members of the opposition. They talk about a blow-out in wages. Is it their policy then to reduce the wages of nurses and teachers should they ever be re-elected? Perish the thought! Their problem is that they do not value public servants nor the jobs they do. And, by the way, wages are determined by the Australian Industrial Relations Commission.

The Leader of the National Party likewise spoke this morning about Labor not being able to manage money. Again I say, get off the grass. He also has not learnt the hard lessons. People want services and they expect the government to provide them. They do not expect the government to have a surplus of billions of dollars to make them feel important. We want to use revenue to support people and invest in their future.

Honourable members interjecting.

Ms MORAND — I am sorry. You do not want to hire any more nurses, do you!

The Leader of the National Party in his contribution also showed he has not learnt the lesson. He should open his eyes and ears and listen to the people. I will come back to the budget funding for health. I apologise to the Leader of the Opposition and the Leader of the National Party, but we are going to increase the number of nurses in our health system. I am sorry if they see that as frittering away revenue. We are going to boost our hospital services by $1.4 billion to treat more patients. The Leader of the National Party said he would rein in spending and cut the cloth. This is an insult to any Victorian wanting access to quality health services. If you want to increase breast screening services or ambulance services or the treatment of chronic diseases, do not go knocking on conservatives' doors. They would prefer to have Victorian money sitting in Treasury.

The Leader of the National Party spoke in mock outrage about the hunters and shooters indexed licences. These hunters and shooters probably have health needs and may even have children whom they would like to access a quality public education system. The government has come a long way in rebuilding the distressed health system that it inherited.

I take this opportunity to thank the hardworking departmental staff who oversaw the revitalisation of the public hospital system. They must have been relieved when Labor won in 1999! The nurse policy unit of the department which was established by this government oversaw the most successful nurse recruitment campaign yet seen in Australia. This successful recruitment resulted in 3300 extra nurses — that is, net equivalent full-time nurses. Remember, most nurses work part-time so that is a lot more individuals who have returned to the health system. They have returned because the government funded re-entry and refresher courses, fully funding nearly 2000 places to allow nurses to come back into the system.

Other budget initiatives over the four years include $30 million for new city and rural ambulance services, over $100 million for mental health services, including early intervention and prevention strategies, and $10 million for an expansion of breast screening services.

I now turn to the education initiatives. Education remains the top priority of this government, which cares and invests in education and training. Its record and achievements are clear. It has already invested over $800 million to build better schools and TAFEs, including 16 new schools and 5 replacement schools.

Mr Perton interjected.

Ms MORAND — The government has put 3000 extra teachers and staff back into education. There are more than 60 extra teachers in my own electorate than there were three years ago.

Mr Perton interjected.

The ACTING SPEAKER (Mr Seitz) — Order! The member for Doncaster!

Ms MORAND — A few weeks ago the Minister for Education Services released data that showed that class sizes have reduced significantly and are now the lowest since records began. This week I visited Glen Waverley South Primary School in my electorate. It is a fantastic school with a wonderful principal, Richard Bennett. The school has one of the lowest prep to grade 2 class sizes with an average class size of 18.4. In my electorate primary school class sizes for the crucial years of prep to grade 2 have dropped by an average of 4.1 since 1999.

An honourable member interjected.

Ms MORAND — Incredible, isn't it?

The overall average primary class size in Mount Waverley is now at a record low of 23.8. When the Bracks government came to office more than 40 per cent of prep to grade 2 classes had more than 25 students. Today that number is only 3 per cent. I believe our young children just starting out on their education deserve the level of support that this government is providing.

I also would like to mention the more than $5 million allocated for the rebuilding of the Mount Waverley Secondary College in my electorate which was decimated by a fire that destroyed 25 classrooms. That is also a wonderful school with 1800 students and a fantastic principal, Glenn Proctor. We are building on that first-term investment and building on our record of achievement. The government is funding an additional 700 teachers and staff as part of a $234 million boost to education. This includes 450 secondary teachers in support services. For the first time the Bracks government will introduce 256 student welfare coordinators in primary schools — further evidence of its investing in future Victorians.

I will conclude my contribution by congratulating the Treasurer, the Minister for Finance and the Premier on getting on with the job and investing in Victorians. I commend the bill to the house.

Ms ASHER (Brighton) — It does not give me much pleasure at all to speak on this budget, because it fails on both social and economic grounds. What we see in this budget is $5 billion of extra expenditure compared with the projected expenditure for the last anticipated year of the Kennett government. For what purpose? To see that one needs to look at the outcomes. The shadow Treasurer has described waiting lists that are longer than they ever were under the previous government. I note a press release put out by the Victorian Council of Social Service (VCOSS), not an organisation I would normally refer to, which refers to outcomes, waiting times — —

An honourable member interjected.

Ms ASHER — No, that is one of the things I am concerned about. Like VCOSS, I am concerned about waiting times for dentures having blown out to 28 months; I am concerned about over 1700 people with disabilities having to wait for shared supported accommodation; I am concerned about nearly 42 000 people being on public housing waiting lists; and I am concerned about waiting times for community health services having increased. When we look at the outcomes from the $5 billion extra expenditure, we do not see much at all.

I particularly want to refer to the economic impact of the budget, particularly in my shadow portfolio area of manufacturing. The first point I wish to raise relates to business taxation. I note that the government has honoured its previous commitment to reduce the rate of payroll tax from 5.35 per cent to 5.25 per cent from 1 July 2003. It is interesting to note that in the first full year of that payroll tax rate cut — the first full year is obviously 2003–04 — the estimated cost to the budget will be $49 million.

A key request by the business community was for a reduction in state taxes, particularly given the uncertain business climate and the reduced level of confidence. However, what we see in the budget is tax increases, not just in the area of registrations, for example, but in the permanent indexing to the consumer price index of every single government fee paid by the business community and by individuals. The government's preference is clear: it prefers to expend in the public sector and tax individuals to fund it.

I also want to refer to the payroll tax exemption for apprentices and trainees, which the government has removed. It is interesting to note that while on the one hand there is a payroll tax rate cut worth $49 million, on the other hand in the first full year of the removal of this exemption, 2004–05, the cost will be $60 million. A valid question to ask is whether the government is concerned about apprentices and trainees or whether this is a cost-cutting measure. It has certainly wiped out the much-talked-about payroll tax rate reduction.

The so-called offset provided to employers by the government is an apprenticeship-trainee completion bonus, which in its first full year — which is, to use the same comparative basis, 2004–05 — will cost $13.1 million. Clearly the government's offsets have

wiped out the payroll tax cut that it has boasted about so readily to employers.

The second issue I wish to raise relates to the government facilitation of manufacturing investment and manufacturing jobs. One of the things state governments can legitimately do through their business departments is facilitate investment. I support that; I am in favour of payroll tax concessions for businesses locating in Victoria, and I am in favour of facilitation. However, while budget paper 3 contains virtually no specific key performance indicators in the area of manufacturing, the budget papers mention — unfortunately — that the amount of facilitated manufacturing investment in the last completed financial year and this financial year has been reduced.

In the financial year just finished, 2001–02, the manufacturing investment facilitated by this government, according to its own budget papers, exceeded $1.1 billion; and according to the government's claim, it created more than 3200 jobs. However, in the budget papers tabled in Parliament this week investment facilitation for the 2002–03 financial year has dropped to $0.8 billion, and the number of jobs facilitated has dropped to 1700. One has to ask what the Minister for Manufacturing and Export is doing. His job, presumably, is to facilitate investment and manufacturing jobs in this state. His performance, the government's performance and the department's performance — name whoever you like — have all dropped dramatically based on the government's own figures.

Of considerable concern to those members of this chamber who are concerned about jobs in the state of Victoria is that the government has cut its targets in key areas — and I want to refer to three key areas in budget paper 3. Firstly, I refer to new investments facilitated and announced. I note that in terms of actual achievements $2.2 billion in investment was facilitated in the last financial year. The target for 2002–03 is $1.2 billion, but the target for 2003–04 is $1.4 billion, which is down on the expected outcome for 2002–03 of $1.6 billion.

Likewise, the number of jobs derived from facilitated investment — I would have thought that would be a key performance indicator of real significance to anyone concerned about jobs in this state — has also not increased. I note that the 2002–03 expected outcome was $4 billion and that the target for 2003–04 is exactly the same.

You have to ask yourself why the government is setting such low targets. I would have thought this is another instance where the government wished to expand its targets to justify the existence of a Minister for Manufacturing and Export, a separate Minister for State and Regional Development and the department that goes by the unusual name of DIIRD, or the Department of Innovation, Industry and Regional Development.

I turn to the issue of exports facilitated. Again I think members of this house would have some cause for concern about this. The government's expected outcome for 2002–03 is $600 million. However, while this key performance indicator has been shifted into another category, I note that the target for 2003–04 has dropped to $500 million. I acknowledge that exports are down overall, in part due to the impact of the drought, but I am concerned that the government's own budget paper 2 indicates at page 56 that:

> A return to normal seasonal conditions and gradual global recovery are expected to see a resumption of export growth over the coming year.

If that is the case, and I am quoting from the government's documents, one has to ask why the government has reduced its target of exports delivered from investments facilitated.

The next issue I wish to raise is the business development budget. I am conscious of the fact that the Treasurer has indicated that he has certain requirements for cuts. This side of the house has obviously spoken extensively over many years about fiscal rectitude. However, I am concerned about why cuts have been made in this area.

I see that the government expects the business development section of the budget to be underspent. The 2002–03 budget was for $37 million, and the expected expenditure is $34.7 million. I think this government department is particularly useful, because it generates investment incentives and jobs for Victoria. One has to ask why this underspending has occurred. I am not abandoning my plank of fiscal rectitude, but I am simply asking the minister why, in all areas, there was underspending in this particular section. The budget for 2003–04 has been dropped to $27.7 million. One has to ask the minister why you would have a budget cut in this area, which is directly related to the creation of jobs in Victoria.

I want to make a couple of brief observations in relation to the Office of Manufacturing and its key program, Agenda for New Manufacturing. This was announced by the then minister in the government statement, *Building Tomorrow's Businesses Today*, and was funded to the tune of $27 million over four years in last year's budget. The government will be judged on the

outcome of these programs and not its advertising in relation to them.

I note also that, whilst one area in the government's 2002 election policy entitled *Jobs for Tomorrow*, the Commonwealth Games industry participation program, has in this budget received the funding promised, the other four areas have nothing for 2003–04. Mind you, nothing was promised, even though the promises were all worded as being for four years. I note, however, that in the budget they are catered for in the out years. Again there is a plethora of programs that on the face of it sound as if they will encourage manufacturing and export, but it is going to be the end result on which the government is judged.

I turn to a local funding issue of significant concern to me — and that is the Brighton Secondary College noise attenuation works for its gym. The college has a very large gym in the school grounds which, by its noise and significant use, is causing concern for residents. The minister for education visited my electorate last year and announced funding of $300 000 to assist the residents in this noise attenuation program.

Mr Nardella — Noisy kids!

Ms ASHER — And adults, and all hours of the day and night.

I note also that in the local press, the *Bayside Leader* of 5 August 2002, the minister was reported, not directly quoted, as saying that this funding was subject to the council issuing a permit for the courts to be used outside school hours. The planning permit has now been knocked back by council, and I fully understand why council would knock back the planning permit for extended after-hours use. My request of the minister is that this money should be made available without conditions. This money should be made available to residents who live around the Brighton Secondary College without any conditions.

I might add that I have written to the minister on this issue, and on 27 March I received an acknowledgment. However, I have not received a response from the minister. I accept that the minister may not have wanted to pre-empt the budget, and I fully understand that — —

Mr Andrews interjected.

Ms ASHER — I understand that parties in government want to pre-empt the budget, and indeed that is their prerogative.

This noise attenuation funding is a significant issue. A lot of noise emanates from the gym hall, which some would say is poorly constructed, and the noise is impacting adversely on many residents. The funding has been granted for noise attenuation, and I thank the minister for that announcement. It is much needed. However, the nexus between the requirement of the council to grant a planning permit for further extended hours use — that is, night time use — of this facility will further disadvantage residents. The alleged nexus between the planning permit and the funding is grossly unfair. I will await the minister's correspondence, but my very sincere request of the minister is that she break the link between the planning permit and the funding.

Obviously everyone is pleased to live in communities where school facilities are used outside school hours, but to adversely impact on residents in Brighton East the way this facility has adversely impacted on my constituents is something that is untenable. I ask the minister, as part of her deliberations on the minutiae of this budget, to break that nexus and to provide the full $300 000 funding for that much-needed noise attenuation work at Brighton Secondary College.

Mr LOCKWOOD (Bayswater) — Some governments bring down a budget to suit their constituency. The Bracks government brings down a budget for the whole state — that is, everybody, no matter where they are, no matter who they are.

The budget is a key part of any government's program. It is where the government delivers on its promises and shows the community where its values are. Clearly from this budget the government shows how much it values people, despite what we have heard. It demonstrates the government's compassion and responsibility. It demonstrates a willingness to listen to people and to act on their needs. It demonstrates that the government wants decent outcomes — outcomes for jobs for young people; outcomes in education, health and transport; outcomes that produce results.

It demonstrates a consciousness that it is dealing with taxpayers money. There are endless demands on government, and it would be easy to overcommit in an effort to keep everybody happy. Every government member would love a big capital works project to brag about.

I do not have one of those in this budget. In previous years there has been big investment in Ringwood Secondary College and Wantirna College, and there are some works going on at Bayswater Primary School. In this year, 2003–04, I do not have one of these to hang my hat on. I acknowledge this as the action of a responsible budget process. All needs must be examined and prioritised, and at the end of the day we

will have a responsible budget with a surplus. The economic credentials of this government will be maintained.

In this place a couple of weeks ago I made mention of the Mitcham–Frankston freeway and tolls. It turned out that I was wrong on that score. I am sorry. But I say to the call to resign, 'No, no, no! It's a joke, joke, joke!'.

Mr Perton — I would resign.

Mr LOCKWOOD — You can go; I will not. I accept that the toll decision was made to relieve the budget of significant pressure. It will ensure the project will go ahead on time, which is the crucial issue.

If I got any message about the freeway project during the election it was this, 'Make sure the thing gets built; I do not care how you do it, but do it'. Time and time again I heard that message. I acknowledge those people who have contacted my office to object to tolls, and I have undertaken to represent those views to the government. I will send both messages in.

The Liberals in the outer east have been attempting to whip up a frenzy. They have held a public meeting; they have tried to create a lynch mob mood and they have tried to hang Labor members out to dry. But it is not working: we are still here, we are still out there in the community working for our communities and working for the Bracks government, as we will continue to do. I am prepared to cop it for what I said — that is part of the job, and I am not going to shrink away from that. I would like to thank members in the other place for thinking of me and giving me an honourable mention last night, even if they did get a few facts wrong.

There are a number of things in the budget that will be warmly received by the people in the Bayswater electorate, but I will mention just a few. There is library funding, which will be important in my area, home and community care (HACC) funding; the Transit Cities program; the Melbourne 2030 program; the community safety emergency support program — —

Ms Buchanan — They are fantastic.

Mr LOCKWOOD — Yes. There is the sustainable state program; more help for preschools, maternal child health services, children services generally; and there is also continued investment in schools, because we care.

I mention libraries for two reasons. Next week is Library Week — go to a public library next week! The other reason is that I was part of the Eastern Regional Libraries board for the past three years. It was a very enjoyable experience, and I learnt a lot about libraries and the importance of book stock and things like that. The $5 million for the book bonanza program in 2004–05 will fund ongoing resources, such as more books, more audios, more CD-ROMs and other things like that. Book stock is important, and the provision of library resources is important. A library is more than books; it connects people to information and knowledge. But the books are still crucial. They are the mainstay of a library, from the latest best sellers to detailed books on information technology. Public libraries cater for a whole range of people. They are very popular, and it is a hugely popular service where I live.

The retirement villages, for example, book out all the Internet courses on a regular basis. The older people there are hugely curious and interested in connecting to the Internet and getting hold of the resources that interest them. School students do their assignments in the libraries, and obviously lots of recreational users read the latest best sellers and other popular novels.

Library Week will have lots of activities in the outer east. You can visit the book mobile, there are programs for preschoolers, there are programs on Internet banking and shopping education for users. The library can also be accessed from home. There will be a book sale of old stock and children's entertainment; travel information will be available, with published travel books; and there will even be a small business component, the Internet for small business and many other programs.

The library service was concerned that before this government there was a gradual cost shift over 20 years from our public library service by reducing the part of the government in the partnership with local government to less than equal terms. This government has arrested that trend and stopped the cost shift. With initiatives like the book program and those of the previous budgets to improve libraries we have shown faith in libraries and have acknowledged their enormous contribution to our local communities.

HACC funding is always an issue for older people in the local area. In this budget there is $12 million above that required to match the commonwealth grant. It provides home help, personal care and Meals on Wheels, and it is obviously based on need. It is a valuable service in my local community, which has a significant number of older people who make use of the Meals on Wheels service in particular. It is a highly valued service for those people who are becoming more frail in their older years and choose to stay at home.

Likewise, there is the home help service for those people who need a hand with those little jobs around the house. It is important to maintain the partnership with local government in the provision of these services. Local government has long been concerned about the increased costs for these services that has occurred over time. The Bracks government is listening and acting on the needs of people.

The Transit Cities program over the next four years will promote higher density mixed development around metropolitan and regional public transport hubs. We have seen recently great improvement in the rail-bus interchange with the major upgrade at Ringwood. The recent expansion of Eastland has shown that the private sector has faith in the area. The program is designed to create safe, vibrant and accessible communities that are centred around public transport. It will help link people to services and people to people. It will involve working with local government, the Urban and Regional Land Corporation, Victoria Police, transport operators and private investors. It is all about the revitalisation and renewal of these important centres. I am particularly keen on that in my electorate.

I also welcome the expansion of the community safety emergency support program. It is a great program. My local Country Fire Authority (CFA) brigades are keen to see more of this program. They have had some benefit from it previously. They do not have a lot of resources, so they need programs like this — grants for one-off needs, for vehicles and buildings. I see also that there are rescue boats — although rescue boats are not needed in Bayswater despite the name — and other ancillary equipment. We also have penguins in Bayswater: the reason we have penguins is that they are looking for the bay and the water!

These things would otherwise be out of the reach of my local brigades because of a lack of resources, as I said earlier. Grants are made on a needs basis, and I am confident that the Bayswater brigade in particular will establish its need. It is great to see this ongoing support for the CFA brigades and volunteers in our local community, which I wholeheartedly support.

It is always worthwhile to improve support for children's services. It is my view that children should not miss out on their opportunities in life. A safe, caring, efficient and productive society invests in its young. It is a moral responsibility, and a sensible one, to care for children and to help them on their path through life and the path to responsible adulthood, and the whole society reaps the benefits many years on. So many of our problems could have been cured earlier with a little more time, patience and resources. It was certainly exacerbated a few years ago when the funding for preschools and maternal and child health services was dramatically cut back.

I welcome the assistance to preschools as well as the group employment scheme, the enhanced advisory support and the professional development for the staff. The councils in my electorate have 52 preschools between them based on two different models. One has independent committees of management which do all the work and run them on their own, with the council providing the facility. In the other case, at Knox, the council employs the staff and committees have a less onerous job. Of course Knox has a unique system and is quite a model for other people to take an interest in. I certainly support my local preschools.

Maternal and child health services are great services that are of enormous benefit to children and their mothers. This budget will improve these services by increasing the number of children that access them by around 30 000 over four years. Not only do babies benefit from having access to nurses, but mothers also benefit from the networking and from sharing experiences with and getting mutual support from other mothers. It is a great system. I urge the government to continue that support.

I have a large capital improvement works in my electorate: we are getting a bike path in Wantirna, which I look forward to walking and cycling on. Another important initiative for my electorate is the Sustainable State policy, which is about encouraging the use of sustainable energy, helping people to become energy efficient, extending the solar energy rebate and investing in green power. I had a lot to do with environmental initiatives in the City of Knox. We talked about water saving initiatives, and one of the things I was proud to be associated with was the water sensitive urban design principles, which are now being inserted into the Knox planning scheme to require developers to take account of water sensitive design principles.

It is often said that we on the backbench are mushrooms — kept in the dark and fed on whatever.

Mr Perton — And you are the ultimate proof!

Mr LOCKWOOD — But we are not toadstools — we are not poison to the government. Instead we are sustenance and support to the government. We are the good-news bearers, bringing the community the good news on how their services are being renewed and expanded, including the good news about better health services, better education services, more police, better

transport facilities such as the tram line along Burwood highway, and better roads.

I am sure the backbench would agree with me in endorsing the work of the best Treasurer we could possibly have in bringing down this budget, and on that note I commend the bill to the house.

Mr PERTON (Doncaster) — For me there are three essential questions which arise from the budget: where has the money gone; who misses out under the education budget; and where is the vision for education in this budget? As to the first question, for three years the government has operated by riding on the surplus left by the previous Liberal government. It has funded very large, unbudgeted departmental and project cost overruns like Federation Square through the amazing increases in stamp duty receipts generated by the property prices boom and fines from speeding motorists.

The Bracks 2003–04 budget relies on the continued high taxing of citizens such as motorists and property owners, rising government debt and delaying into the never-never numerous election promises.

Tax revenue is up by $3.4 billion since 1998–99, which is around $1900 extra per household, and police fines have nearly quadrupled during the same time. But for the $512 million windfall gain in stamp duty, the budget would be in deficit. But why is the government having to rely on land tax collections of $156.4 million, which is 25.6 per cent higher than budgeted for last year? Why is it relying on general insurance duties of $107.4 million, which is 24.8 per cent higher than budgeted for, or on police fines of $90.9 million, which is 27 per cent higher? Where has the money gone, and why were we not told about these troubles earlier?

The short answers are that the money has all been spent and the Premier and Treasurer kept our troubles well hidden until after they were re-elected. There is no doubt that the poor, pensioners and those on fixed incomes suffer most under a dramatic increase in state taxation. So much for Bracks government's claim to be a social welfare-orientated government.

The honourable member for Mount Waverley kept talking about getting off the grass. I honestly think that warning ought to be given to her, because anyone who can describe this as a budget that helps those who are poor or in need really does need to get off the grass.

Dealing with education, which is my task as shadow education minister, for three years Labor's rhetoric has fed the popular myth that Labor is good for education; but in this budget the increased funding for the education sector has not even kept pace with inflation. If a government is not even funding the education sector at the rate of inflation, it cannot claim it as a priority.

As I said, this year the Bracks government has fallen short of funding education at that rate so those working through education budgets, particularly for primary and secondary schools in the outer suburbs, will find life very difficult. The principals of those schools have already indicated publicly that they are having trouble delivering a quality education given their existing budgets. How much worse will it get if their budgets do not keep pace with inflation?

The Bracks government is known for its 'Good news, good times' messages. It must have been watching Bart Simpson, with his campaign phrase of 'Promise you victory; promise you good times'. Reality takes a back seat in Victoria, and the political environment is now one where image and public relations have replaced strong and sensible government.

Labor ruthlessly traded on a package of 'Blame government' sound bites that were spat out to convince people of the message, not the truth, not the facts and not the reality. Every time there are questions about its education failures and the absence of an education vision, the government chants the usual mantras: 'We've employed yet more teachers and spent more money in education', and 'Steve Bracks is not Jeff Kennett'.

If we have all these new teachers, where are the teachers of languages other than English? Where are the teachers of information technology and metalwork, woodwork and automotive and home economics? Where are the teachers of maths and science, particularly physics and chemistry? Where are the teachers of the arts, including music? It was only on Sunday of last week that teachers of art were saying that many schools have art rooms but no art teachers.

In many schools there are shortages of qualified teachers of English and physical education, and the Labor member responsible for Lilydale Secondary College would be very much aware of that. Teachers of health and teachers in the study of society and the environment, including geography and history, are also in short supply.

The Victorian education Labor budget comes straight out of the *X Files*, with the message that 'The truth is out there'. While Labor has taken the unpopular step of pegging revenue, fees and charges to inflation, it has not once in its entire term managed to peg expenditure

in our state schools or the education department to the same rate. Education funding has fallen in real terms under Labor.

By comparison, once the problems caused by the Cain and Kirner governments — including the loss of the state bank, the Tricontinental merchant bank, the Victorian Economic Development Corporation and the Victorian Investment Corporation — were in hand, and as the state debt was paid down and the level of interest on the state debt was reduced, there was under the Liberal government an increase in these sorts of services. The last Liberal budget before the election of the Bracks government contained a 10 per cent increase in the education budget — a huge increase in real terms. That compares favourably with the efforts of a minister who is good at sound bites and not good at performance.

If the members on the other side of the chamber say that Jeff was bad for education, what do they say about a minister who cannot deliver an education budget that even holds pace with the rate of inflation?

To find the broken promises you have to get through the devil in the detail in these budget papers, because fraud — and I am quite happy to use the word 'fraud' — is very much the hallmark of Labor's administration of the budget.

The government keeps changing the measures, and the measures that do not suit it do not get published. But even within those constraints the budget papers show that there is an increasing problem in education. There has been a net growth in dissatisfaction reported within the state education system. Satisfaction levels with government student welfare services reported in schools and student satisfaction levels in the TAFE sector are falling. Parent groups are being reported as disappointed in the Bracks government's abandonment of the education maintenance allowance keeping pace with inflation.

Government strategies are patently not working on quantitative and qualitative measures. During the term of the Bracks government average rates of student attendance in years 11 and 12 have dropped. Targets and strategies looking to grow non-compulsory retention rates past year 10 cannot mask the reality that fewer students are satisfied by their experience of non-compulsory schooling. Are they getting what they want? They are answering by not even attending school.

The Investing in Teachers to Support Excellence program in the budget should be being fully funded this year. There is no reason for it to take four years to implement a program aimed at teacher development. Victorian teachers are already at world standard, but if we want to create schools that are equal to the best in the world in every suburb and for every student, then it requires action now and not in four years time.

The honourable member for Eltham is a man well-steeped in education policy, and I am sure he has read the recent book by Richard Teese, *Undemocratic Schooling*. For Labor members who are interested in education and have not read it, it is a good piece of research, because it demonstrates that despite the Labor Party having been in power almost two-thirds of the time since 1980 at both a federal and a state level the schools that were the worst in 1980 remain the worst today. Those schools are typically in safe Labor electorates. The member for Mount Waverley says that her party is a party for social welfare, but that is proven to be a lie by Professor Teese, who makes the point that unless you have schools that can empower children and lead them to new careers and lift them above where they are coming from, you are undemocratic. You are not dealing with social welfare, you are a bunch of liars and hypocrites!

Honourable members interjecting.

Mr PERTON — More schools were closed under the Cain and Kirner governments than were closed under the Kennett government. Of course schools close according to demographic conditions, and if the test is the number of schools closed, then Labor governments under Cain, Kirner and Bracks failed the test.

Honourable members interjecting.

Mr PERTON — If that is your test, you have failed it!

The ACTING SPEAKER (Mr Smith) — Order! The member for Doncaster should make his remarks through the Chair.

Mr PERTON — Let us go on to the question of social welfare and education. Two hundred and fifty six student welfare coordinators divided into 1676 primary schools does not go. Members should go out and ask the primary school principals and their teachers. Every school needs a welfare officer. Going into the last election the Liberal Party recognised that need and indicated that it would fully fund student welfare officers for every school. Which schools will miss out? The member for Eltham, can you tell me? You are a former chief of staff to the minister. How will this test be — —

The ACTING SPEAKER (Mr Smith) — Order! The member for Doncaster should address his remarks through the Chair.

Mr PERTON — I am sorry, Acting Speaker. To the extent that this government claims to act for social welfare, it is untrue. The honourable member for South-West Coast was making that point when he said, 'They no longer represent the people in the safe Labor electorates', and he is very right.

More specialist teachers have lost their jobs and been unable to find work in the primary school system under the Bracks government than at any time in history. That is the direct result of generic Labor policies on class sizes in the early years of schooling. Smaller class sizes are desirable, but as the Queensland Labor education minister has said, this should not be at the cost of other desirable outcomes such as specialist teachers and aides for those who have special needs. Most parents would like to see their child taught art, music, physical education and mathematics by a qualified, specialist teacher. Were they to learn that smaller prep, grade 1 and grade 2 classes — as between, say, 22 and 21 — came at the cost of a school's ability to fund these universally beneficial programs, would that make them happy? I suspect not.

Honourable members interjecting.

Mr PERTON — Turning to broadband Internet, the evidence of the Smith Family — and if members want to shout and scream at me, they should shout and scream at the Smith Family as well.

Honourable members interjecting.

Mr PERTON — These people are so ideologically blinkered. They hate anything that is not government.

Ms Morand interjected.

Mr PERTON — As the member for Mount Waverley said, anything that is not bureaucracy, they hate and they loathe! The Smith Family made it clear that for most students, be they from affluent or poorer families, their Internet access is at school. Today two-thirds of Victoria's 1750 schools are without access to broadband Internet, and 100 per cent of schools in the state school system are without access to the nationally agreed minimum speed for Internet connection. Entire schools are networked to connections that run at lower speeds than many homes with just one or two computers enjoy. How can we deliver a good, modern education to Victorian students when telecommunications decisions are being made by other departments with different priorities which render our school systems and technologies useless?

The sad thing about this budget is that there is no vision for education whatsoever. We have the Bart Simpson education vision — promise you good times, promise you victory! But the reality is that there is no proven positive outcome from any of the work or any of the policies of the Labor government.

Mr Herbert interjected.

Mr PERTON — The member for Eltham is shouting out over the chamber, 'More, more, more', but there is no more in terms of results or scrutiny. The government released an accountability policy in October that remains just a dead duck. It keeps collecting the statistics, but does not do anything about underperforming schools. Members do not have to believe me, they can believe Professor Teese. The government has engaged him to advise it, and he has presented to the public an indisputable set of facts showing that welfare outcomes for people in low socioeconomic groups and schools in those areas have not improved despite all of the policies of the Labor government.

My party has made education no. 1. It is determined to have Victoria's schools as the best schools in the world. However, it requires a lot more than the sort of mentality represented by the member for Mount Waverley; more than a rigid determination to increase the size of the bureaucracy; more than a mantra of 'we are spending more' when in fact the government is spending less in real terms. It requires a genuine commitment to quality and excellence. Over the next three years we will demonstrate that the Liberal Party is committed to quality and excellence in education.

Mr DONNELLAN (Narre Warren North) — I look forward to the opportunity to speak on this bill. It is a beautiful set of numbers: a budget surplus of $245 million, something our federal Treasurer, who has been running budget deficits over the past two years, would be incredibly proud of. He only likes to talk about cash surpluses at the moment. It is also something our current Prime Minister, who left us a deficit of $8 billion in 1983, would be proud of. The Treasurer has done a marvellous job. We have met our election commitments and we have kept our AAA rating. This budget highlights prudent management while looking to what Victorians need — that is, service delivery, not the building of monuments. They want more teachers, more police, more nurses, better schools, better targeted job assistance and better funding for road safety.

When we look at the forecast four years out we have an average budget surplus of $391 million. Many in the Liberal Party would say that is not enough. I find it galling to hear the opposition members suggest that we have spent their inheritance. What a joke! If they listened to the people of Victoria they may have heard voices in the dark calling for spending on health, education, teachers, police — not macho budgets leaving us a laughing-stock when it came to delivering basic services to the members of the Victorian community. They had an opportunity and they blew it.

What would the opposition do? Would it continue to neglect education, ignore teacher shortages, massacre the hospital system and neglect roads like it did in Narre Warren North? Roads in my electorate were absolutely neglected. In government the opposition delivered $3 million for road funding in its entire term. In our first term the Bracks government delivered $30 million of black spot funding. The people of the City of Casey had been neglected.

The Bracks government has sailed the rocky waters and overcome the sloppy privatisation process of the public transport system where the former government failed to contractually protect the interests of the Victorian public — bye-bye $1 billion. It was sloppy, lazy work driven by ideology with not enough attention to detail.

We have also endured the ordinary stock markets. We have put up with the abysmal Seal Rocks contract costing the Victorian taxpayers some $50 million. We have weathered the enormous tragedy of the bushfires and we have delivered much-needed assistance to those who are suffering through the drought and the bushfires. We spent money where the commonwealth has been missing.

Further, we have suffered major drops in world demand and falling returns from state government investments like everyone else, but we have still managed to grow at a rate of 4.8 per cent per annum over the five years to 2001–02 — well above the national average of 3.9 per cent. In the longer term the picture is very good and business investment is very strong. In the past two years we have attracted 27 per cent of all national business investments and in the past four years we have exceeded the national average each year. This bodes well for the future of Victoria, with consumer spending expected to drop somewhat.

If you look at the costs and expenditures in the budget you will see an average increase of about 3 per cent per annum. That allows for modest growth in superannuation expenses and continued spending on infrastructure of over $2 billion a year. Over the next four years that spending on infrastructure will average $2.5 billion which will take our capital stock from about $36 billion to $47 billion by 2007. This is without raising the level of net debt to gross state product (GSP), but by decreasing it from 3 per cent of GSP in 1999 to 1.4 per cent in the near future. This is responsible careful management in the budget. I congratulate the Treasurer and the expenditure review committee on such a marvellous job.

On the revenue side this government is still committed to growing Victoria and providing great job opportunities. We have dropped payroll tax from 5.35 per cent to 5.25 per cent — that is, $1 billion of business taxes we have forgone to encourage the right conditions for business growth.

We expect conveyancing duties to decrease from about $2 billion to $1.6 billion. Out tax take as a percentage of gross state product is now at the national average which is 4.5 per cent, compared to New South Wales at 5.2 per cent and Queensland at 3.75 per cent. Queensland is the state that we continue to subsidise. I call on the Victorian members of the Liberal Party to raise this anomaly and discrimination in regard to Queensland. Why should Victoria continue to subsidise a state that is not prepared to raise revenue from its people? We currently get back 84 cents in the dollar; New South Wales gets 83 cents in the dollar; and Queensland gets back one $1.11 for every dollar raised through the GST. It is a disgrace and the Victorian Liberals must take it up with the federal Treasurer so we can fix the system of grants to the state. It is ridiculous. It is a joke!

Mr Perton interjected.

Mr DONNELLAN — The fine burghers of Doncaster will be very happy with this budget — very happy indeed, and so are the people of Narre Warren North.

The government has not forgotten the less well off in its initiatives. We are taking care of everybody. We are affording great opportunities for all people, everyone. We are building a creative, innovative state to ensure we continue to lead Australia. This is a great budget.

I refer to children's services — and I have many children in my electorate. Its population is one of the youngest in Victoria. We have $88 million of new spending for children's services. We have allocated $8 million to set up new child-care centres; $8 million to set up new kindergartens and preschools in our growth suburbs which includes Casey, of course; $5 million for information technology upgrades for

preschools — something the member for Doncaster was very pleased to talk about a minute ago; and $17 million for the improvements of maternal and child health care services. These are all great services for Casey. We are screaming out for it and we will get it in this budget.

We on this side realise the importance of lifelong learning from a young age. We do not neglect it like the federal government. We did not remove $500 million out of community child-care centres like you guys did. We did the right thing. We committed to providing services to the people. We do not leave it to the market to provide the price signals. We are getting on with the job.

In education we have $82 million of new spending to provide 450 teachers.

An Honourable Member — How much?

Mr DONNELLAN — A damn good figure — $82 million.

There is $41 million for facility upgrades in suburban schools, $62 million for the needy non-government schools, $37.1 million for nine new and replacement schools, and $49 million to create 256 new student welfare coordinators. We on this side understand the importance of investing in human capital; it brings home the bacon in bucketloads. Organisation for Economic Cooperation and Development (OECD) figures show that if you spend money on education and on research and development (R and D) you get the fastest growth rate of any other economy. You spend, you get. Someone really should let the federal education minister in on this big secret. Losing 10 000 positions in the university sector over the next three years is not the way to go. There is only one way to go, and that is to put the money in.

In the area of health we have a great story, especially locally — $1.4 billion into building new health care facilities and boosting hospital services; and $464 million to get 900 extra nurses.

An Honourable Member — How much?

Mr DONNELLAN — A great figure — $464 million.

There is $9 million for the stage 2 upgrade of the Dandenong Hospital, the emergency service centre. We need it there because we have a 9 per cent increase in presentations every year. It is great for Narre Warren North that this government is upgrading the emergency centre at Dandenong because at a federal level we have a government that is abrogating its responsibilities for health. It is dumping the families of the City of Casey — couples on more than $25 000 and families with two kids on $32 300 are all on the scrap heap. They have been dumped out of Medicare with no bulk-billing. If you struggle today and you put your hand in your pocket, John Howard is in there ripping the family income away to pay for his new private health system. He hates Medicare because it gives everyone a chance of a healthier life. It is lucky this government is there to pick up the pieces after this guy has destroyed the public health system.

In innovation, which is one of those very important things like R and D and education, we have $25 million going into the Vicstart program. This will strengthen links between the public sector and the commercial sector and research. It will provide online assistance, workshops and seminars to the businesses of Victoria and encourage them to invest in much higher levels of R and D, something we get great benefits out of if you look at the OECD figures. Victoria is currently doing 30 per cent of the R and D in Australia; it is punching above its weight.

This state is a great state in which to invest. We have $57 million for the new synchrotron facility, $5 million for science programs in schools, $121 million for competitive grants for R and D, and $10 million for the centre for stem cell and tissue repair at Monash University. Victoria is the powerhouse of the national economy, it is the export centre of Australia, and it delivers more elaborately transferred manufactures than any other economy in Australia.

On the issue of community safety — a vital one for my local community — we have $206.5 million of new spending initiatives, of which $126 million will go to employing 600 extra police. They can chase the hoons in my electorate who specialise in burnouts. I am looking forward to that. There will be $30 million to improve emergency services, $65 million for new and replacement police services and $400 000 to set up the multilingual Crime Stoppers centre.

In public transport we have another local initiative. We are getting upgrades in the bus services from Endeavour Hills to the Dandenong station that will improve the services. They are going to run every 40 minutes instead of every 60 minutes. We are going to extend the hours of operation during the week and also on weekends. This is great. The people of Endeavour Hills will thank the Bracks government greatly.

Last of all, and most importantly, I turn to public housing. We are taking care of those less fortunate than ourselves. We never forget those people in need. We have $70 million for affordable housing in partnerships with local community groups, $10 million for neighbourhood renewal projects for the housing commission, and $9 million for a new youth homeless strategy to develop better preventative early intervention services. Further, we also need to ask the federal government to upgrade its funding for public housing because it has taken away the GST component over the last three years.

This is a great budget. It improves services and infrastructure in the suburbs. We have just delivered the lowest unemployment rate for a long time. I commend the budget to the house. It is a great budget, and I congratulate the Treasurer on it.

Mr COOPER (Mornington) — It would be of interest to members of the Labor Party in this house that one of the organisations that has been a great supporter of the Labor Party over many years, the Victorian Council of Social Services (VCOSS), has dumped on the Brumby budget. It has described it as disappointing. It said that health waiting lists are out of control and that areas of critical concern include dental health, shared supported accommodation, public housing and community health. Interestingly we have just heard a paean of praise about public housing from the member for Narre Warren North, yet VCOSS says that that is an area of critical concern. It goes on to conclude by saying that it thinks it is ironic to see fees and fines indexed while concessions are being left to stagnate. That really is a picture of this budget.

Here is a government that is so keen to get revenue but is also so keen to keep away any increased benefits to people who really need them. VCOSS is an organisation that has hit upon the area of most concern, or that should be the area of most concern to most members — that is, the people who are usually in need of increased government assistance. Yet here we have concession holders in this state who have received no increase in benefits from this government and are going to be subjected to a huge range of indexed fees and fine charges, that one day we may see a list of, with which this government is proposing to belt the people of Victoria about with. It goes into fishing licences, it goes into motor registration fees — on and on it goes.

I was very interested to see on television on Tuesday night the media interview that was conducted with the Treasurer. He was asked by a journalist, 'How many of these fees are going to be indexed? There must be quite a lot'. He said, 'Oh, yes, there will be. There will be hundreds and hundreds of them'. 'Hundreds and hundreds of them' is the quote from the Treasurer on Tuesday night. The opposition will be very interested to see the list of all of the things that are proposed to be indexed to see what effect that is going to have on communities around Victoria.

I would like to take members of this house back to just prior to the November 1999 election and remind them that we had the Labor Party producing policies which were being signed off by Access Economics. This was their great call, 'These are all responsible, properly costed policies, and they have all been signed off on by Access Economics'. Let us just remember one of them. We had the famous $80 million fast rail project promise. That was a commitment that unsurprisingly turned into an $800 million project a few months after the election. You would have to wonder what it was the government put in front of Access Economics, because it is an organisation with a good reputation and it must feel very put upon that it signed off on an $80 million commitment to introduce fast trains between the regional centres of Victoria and Melbourne that turned out only a few months later to be an $800 million project.

That was the first indication then that the Labor Party will say anything and do anything to gain government and to keep office. It will say anything and it will do anything, and some of that has been coming to notice just in the last week or so. Their promises are usually equivocal and always mendacious. And communities throughout this state are constantly being let down as promises made are not promises kept by this government.

Let us just have a look at some major examples which have accompanied this budget. We will all remember only a short time ago, I think it was either 6 April or 8 April, when the member for Bayswater — I am delighted to see that he is in the house — stood up here and said, 'No tolls, no tolls, no tolls'. Six days later we had the Premier standing up saying there will be tolls, there will be tolls, there will be tolls Obviously the member for Bayswater was not in the loop. He was the only one that was game enough on that bill to stand up and make that absolute, gold-plated commitment to his constituency that there would be no tolls, no tolls, no tolls. He stood up and said it, and I have not yet heard him standing up and apologising either to this house or to the people of Bayswater for telling them something that was not true. He was accompanied in all of that by a whole lot of other people who had given similar assurances in past times.

We have some famous quotes over time from other Labor Party MPs about tolls. An honourable member for Chelsea Province in the other place, Bob Smith, on 23 May 2001 said, and I quote:

> I put it on record that the Victorian government does not support direct tolls on motorists.

We know how much his word is good for. There he was last year on 23 May saying the Victorian government does not support direct tolls on motorists, but it did not take long for that promise to be smashed into little pieces.

We go back into the 1990s and we have the now Treasurer, when he was the Leader of the Opposition — I think he was the Leader of the Opposition in 1995; I am not sure. On 3 October 1995 he said, and I quote:

> Major long-term contracts should be consistent with pre-election commitments and directions.

That is what the now Treasurer said. I do not argue with that. Who would argue with that? That is actually a call to be honest in the commitments that you make to the people of Victoria when you stand up and say something. No doubt the Treasurer would now be shrivelling away from that statement. Shrivelling away from it! Because he now is part of the organisation, part of the executive government that is walking away from something that was a pre-election commitment and direction. Walking away in regard to the tolls on the Eastern Freeway and the Mitcham–Frankston freeway.

On 18 November 1995 the now Treasurer said, and I quote:

> No-one in Victoria will be immune from tolls.

Now there was a signal! There was a signal that went out. I bet he did not realise then how ironic those words would be, how they would come back to haunt him. But there he was, saying, 'We are opposed to all of this and no-one in Victoria will be immune from tolls'. Now I have to say no-one who uses the Eastern Freeway or the Mitcham–Frankston freeway will be immune from tolls, that is for sure.

But now we have to ask: how many other roads in this state are going to be tolled? Because we are told now that none will be — 'Of course they are the only ones we are going to toll' — but remember, only a couple of months ago it was this government saying there will be no tolls on the Eastern Freeway or the Mitcham–Frankston freeway. That changed very rapidly, so being told by this government that tolls will not be imposed on other roads is simply unbelievable. Nobody will believe that, and we are going to need to see what this government does over the next three years to see what else it will do in regard to revenue-raising with tolls on roads.

Let us move on to another favourite area of the Labor Party, the health area. Table 7.4 on page 135 of budget paper 2 reveals just how badly things have gone, because we see in that table under the subheading 'Department of Human Services' a list of 19 commitments, 19 pledges, 19 promises made by the Labor Party that have gone onto the never-never list. The heading of the table is, in part, 'asset investment funding to be considered in future budgets'. By now I think most people, even the most sterling of Labor Party members, would know what those words mean. They mean in the never-never land, never to be considered, to go into the garbage bin in 12 months time. This is the first stage of dumping those projects.

I will look at some on the list. The Royal Women's Hospital redevelopment is costed at $190 million, but it will go down the gurgler. The Bairnsdale hospital's $2.8 million redevelopment has been dumped. The Geelong Hospital's new accident and emergency department would cost $20 million — and honourable members opposite who represent Geelong will be interested to discover that their influence on this government is so poor that they could not even get that project up as they could not get up the aged care facility at Grace McKellar House, budgeted at $50 million. That, too, got the flick.

The Elective Surgery Centre of Excellence at the Alfred hospital is listed there. That will be excellent only as far as words are because it sure as heck is not going to be built. The one I pay a little attention to is the Mornington hospital works, which is listed to cost $20 million. I return to the week before the election last November. The *Mornington Peninsula Leader* carried the headline 'ALP's $20 million carrot'. The *Mornington Mail* had the headline 'Healthy promise from Labor'. I will concentrate on the words in the front page story in the *Mornington Peninsula Leader*. It quotes two people — firstly, the now member in the other place, Mr Viney, who says:

> Funding for the project will start in the 2003–04 state budget.

There you go! You cannot get anything more unequivocal than Mr Viney saying that the funding would be in the 2003–04 budget. It has been dumped. Also the Labor candidate for Mornington, Judith Graley, says it is 'a wish come true'.

It did not come true. All that came true was a story designed to get votes, but not a story designed to build a hospital. The people of the Mornington Peninsula and

in particular the people of the Mornington electorate have been conned by all of the people who participated in that announcement. They were conned by people like the honourable member for Hastings, who was there, and by people like Judith Graley, and by the Labor candidate for Nepean, Carol Ford, and by Mr Viney in the other place who was the spokesman on their behalf at the time.

What the media was told at the time, and what the people of the Mornington Peninsula and of the Mornington electorate were told at the time, was nothing but a great big lie. It is a lie that has now come to fruition, as this project is another that has been dumped rather rapidly by the Bracks government.

We also need to look at another area that is of great concern to my electorate and, I imagine, of great concern to every electorate around the state — that is, black spot funding. The black spot intersection program is an important one, yet not one single, solitary dollar has been allocated to black spot intersection improvements in this budget. The Bracks government is depending totally on the federal government for funding to improve black spot intersections. If the money does not come from the federal government, no improvements will be made.

Over the last 18 months we have seen huge sums syphoned from the black spot intersection program to pay for fixed, revenue-raising cameras. That is where the money has gone in the last 18 months. It has been taken from the black spot program and put into revenue-raising cameras. Now we see the reason why. This budget calls for increases in fines from those cameras of $90.9 million — an increase of 27 per cent. That is what the government is on about — only revenue. As the Victorian Council of Social Service said, it is on about indexing fees and fines, but it sure as heck is not going to index concessions. Where it can put money into things that will raise revenue, that will get the priority. Things that are going to genuinely improve road safety are not going to be done by this government. All of this is to the detriment of major accident locations around the state.

This budget is a great disappointment, and I am sure that as the people of Victoria get to see more and more detail exposed to them, they will agree with the views of the Liberal Party that this government is a sham and a grave disappointment.

Ms LOBATO (Gembrook) — It is with much delight that I rise to speak on the 2003–04 budget. I congratulate the Treasurer and the Bracks government on an outstanding budget. There were and still are many economic factors creating a challenge for the delivery of this budget, but I am pleased to say that despite those challenges — the challenge of fire and drought, destruction and global economic downturn — we managed to provide an economically responsible budget. Not only did we succeed in delivering a budget with sound economics, but we have delivered a socially and environmentally responsible budget that has responded to the community's needs.

The *Age* carries a report about the enthusiasm by employer groups. The headline reads 'Employer, industry groups happy …' and the article states:

> Employer and industry groups welcomed yesterday's budget as prudent and financially responsible …
>
> The chief executive of the Victorian Employers Chamber of Commerce and Industry, Neil Coulson, says the budget sent 'positive signals' about containing the current expenditure.

He considered the budget to be financially prudent. The article further states:

> Australian Industry Group Victorian director, Timothy Piper, said the budget contained 'something for everyone'.

The budget will deliver for all Victorians. Once again, as with the Bracks government's previous budgets, this budget provides for the basic human rights for Victorians while retaining an impressive surplus. The Bracks government is to be commended for its ability to forecast a surplus of $245 million while still providing for Victorians — something that the Kennett government just could not manage. The only priority the Kennett government had when handing down a budget was to ensure a $1 billion surplus, which does not mean anything to Victorians if all their services are destroyed. The only Victorians impressed by a huge surplus were members of that government.

How was the surplus achieved? It was achieved by privatising the state and ripping the heart out of state education, health and community services. Through this budget the government is continuing to build on the progress made in previous budgets, to repair the damage imposed on the state's basic service institutions. Investing in a world-class education system is this government's major priority. This budget builds on our achievements made in education, and it commits $234 million to provide 450 extra secondary teachers, along with 256 student welfare officers. It also provides $137 million for 58 school building programs and TAFE equipment upgrades.

I was delighted that the Bracks government recognised the educational needs of the students of the Upper Yarra Secondary College at Yarra Junction in the

electorate of Gembrook. This school has been neglected for far too long by previous members, and I am very pleased that the government has recognised its need and has committed to investing more than $1.8 million. This funding will provide for 12 general-purpose classrooms, a staff centre and work spaces, locker space and a senior student lounge. These facilities will enable the school to offer improved opportunities to students in their quest to achieve better educational outcomes.

The Upper Yarra Secondary School is at the heart of the Upper Yarra corridor. It has a school population of 812 students and is dedicated to producing excellence in its outcomes. The new buildings will go far to providing the necessary learning environment in which to achieve success.

In this budget the government has reinforced its commitment to rebuilding our public health system. The budget allocates $464 million over four years to recruit 900 more nurses and health care staff, and to treat an additional 35 000 patients a year.

The government has also continued its commitment to community safety. Instead of retrenching police to increase the surplus, this government is increasing the police numbers by 600.

An Honourable Member — How many?

Ms LOBATO — Six hundred. Over four years $300 million will be provided for community safety. The electorate of Gembrook will see a new police and emergency response facility at a cost of over $9 million. The vital emergency services of police, Country Fire Authority, State Emergency Service and ambulance will be co-located at a state-of-the-art facility at Pakenham that will service the south and the outer east.

Through this budget the electorate of Gembrook has been given the opportunity to apply to the Regional Infrastructure Development Fund for a natural gas supply; $70 million has been allocated to connect natural gas to up to 100 000 homes and businesses. This is a very welcome initiative for residents of the electorate of Gembrook and various businesses such as gerbera growers and sawmillers. The local sawmillers spend $20 000 a month on bottled gas and the local gerbera growers spend up to $30 000 a year on bottled gas. So therefore I congratulate the government on its commitment to natural gas funding, the Regional Infrastructure Development Fund, and rural and regional Victoria.

This budget will also fund the Pakenham bypass, investing $121 million in road infrastructure that will provide better roads for the residents of the south-east in the electorate of Gembrook. The 20-kilometre Pakenham bypass will complete the freeway-standard connection between Gippsland and Melbourne, providing enormous benefit to the region. This is another example of the Bracks government delivering for the regions. This budget is a win for the residents of the electorate of Gembrook and for all Victorians.

Mr JASPER (Murray Valley) — In looking at the budget papers it is always a huge task to decipher the information. It is a mind-boggling exercise to be able to listen to the budget speech prepared by the Treasurer and then to look at the documents in front of us.

I had the opportunity of going to a parliamentary breakfast this morning where there were speakers from Treasury. After the meeting I spoke to the Secretary of the Department of Treasury and Finance and told him it was a mind-boggling exercise to decipher the appropriate information, particularly as it relates to your own electorate. He made the comment that whilst they had sought to make the information as plain — I was going to say 'member-friendly' — as possible the fact is that it is still extremely difficult to pick up information relating to an electorate. He went on to say that I would need to get yet another budget paper which will be provided, probably in a month's time, which will detail the capital works program and the works that are being provided across Victoria, and indeed within my electorate of Murray Valley.

I have listened with a great deal of interest to the contributions of other members and I have to say, as I have said in the previous Parliament, that many new members have rose-coloured glasses on and in some cases are wet behind the ears. I listened to some who believe that nothing happened from 1992 to 1999 and in fact I get sick of hearing this sort of terminology. Those members who were in the Parliament in the 1990s will be very much aware that I was not perhaps the white-haired boy as far as the coalition was concerned. But I am also smart enough to understand that all governments of whatever political persuasion do some things right. It is important that members recognise that there are some things that are done right.

I looked at what happened through the 1980s when the Labor government was in power in Victoria and went out with a dismal record in 1992. Certainly some aspects of the work that was done through the 1980s were good for the state of Victoria. Through the 1990s there were certainly things undertaken that were good for Victoria — not everyone would agree, but some good things were done.

With the change of government in 1999, I also recognised that some actions taken by the Victorian government benefited me in my electorate of Murray Valley. What I have always sought to do is to be balanced in my comments to the Parliament, giving credit where credit is due but being critical if that is justified.

So over the years we have seen enormous development in north-eastern Victoria. We have always found that it is more difficult to get city members to have a true understanding of the problems we experience as country members of Parliament compared with those in metropolitan Melbourne.

This relates even to our membership of committees. There is often only one country member on a committee and the other members often have little understanding of the distances that a country member has to travel. I mention that on occasions I have had to travel for three hours to get to a meeting here and then drive for three hours back to my electorate of Murray Valley. It is often commented on in the Parliament that I bring up border anomalies and issues of great concern to us who live on the border between Victoria and New South Wales, but you need to live along the border and be up there to understand those difficulties.

I was also interested in talking to some of the new members who indicated that they visit north-eastern Victoria on holiday and at other times.

Ms McTaggart — That's me!

Mr JASPER — I welcome those who come up to the north-east. I acknowledge that the member interjecting does come up to that great part of the state and that she will be part of the Winery Walkabout in June this year. She should also come up for the grape treading. The Minister for Tourism is part of the celebrity grape tread when we will be challenging Senator McGauran to see who can be the champion, but we will beat him, so don't worry.

The issue that should be brought to the attention of the house is that while enormous developments have taken place in north-eastern Victoria, we have had enormous difficulties with the drought, which still burdens us, and the disastrous fires.

I acknowledge the action taken by the Victorian government in seeking to respond to the needs and difficulties we were facing in north-eastern Victoria. The Murray Valley electorate was not as much affected by the fires. One fire started in the Eldorado area in my electorate, but it travelled east into the Benambra and Benalla electorates. We were really on the periphery of the fires, but the eastern part of my electorate was shrouded in smoke for many days, and we certainly had problems from its effects. The Wangaratta athletic carnival scheduled for the January long weekend had to be cancelled because of the enormous amount of smoke that was over north-eastern Victoria and the Rural City of Wangaratta.

They are the sorts of issues we faced. The government sought to respond to those problems, but it needs to go further. Additional action can be taken to assist the farmers who were affected by the fires and sustained damage to their fences and properties. In that regard the government could provide additional assistance.

When I looked at the budget papers I was disappointed to find that two major projects that were on the drawing board — the redevelopment of Wangaratta High School and Numurkah Secondary College — were not on the program. I have had discussions with representatives of the regional education office at Benalla, who expressed great surprise that the projects were not included. Wangaratta High School has gone through the full planning stages — in fact late last year the architects had to get estimates on costs so the project could go forward — as has Numurkah Secondary College, but neither of those projects is included. That is a great disappointment to me. There are 34 schools across the electorate of Murray Valley, and most of them have had money spent on them during the years that I have been in Parliament.

We have great schools, and people who provide excellent support across the electorate. It is disappointing that Wangaratta High School, which has about 1200 students and is one of the largest schools in country Victoria, did not get any sort of assistance with its program.

I refer to the Yarrawonga hospital. During the election campaign the government announced that 10 hospitals in country areas which had nursing homes attached would be funded for redevelopment, recognising that the nursing homes attached to hospitals would need to be redeveloped by 2008 to meet federal government standards for health. The two that were on the drawing board were the Yarrawonga hospital — which was to have a complete redevelopment, including its nursing home — and the Numurkah nursing home, which is attached to the Numurkah hospital. Senior people in the regional office of the Department of Human Services have indicated to me that in the election campaign the government announced them as projects to go forward and said that both of them would be included. When I looked at the budget papers I found that the Numurkah

nursing home is on the program but the Yarrawonga hospital is not.

Late last year and again earlier this year I wrote to the Premier and to the Minister for State and Regional Development about the drought situation and the fires in north-eastern Victoria saying that they should bring forward some of the capital works programs to assist us in north-eastern Victoria by providing funding and employment in these areas. The response from both the ministers was positive — 'Yes, we will look at providing funding to the Murray Valley area and supporting north-eastern Victoria'.

It is a great disappointment to see that those capital works projects have not been included, not only because of the importance of the projects but also because the contractors and other support services will be denied the assistance the redevelopment of those buildings would have provided.

I was interested in the earlier bill, which the National Party strongly supported, that provided for the appointment of a Small Business Commissioner. Appointing a small business commissioner to look at and be of assistance to small businesses in what they are doing and seeking to do is a great step forward, but I am greatly disappointed at the government's lack of understanding of small business. As the National Party spokesperson on small business I find it extremely disturbing to see the increases in charges and fines that are included in the budget papers. Right across the board the government is introducing increases in fees, fines and charges, which in my view will have a devastating effect on business in Victoria.

I heard one of the Labor backbenchers when making their contribution quoting from various newspapers and saying that a number of organisations believe this is an excellent budget.

Mr Nardella interjected.

Mr JASPER — I suggest that the member for Melton just listen to what somebody else has to say.

I point out to the members who quote those statements that often the people who make those comments on behalf of organisations have never been in business themselves. What happens is that people who are in executive positions — I see it on many occasions — in a range of organisations come out saying, 'Yes, this is a good budget; it balances and it has a surplus', but they do not really go into the effect the increases in fines, charges and fees will have on business. We need to understand that all these increases in charges will have an effect on business — and small businesses are battling for survival. They are under the pump; they are under pressure. They are under pressure to continue to operate in an effective manner, to provide employment, to be able to meet the charges, and to then be profitable. That is the key word in the whole context.

Mr Nardella interjected.

Mr JASPER — There is no million dollars there. I would like the member for Melton to stand up after me and tell me where that million dollars is. All he needs to do is read through the bill that was introduced by the Treasurer last night. Some of those charges will be retrospective, GST will be included, and stamp duty and state government charges will be added. It is abhorrent to see what the state government is doing in attacking business to get more money.

I understand that the government has to have revenue — everyone understands that — but it needs to be balanced. That is the key. In being balanced it will be able to protect and look after the people who are the wealth generators. The government is not a wealth generator — business is the wealth generator in the state of Victoria. We need to be cognisant of the fact that it is extremely difficult — —

Mr Maxfield interjected.

Mr JASPER — Yes, it is a difficult industry. That is what is happening right now. The motor industry is under attack by this government. At present the motor industry is doing reasonably well, it is holding sales and holding up well, but look at the increase in stamp duty. That has not been changed since 1979. As far as I am concerned, that needs to be reduced immediately.

An honourable member interjected.

Mr JASPER — I will talk about that on another occasion. I am interested to get into a discussion on that, too.

All the increases in fees, fines and charges will eventually have a detrimental effect on business. The Treasurer is quick to quote the figures and to cite the business developments that have taken place in Victoria. I support any development that takes place in the state, but I am concerned about the track we are now on, where the government has introduced these increases on the basis that there will be annual increases according to the consumer price index. Those automatic increases will have an effect.

To see that, you need only look at the bill introduced by the Treasurer — as I indicated a moment ago — that relates to stamp duties, fees, taxes and charges, and

apprentices. You will not get a payroll tax deduction for apprentices in your company, but at the end of their apprenticeship perhaps you will be able to get a credit from the state government. However, if you read the second-reading notes you see that you will have to employ at least three apprentices to be eligible for that funding. I suggest to the house that many small businesses who pay payroll tax may not have three or more apprentices in their companies. I think they are the sorts of things that will be difficult for business to handle.

In summary, I recognise the objectives in the budget that the Treasurer is seeking to achieve. However, I warn the Treasurer — and I warn the house and the government — that if he goes too far in increasing fees and charges to meet his budget requirements, we will see a reduction in economic activity, and that will have a detrimental effect on business and industry in the state of Victoria. I would be disappointed if we went back to the situation we were in in the early 1990s, where the Labor government was in great financial difficulties because it was not able to meet its commitments. The government will not stay in office as long as it believes it will if it goes along that track.

I welcome some of the initiatives that have been introduced in this budget.

The ACTING SPEAKER (Ms Barker) — Order! The member's time has expired.

Mr MERLINO (Monbulk) — I am very pleased to rise to support the Appropriation (2003/2004) Bill. Catchphrases and slogans are usually pretty hit-and-miss affairs. However, occasionally one comes across a catchphrase that perfectly reflects the situation and the mood of the times. I am a long-suffering but loyal member of the Hawthorn Football Club, and when Hawthorn was on the brink the catchphrase 'Proud, passionate and paid up' encapsulated the mood of the football community. On a much bigger scale, dare I say it, 'It's time!' reflected the national mood in 1972. I know the opposition is starting to get sick of hearing them, but two phrases sum up this budget perfectly — 'Getting on with the job' and 'Delivering a smarter, healthier, safer and more environmentally sustainable Victoria'.

In terms of slogans from the opposition, however, we are hearing ad nauseam the cry 'Where has all the money gone?', as if it were the personal money of the remaining members of the previous Kennett government and the current opposition! It is not their money; it is the money of the people of Victoria. The question is not only ridiculous, it represents arrogance of the highest level and a fundamental misunderstanding of what the people of Victoria value in their state government.

The Liberal and National parties did not get it during the Kennett government years and they did not get it at the last state election, and the members of the opposition still do not get it. Victorians want a health system that works and is accessible to all. They want a world-class education system and a safer community not only on our roads but also involving our police and emergency services. They want an environment that is protected and enhanced and a government that delivers for the whole of the state — and all of this within the context of the responsible management of the economy.

The Kennett government delivered budget surpluses on the back of ruining the state's health and education systems, the reckless privatisation of the public transport system, closing police stations and the criminal abandonment of rural and regional Victoria.

In answer to the question 'What happened to the $1.8 billion?', during the first term of the Bracks government it went on over 800 more police; over 3000 more teachers; over 3000 more nurses; $240 million to address road accident black spots; major reductions in logging old-growth forests; 13 marine national parks; 185 500 new jobs since October 1999; and delivering strong surpluses in every budget. That is where the money went — undoing the damage of the previous government, investing in the people of Victoria and providing the base for a more prosperous future.

The question is not where all the money has gone, the question is what the opposition would have taken away. Nurses? Teachers? Police stations? I want the opposition to tell the people of Monbulk what it would not have done and what it would not do. The National and Liberal parties failed to represent all of Victoria. In the previous government the National Party failed rural and regional Victoria, and the Liberal Party's only intent was to build monuments to itself in the city.

The legacy of this government to date and into the future is and will be schools, hospitals, police stations and new roads throughout Victoria.

There is also a proud legacy of the policies of the Bracks government in the seat of Monbulk. In the next month or so we will be opening a new 24-hour police station in Belgrave. During our term we will be constructing a police station in Olinda. Last week we announced capital improvements for Boronia Primary School. Major capital investment of $18.5 million in

the Angliss Hospital will expand its emergency department and critical care/high dependency unit.

Another legacy of the Bracks government will be the protection of the environment. Melbourne 2030 and the green wedge legislation will ensure that the sensitive green belts and productive agricultural land surrounding Melbourne, including the Yarra Valley and the Dandenongs, will be protected. The Bracks government does not simply mouth words at conferences, it delivers for the environment.

This budget continues to deliver for the people of Victoria, and it does so in extremely difficult circumstances. They include external difficulties such as falling equity markets and weak global economic conditions, the drought and the recent bushfires, and the impact of the public transport privatisation. These all represent major challenges that had to be met by the Bracks government.

We have not flinched at making the difficult decisions necessary to deliver on health, education and community safety while maintaining budget surpluses. The decision to toll the Mitcham–Frankston freeway was not made lightly, but it was the financially responsible decision.

I now turn to highlight how making those difficult decisions has led to a very successful budget — firstly, for the economy. The budget will deliver a $245 million surplus in 2003–04, with surpluses averaging $391 million over the following three years. The unemployment rate is currently at a 13-year low. Economic growth this year is 2.75 per cent, with strong economic growth of 3.75 per cent outlined in 2003–04.

Per capita business investment has exceeded the national average over the last four years. We have achieved record business investment over the past two years, and in the next two years spending on infrastructure will total more than $5 billion. This represents the biggest infrastructure investment ever, and it includes $180 million to extend the Regional Infrastructure Development Fund. It is to that fund that I want to turn to talk about natural gas.

We talked about the Regional Infrastructure Development (Amendment) Bill yesterday, specifically the addition of the nine interface councils so that those rural communities can access the $70 million extension to the natural gas network with the aim of the Bracks government being to cover 70 000 to 100 000 homes and businesses. The $70 million includes $5 million to assist local communities to develop feasibility studies. I am sure the farmers in the rural areas of the Shire of Yarra Ranges — in the Yarra Valley and in Monbulk and Silvan — would have been very interested in the attitude of the opposition in its arguments against the inclusion of the interface councils. It is another example which shows that Labor is the only party that represents the whole of this state. The Shire of Yarra Ranges has for a number of years been pursuing the extension of natural gas in the region. I, along with my colleagues, will be working with the shire in advocating for the extension to the network in the Yarra Valley and in the farming areas of Monbulk and Silvan.

In terms of police and emergency services the budget provides over $125 million over four years for an additional 600 police officers. In terms of the Shire of Yarra Ranges, as I mentioned previously we will be opening the new 24-hour police station in Belgrave in the next couple of months, we will be constructing the Olinda police station in this term of government, and there has been the recent relocation of the shire's traffic management unit out of the City of Knox and into the heart of the Shire of Yarra Ranges — in Mount Evelyn in the electorate of Evelyn.

The Bracks government is also supporting emergency services, with $6 million allocated over four years to the State Emergency Service. One program that I specifically want to mention is the community safety emergency support program. This has been a great success since its inception in 2000. It has provided $4.5 million over three years for support in terms of the purchasing of vehicles, building improvements and equipment. This program will be extended with a further $10 million over the next four years, and I think that is a terrific outcome.

As a former councillor at the Shire of Yarra Ranges I am also very interested in the partnership between the state government and local government. Whilst the previous government treated local government with contempt the Bracks government uses local government as an important and crucial partner in community building and in the delivery of services.

Mr Wynne — It treated local government with contempt.

Mr MERLINO — Absolutely!

In terms of the next four years, $4 million has been allocated to metropolitan councils to assist them to come up with local strategies in line with Melbourne 2030. As the Shire of Yarra Ranges is an interface council, Melbourne 2030, and specifically the green wedge legislation, is of vital importance. Some

$69 million has been provided over four years for home and community care funding to support local councils in providing home and respite care, home maintenance and Meals on Wheels. There is $10.2 million over four years for jobs for young people, which will provide 1100 jobs for young people in local government.

As a former member of the board of Eastern Regional Libraries I am very pleased that $25.8 million has been allocated in this financial year for public libraries, with a $5 million extension for resources in the libraries — books, CD-ROMs and the like. I look forward to working with the Shire of Yarra Ranges and the cities of Knox and Maroondah to further develop these partnerships.

One of the really successful partnerships in local communities has been the community jobs program. The community jobs program targets the long-term unemployed, or those at risk of long-term unemployment, to improve their chance of gaining employment in the future. It does so in a way that is so much better than the Work for the Dole program and other like programs. It provides for up to 16 weeks of paid employment and, importantly, nationally accredited training. In the Shire of Yarra Ranges there have been many community jobs programs in partnership between the local government and the community. One of them, which I have been personally involved in, is the partnership between Morrison House and the Shire of Yarra Ranges. In that partnership Morrison House has managed the projects, and in the last project it was involved in as the local community house every one of the participants was either in further training or in employment. I think that is terrific, and the government has allocated a further $38.6 million over four years for that.

In terms of the environment, during the election campaign there were clearly issues in the electorate which we as candidates knew were important, such as jobs, community safety, health and education, but the other major key issue that kept coming back to me when I was campaigning was the issue of water. It was raised not just by people who were living in my electorate but had previously lived in regional Victoria but also by ordinary people in the street who had grown up in my electorate. There has been a cultural shift in how we think about water.

I am very pleased that in this budget the government has allocated $92.5 million for the 2003–04 financial year as the first instalment of the $320 million Victorian Water Trust. Further in terms of the environment, $24 million has been allocated to fight weeds not only on private farmland but also in our national parks. This is a key concern for me given my area is in the Dandenongs.

In terms of education, there is a further $234 million investment in education which will provide for 700 more teachers and staff, consisting of 450 secondary college teachers and 250 student welfare coordinators. I was very pleased last week with the announcement of $1.8 million to improve the Boronia Primary School, including the rebuilding of the art and craft classroom and a gym and the refurbishment of five new classrooms, staff and administration rooms, a first-aid room and staff and student toilets. That comes on top of the many schools that were supported during the previous Parliament, including Upwey High School, The Patch Primary School, Billanook Primary School and Ferny Creek Primary School, among many others.

This is an excellent budget in difficult times. I congratulate the Treasurer and the Premier, and I look forward to assisting in the implementation of the programs and works outlined in the budget.

Mr WELLS (Scoresby) — I had the great privilege of being elected to this house in 1992 when the state was in a financially embarrassing mess. After 10 years of the Cain and Kirner governments we found that the state was on the verge of bankruptcy; it was the rust bucket of the country, and certainly the embarrassment of the country.

I will give you a very clear example of what happened to our economy in that 10-year period. This state formed around the 1850s, and from the period of the 1850s through to the beginning of the Cain and Kirner governments there was a state debt built up of $11 billion over the 145 years. Between 1982 and 1992 — a period of only 10 years — that state debt went from $11 billion to $33 billion. In a matter of 10 years the Cain and Kirner governments racked up an extra $22 billion in debt — an amazing fact. It took 145 years to build up $11 billion, and in just 10 years the Cain and Kirner governments were able to rack up $22 billion, tripling that debt to $33 billion.

To make it worse, the Cain and Kirner governments were spending $3 billion a year more than they were receiving in taxes. In other words, to pay for police, nurses and teachers, they were using the Bankcard, racking up debt on operational expenditure, and you know what happened? The Cain and Kirner governments were spending more on interest repayments than they were on health. These days you would think that is almost impossible to believe, but it is an historic fact. Of course, as my colleagues are

reminding me, how true was the slogan The Guilty Party? And the current government is extremely desperate to rewrite history. It has been mentioned a number of times that the government of today has spent the inheritance of $1.8 billion of recurrent expenditure, to have a current operating surplus of $160 million as of 30 June this year.

The first issue I want to address is the Bracks government's lie. This is interesting because two or three of the people responsible are here in the chamber. It concerns the Scoresby freeway, which will now be renamed 'The Bracks tollway'.

In 1999 when it came to power the Bracks government said it would scrap the Scoresby freeway. On Thursday, 28 October 1999, the headline in the *Age* was '$786 million freeway link scrapped'. That was a firm commitment that the Bracks Labor government was going to scrap the Scoresby freeway. We knew that it had little commitment to the freeway, but let us have a look at it: in 1999 the Labor government's election promise says:

> Labor acknowledges growing north-south traffic congestion in the eastern suburbs and believes the region needs and deserves an immediate upgrade of Stud Road.
>
> Labor will make Stud Road a top priority in metropolitan road improvements.

So we ask, three and a half years later: what has happened to Stud Road? There has been no work on Stud Road. The Minister for Transport made an important announcement which was reported on the front page of one of our local papers:

> The freeway reservation land already owned by the government would be retained, and the upgrade of Stud Road made an immediate priority.

But nothing has happened. Why is this important? Because it gets to the credibility of the Premier and the Minister for Transport. Last week in response to a question by me, the Premier gave a rock-solid guarantee that there would be no downgrading of any local road in the outer east. That is what he did. So the Bracks government has a real dilemma. Does it commit another lie to the outer east and not upgrade Stud Road as the Premier promised? How many drivers will choose to pay the $11 toll if he upgrades Stud Road? Does the government come out to the outer east and say, 'We will not upgrade Stud Road because we will force traffic back onto the Scoresby freeway'?

I remember a letter that we used frequently during the Aston by-election from the Minister for Transport. It said that the government was not committed to the Scoresby freeway because it did not have the funds. But lo and behold, in September 2001 he sends a letter to me, as a resident, at my home address. It is signed by Steve Bracks, MP, Premier, and Peter Batchelor, MP, Minister for Transport, and it says:

> Dear Resident,

It could have said, 'Dear Kim', but no:

> Victoria needs the Scoresby NOW.
>
> …
>
> On 22 August —

and this must really hurt the Minister for Transport —

> the state government signed a declaration of commitment along with 10 mayors in the Scoresby corridor. This declaration reaffirmed the state government's commitment to its 50 per cent funding share for the Scoresby freeway.
>
> A copy of this declaration is included on the back of this letter.

That is how committed they were to it.

> While the Howard government has agreed — —

Mr Batchelor — Let's have a look. It is not on the back of it!

Mr WELLS — So did you lie to me?

Sitting suspended 6.30 p.m. until 8.02 p.m.

Mr WELLS — Let me just recap on a couple of the points I was making before the dinner break, which were very important. The first was the history of Labor and economic management, and I clearly made the point that in the first 140 years of this great state, over consecutive years to 1982, the state had built up a state debt of $11 billion. From 1982 to 1992 — a period of just 10 years — that debt went from $11 billion to $33 billion. The years of the Cain and Kirner governments tripled that debt. The Labor Party was re-elected in 1999 and has spent its inheritance of $1.8 billion, so that as at 30 June that inheritance will be down to $160 million. Everyone in the state is asking where the money has gone.

Then I started to talk about the great Bracks Labor government lie that there would be no tolls on the Scoresby freeway — the biggest lie of all. Victorians were told over and again in the period running up to the 2002 election that there would be no tolls. I made the point that the Minister for Transport had sent me a letter at home. Unfortunately he did not have the decency to write, 'Dear Kim', just, 'Dear Resident'. He does not care; it is worth making the point once again. The letter

is signed by the Premier and the Minister for Transport, and what is said in the letter is important. It states:

> On 22 August, the state government signed a declaration of commitment along with the 10 mayors in the Scoresby corridor. This declaration reaffirmed the state government's commitment to its 50 per cent funding share for the Scoresby freeway.

But the next paragraph is the killer! It states:

> A copy of this declaration is included on the back of this letter.

On 11 September 2001 the Premier sent this letter to every single resident along the Scoresby corridor, and it was countersigned by the Minister for Transport just to make sure that it was 100 per cent accurate. It was a lie.

Not only that, but during the Aston by-election the Minister for Transport sent me another letter, which this time was addressed to 'Dear Mr and Mrs Wells'. It says:

> The Bracks government is committed to building new transport services in the Scoresby corridor — including the construction of the Scoresby freeway.

It continues:

> We committed to funding the freeway in August last year. At the time the Howard government rejected our offer to enter into joint funding arrangements.

Can you believe what the Minister for Transport said in the last paragraph? It states:

> On July 14, you have a chance to send John Howard a message that we want better transport in Aston — not just more Liberal Party lies.

That is what the letter says. Who was committed to the 50 per cent funding? Not the Labor Party. When the government enters into a memorandum of understanding with the federal government it should stick to it, because the federal government is really committed to that agreement on funding. The $445 million for the project was committed in the proposal, which states under paragraph 3 headed 'Victoria':

> (d) Victoria undertakes to ensure that users of the Scoresby freeway will not be required to pay a direct toll.

That is the agreement that Labor government signed with the federal government.

Mr Stensholt — Move on!

Mr WELLS — Gee, they don't like it, do they? They do not like the truth — it really hurts.

The memorandum is signed by the federal transport minister, John Anderson. Who signed it from Victoria? The man whom we are supposed to trust with regard to transport, the Minister for Transport. Pirate Pete sent two letters to me saying, 'You must believe us. There will be no tolls.'!

The minister sends the same letter and signs the same agreement with the federal government that it would commit $445 million. I know it must hurt that all this is on the record. When we got to the last state election in November we started to get down to the fine edge of the wedge. During the television debate on the ABC the Premier made it very clear, when asked by Ian Henderson, what he would do about the Scoresby freeway. He said there would be no tolls on the Scoresby freeway.

There was another thing in my letterbox — you guys were hitting me left, right and centre and I was starting to believe you. In addition to the letters from the minister saying, 'No tolls', Pollyanne Williams, the Labor candidate, sent me another flyer headed 'Only Labor guarantees Scoresby freeway'. It states:

> Under the signed state-commonwealth funding agreement the freeway will be completed by 2008.
>
> There will be no tolls on the freeway under a Bracks Labor government.

Can members of the Labor government understand that in future residents in the outer east just will not believe them? They lied to us about Waverley Park. They lied to us about the tramline to Knox to be built in the first term of government. They lied to us that there would be a feasibility study on the Rowville railway line — a line from Glen Waverley to Rowville. They lied to us about that. They also lied to us about the tolls on the Scoresby freeway. I bet there is another lie just around the corner, and that is the promise not to downgrade Stud Road or Springvale Road. No-one believes the government; another lie is just around the corner. It is in *Hansard* and it will come back to bite the Labor Party.

Ms McTAGGART (Evelyn) — It is a great privilege to stand here tonight to talk on the state budget for 2003–04. I congratulate the Treasurer, the Premier and the government on an outstanding budget. What a responsible government we are — to achieve strong and steady economic growth amidst a downturn in international markets and global uncertainty. In Victoria we have had the drought, bushfires and the impact of public transport privatisation.

All this and we have still maintained a surplus of $245 million — an excellent effort — with projected

average surpluses over the next three years of $391 million. Unemployment is at a 13-year low. Business investment in Victoria is at a record high and with the reduction of payroll tax from 5.35 per cent to 5.25 per cent it will only get better and we will attract more business to Victoria because we are the government that is acting for all Victorians.

I heard the Leader of the National Party talking about what the government does not do for regional Victoria. There is an economic resurgence in country Victoria and that is thanks to the state government. Migration rates are up — people want to come and live here because it is a fantastic state with a fantastic government.

We will continue to build on our first term of government after the seven dark years — I said I would not use that term again, but I have because it is just so true! We have put 3000 additional teachers and staff back into our education system. We allocated $800 million in the last term of government to improve our schools with 16 new schools and 5 replacements. In the Evelyn electorate alone I have recently opened two new classrooms at Bimbadeen Heights Primary School — over $350 000 worth — and in August at Wonga Park Primary School I am to open $1.1 million worth of capital works. The government is acting.

With an additional 3300 nurses back into our health system we have improved the standard of care for Victorians. We have upgraded the Angliss and Maroondah hospitals in the outer eastern suburbs. We have 800 extra police — —

Mr Nardella — How many?

Ms McTAGGART — We have 800! We have 65 new police stations. One of those is the Mount Evelyn police station in my electorate which was earmarked for closure under the Kennett government and is about to be opened on 15 May. The community bucked and protested and were listened to by this government unlike its experience under the former government. We now have the 24-hour traffic operations group servicing the Yarra Valley and beyond, which gives our towns a sense of security and confidence knowing that the police are out there working for us.

In the last term of government we introduced the Regional Infrastructure Development Fund — $180 million worth of capital works for regional Victoria. Yet again we are working for regional Victoria. This has now been extended by $70 million to put the natural gas reticulation out to regional areas and the nine interface councils of which Evelyn is a part. With the neighbouring electorates of Gembrook, Monbulk and Seymour we are looking forward to this.

All of this and much more while still retaining a AAA credit rating by Standard and Poor's and Moody's.

Honourable members interjecting.

Ms McTAGGART — They hate it, don't they? AAA!

The government is committed to sound financial management while delivering on its promises. We know what we are going to do and we are going to do more. We will deliver high-quality and accessible health care committing $9.1 billion over four years with an additional 900 nurses and staff. We said we would do it in the last term and we did it and we will do it again this time.

There will be 35 000 extra patients serviced each year through our hospitals. There will be $71 million for health services for senior Victorians and $75 million for disability services. We are helping people get affordable housing by putting $89 million out there for them. We will still deliver on having safe streets, homes and workplaces for the Victorian community. We have allocated $126 million for 600 additional police — so that will be 10 900 officers in the Victoria Police. Their morale is up. Under the Kennett government their jobs were not safe, because they had no job security. They were seven dark years.

We have put $66 million towards new and replaced police stations, which are continuing to grow through Victoria, and $11 million towards our fantastic metropolitan and Country Fire Authority firefighters; and in light of the Bali bombings and 11 September we have put $60 million towards counter-terrorism responses.

This government is environmentally conscious. We are going to protect our environment and promote sustainability.

Mr Perton interjected.

Ms McTAGGART — Okay. We have $208 million over four years: $93 million to encourage sustainable water management through the water trust; $14 million for the Otways, which you probably would have logged; and $24 million to assist farmers with disease and pest control. This government is committed to protecting the state's natural heritage and ensuring our

natural resources are here for our future and that they will be sustained.

We are investing in education and training: $789 million over four years, with $82 million for 450 teachers in secondary schools and $50 million for student welfare officers in primary schools. There has been $107 million put aside for new and upgraded schools.

I am absolutely delighted to announce that $3.8 million has been allocated to the Lilydale High School to upgrade its science and technology departments, staff work space and toilet facilities. I spoke to John Benison, the principal, this morning and he is absolutely delighted with this government and what it is doing for the Victorian education system. This is a large school with nearly 1820 students with a projection of 2000, so this upgrade will certainly service them well, and I am very proud to be part of it.

I listen to the people on the opposition side babbling away. We told them last time what Victorians wanted. Well, we listened; they did not listen. We have given them what they wanted and we are going to provide more, and we will do it again. As a new member of Parliament it makes me laugh to hear, 'Where has the money gone?', as if it belongs to the Liberal Party. The $1.8 billion belonged to the state of Victoria.

Honourable members interjecting.

Ms McTAGGART — The previous government ripped the guts out of the Victorian economy. There were no services. Members opposite are not in government because they do not listen to the people. They did not spend money on services so they had a huge surplus. Well, well done — while the rest of Victoria was bleeding.

Schools and education suffered under the previous government. The health system was an absolute shambles.

An honourable member interjected.

Ms McTAGGART — I have covered policing — we have and will put on extra police. Go and speak to the police department.

Honourable members interjecting.

Ms McTAGGART — We have a sustainable environment and we are working towards keeping it that way. The infrastructure this government has put in place will stand Victoria in good stead for the future. The Victorian people have told us what they need. We have done it and we will continue to do more whilst maintaining a very strong financial position. I commend this budget to the house.

Ms MARSHALL (Forest Hill) — I would like to commend the government for the 2003–04 Victorian budget. It has once again delivered for today and is building for tomorrow. It is financially responsible and socially progressive. While there are continued improvements to services, most importantly this budget delivers and promotes growth across the whole state. That quite simply means that we as Victorians all benefit from the Bracks government's responsible decisions. It demonstrates its commitment to responsible financial management, thereby securing Victorians futures.

There can be no doubt as to the additional pressures externally that have been felt by the government at this time. A downturn in the international markets, continuing global uncertainty, the worst drought since the late 1930s, recent bushfires, and the impact of public transport privatisation have all added to the burden on the state's finances.

That aside, this budget has been delivered with a positive and optimistic outlook for the future. A small indication of how bright the future is right now is that a growth of 3.75 per cent is forecast for 2003–04. The unemployment rate is at a record 13-year low, business investment is at a record high, and regional Victoria is enjoying strong economic growth and employment resurgence.

Added to that, the Bracks government has ensured and maintained a substantial operating surplus. Its priority has been to meet the election commitments and it has done so by investing in education, innovation and infrastructure.

Central to the government's goals and that of any person living in Victoria who honestly cares about the larger picture with regard to the economy is a world-class education system. You do not have to go very far back in Victoria's history to see just when the investments in the education system began: 1999, and more specifically October 1999. What an astounding difference in a relatively short time: teacher numbers are up, completion numbers are up, literacy and numeracy standards are up, and the numbers of computers in schools are up. What is the only thing that is down? The only thing that is down is class sizes.

This is about valuing and investing in lifelong education. Furthering one's education should not be dependent upon your economic circumstances, age or

location. This budget builds on the $800 million total estimated investment asset already committed to in the 1999 budget, having provided over 3000 new teachers and staff, built 16 new schools and provided every Victorian access to educational opportunities.

The government's commitments to excellence and innovation in education and training stand for themselves: $82 million for 450 additional teachers in secondary schools and $10 million of support for those teachers with state-of-the-art facilities and equipment. This includes Vermont Secondary College: $3.152 million for art, graphics, home economics, technology studies, refurbishment of the music room, canteen and locker space facilities. There is $2.3 million to improve leadership in schools, specifically for principals; $6 million for language education, including eight new centres of language education; and $4.8 million in follow-up assistance for school leavers assisting in the transition to work for further education and training.

The government is directing $72 million into initiatives to refocus programs to target the specific needs in the Victorian work force, assisting young Victorians to acquire the skills and qualifications they need. The government has always been aware of the need to reduce educational disadvantage and is building on this by committing $50 million for 256 student welfare officers to prevent student disengagement and alienation from the education system. There is $96 million for the disabilities program, $70 million to support the non-governmental schools that are in the greatest need and $5 million to extend the Victorian youth development program.

A vital part of a world-class education system is careful asset management and the 2003–04 budget includes $30 million for the construction of new primary and secondary schools, $52 million for modernisation of 38 schools and $12 million for the reinstatement of facilities that were damaged or destroyed by fire. This includes Mount Waverley Secondary College, which suffered a fire on 28 January this year, to which an amount of $5 million has been allocated to replace all destroyed facilities. Classrooms lost in the fire include the science and technology centres, home economics rooms, general purpose classrooms and an estimated 1200 locker spaces and associated services. There is also $5.1 million for three schools that are needing replacement, having outgrown their existing facilities.

Overseas students are coming to Victoria in growing numbers. Over the past year alone the number of fee-paying students at Victorian universities has increased dramatically, generating an estimated $1.2 billion in economic activity for the state.

All this funding is part of the Bracks government's commitment to building better schools, which aims to rebuild the education system by modernising schools and providing better learning facilities for all. There will always be challenges, but what a pleasure to see a government that is 100 per cent committed to giving Victorians access to the best education possible.

Victoria now has a growing reputation as the place to live, to study, to work and invest. I commend the bill to the house and congratulate the Treasurer on the 2003–04 budget.

Ms NEVILLE (Bellarine) — It gives me great pleasure to join the debate on the Appropriation (2003/2004) Bill this evening. This budget has again been a winner for Geelong. It is a winner for the residents of the Geelong region and the residents of Bellarine. It has been welcomed by the communities of Geelong and Bellarine.

This is a budget that is financially responsible but one that continues to invest significantly in capital projects and invests in people. And that is where the money has gone — investment in people. It is investment in the things that matter to Victorians. It is investment in more nurses, in more teachers and in infrastructure. It is building for the future.

Overall in this budget the Geelong region specifically has received over $57 million of commitments. This is an extraordinary commitment, and it shows the extent to which the Bracks government is supporting the region. When we talk about delivering for the whole of the state, it is more than talk; it is the reality. We continue to invest in key services and infrastructure to meet the needs of the local communities. In the Geelong region the budget commitments commence the process of implementing our large election commitments to this most important region. These commitments will be delivered over the next three and a half years. This budget delivers in all the key areas that the Victorian community and the Geelong community have told us are important. It delivers in the areas of education, health, transport, community safety and the environment. It supports key developments that are integral to the future social and economic growth of the region.

The other day I spoke about the launch of the Geelong Regional Strategic Alliance, which is working in partnership with the state government to build a long-term strategic plan for the area. This plan is

designed to take advantage of the opportunities that are posed by the significant economic and population growth of the area. These opportunities are significant. Geelong and the Geelong region have an unemployment rate that is below the state average and an employment growth rate that is above the state average. Our population growth is leading the state. In fact, on the Bellarine Peninsula alone we have a 4.4 per cent increase in population, the highest in the state. This poses challenges and opportunities for us all in terms of the need for services and for infrastructure. It is about providing jobs and about ensuring that we are able to meet the changing needs of families and communities.

The Bracks government in this budget is meeting those challenges. The budget is continuing the process of investing in the future of the Geelong region. I will just touch on some of the key budget allocations to the region. In terms of infrastructure, there is $15 million for the port of Geelong. There is $4.1 million to commence the preparation works for the Geelong bypass, a bypass that is welcomed by all residents, including the residents of Bellarine, whose travel through the city of Geelong will be greatly improved. Instead of being critical, members of the Liberal Party should perhaps focus their attention on getting a similar commitment from the commonwealth government for this most important road. There is $14 million to upgrade Kardinia Park and Skilled Stadium, not only to ensure the future of our great football team, the Cats, but also as a means of providing conference and sporting facilities of excellence in the Geelong region.

We can talk about education. We are continuing to invest in upgrades to schools. In Bellarine $2.75 million has been allocated towards the second stage of the Ocean Grove campus of the Bellarine Secondary College. This is a school that was to be closed by the Liberals. The community said to us, 'We need this school in this community'. It is a growing community — as I said, it has 4.4 per cent population growth — and they were talking about closing schools. We did not close it. We not only kept it open but we also committed to a permanent structure on the site to ensure education services were provided to families and young people on the Bellarine Peninsula well into the future.

That builds on other school upgrades and rebuilds that have been under way in the Bellarine electorate. I will list some of them: Wallington Primary School, Ocean Grove Primary School, Newcomb Secondary College, Moolap Primary School and Leopold Primary School — over $11 million has been allocated to capital upgrades to our schools in Bellarine alone. In addition the government promised an additional $180 000 to the Leopold Primary School to ensure its community centre could be completed. We promised that during the election, and we have already delivered on that promise. That centre is being built now.

This budget also provides for an additional 450 teachers so we can continue to improve the quality of our education for our young people and so we can ensure that our retention rates continue to increase. As of last year Bellarine had an additional 38 teachers, which has paid off through improved retention rates. That can only continue to improve.

Perhaps even more importantly, the budget provides for 256 welfare officers in our primary schools. This is a welcome initiative for the primary schools in Bellarine. Recently I visited two of the most disadvantaged primary schools in my electorate. Those schools are waiting keenly to access welfare teachers. They know the teachers will make an enormous difference to the social and educational outcomes for many of their students.

The commitment to provide funding to introduce 40 kilometre-an-hour speed limit zones outside schools is also welcome. The government funded $23 million to roll that out. Recently I visited and spent time outside a number of the schools in Bellarine that have issues about traffic at the drop-off and pick-up times. I know that those schools are waiting eagerly for the introduction of the new zones, and this money will make it possible. That initiative will make sure that our schools provide a much safer environment. The *Geelong Advertiser* of 7 March also welcomed the government's spending on education and the fact that the government had made it a priority because of its importance.

There has been talk about the environment. This budget delivers on one of the government's key election commitments — that is, stopping logging in the Otways. During the election campaign last year the residents of Bellarine continually told me that the environment is very important to them, which was why they supported the introduction of marine parks and is why they support the stopping of logging in the Otways. The budget allocates $14 million to move from having logging to having a national park that will run from Anglesea to Cape Otway.

I know that the farmers in Bellarine welcome the government's ongoing commitment to funding towards weed and pest control. The farmers in Bellarine have used those programs very successfully. The government has also put money into ensuring that our farmers can work smarter and be into innovation and

research. That is welcomed by the farming community in Bellarine.

Health is an area about which I am passionate, my having spent a number of years on the board of Barwon Health. I have witnessed first hand the difference extra nurses make, and with extra money to treat more patients the quality of care is improved and staff morale improves. Waiting lists are coming down, and we have treated more patients over that time. I applaud the continuing investment in health by this government.

The budget is delivering an extra $464 million to enable our hospitals to treat even more patients, and I know that that will enable Barwon Health to bring its waiting list down further and ensure the residents of Bellarine and Geelong have access to the best-quality care by a health provider in the area. Recently the shadow minister in the other place raised issues about the government's commitment to Barwon Health and about its not funding some of the capital equipment. Clearly he has not visited Barwon Health recently or had a discussion with Barwon Health. He certainly does not understand.

Mr Trezise interjected.

Ms NEVILLE — That is interesting — I am not sure that he does know where Geelong is, because he questioned whether Geelong was a region at all. I am not sure whether he regards Geelong as a suburb of Melbourne, but that is certainly an indication of the Liberals' commitment to the Geelong community. He attacked the government over Barwon Health, but if he had a discussion with Barwon Health he would realise that investing in cancer services without a master plan and schematic design would be particularly useless. The provision of funding for stage 3 of the Grace McKellar project would also be useless, because we need to build stage 2.

I know all Geelong's members of Parliament are committed to the accident and emergency department, and it would be great if there was room for it. And if the shadow Minister for Health had bothered to visit he would realise that we need to move the kitchen out to the Grace McKellar Centre. I know the Geelong members of Parliament are very keen for these projects to commence, and that is why they are contained in the budget papers. We know that they will be well under way, if not completed, in the next three and a half years.

I also welcome the additional financial commitment to more police and firefighters. Currently the Bellarine Peninsula awaits the completion of a $5 million, 24-hour police station. It will be finished on time and on budget later this year. The government has already announced that an additional 15 police will be in place to protect the residents of Bellarine once this station opens. The government also has an ongoing commitment to maintain the existing stations on the Bellarine Peninsula.

Bellarine Peninsula residents know that the Bracks government delivers for them. Every day they see the financial commitments the government has made to their communities and to the region as a whole. Every town in Bellarine has shared in the money required to rebuild our education and health services, to improve access to police resources and improve infrastructure. As we speak thousands of Bellarine residents will have their first winter with natural gas, and many more will have access to natural gas by next winter. What a great achievement; what a great show of support for the residents of Bellarine.

As I said before, clearly the Geelong region was seen as an irrelevant area — it is not a region according to the Liberal Party. This lack of support and commitment to the Geelong region by this opposition and the former government will continue. That is why the residents of Geelong and Bellarine sent a clear message at the last election. They said, 'The Liberal and National parties let us down, and we do not trust them. We do not trust that they care about us'. The Bracks government cares, and it is delivering.

In conclusion I want to refer to a comment Brian Cook, the chief executive of the Geelong Football Club, made in the *Geelong Advertiser* on Wednesday, 7 May.

An honourable member interjected.

Ms NEVILLE — They are up there and doing well.

Mr Trezise — They will be, anyway.

Ms NEVILLE — There is a five-year plan.

Brian Cook, the chief executive, is reported in the *Geelong Advertiser* as having said:

> There is no doubt that Geelong is somewhat a privileged area in relation to state government grants that have been given.
>
> I think it's outstanding.

It is outstanding. This budget delivers once again for Geelong, and the future is bright. As I said, this budget is financially responsible while continuing to invest in capital projects and people. I commend this budget to the house. It will ensure that the Geelong region is smarter, healthier, stronger and safer.

Mr DELAHUNTY (Lowan) — This is Labor true to form. The previous speaker was talking about football teams, and I want to get a plug in for the mighty Bombers — we will come good this week.

The reality is this is true to form. If you look at the form guide for a racehorse you get its pedigree and those things, but you look at the form. True to form this is a high-taxing, limited-expenditure budget in country Victoria — true to form for a Labor government.

Motorists will pay for the government's mismanagement of the finances. Every day of the week the government will put its hand into the pockets — —

Honourable members interjecting.

Mr DELAHUNTY — I really mean it. We have a lot of people paying their taxes every day — when they jump in their car and turn the key they know they are pushing money down the state government's throat. We have an increase in income. The Treasurer is at the table. He has bragged about reducing payroll tax percentages, but the reality is we have an increase in payroll tax. We have a big increase in stamp duty and a big increase in fire services taxes. This is true Labor form — high taxing, limited expenditure.

Before I get on to my portfolio responsibilities I would like to talk about the Lowan electorate. Members know the size of the Lowan electorate, but I will go over it. This is like the mantra I get from the Minister for Education Services — I want to give a little bit back to you. The size of my electorate — —

Mr Brumby interjected.

Mr DELAHUNTY — Are you saying two offices, or are you saying something else?

Mr Andrews — What about the new hospital?

Mr DELAHUNTY — I'll get to that! The reality is that since you have been in government you have — —

The ACTING SPEAKER (Mr Thompson) — Order! Through the Chair!

Mr DELAHUNTY — The government has put on two more ministers since it has been in government, and it has put on five more parliamentary secretaries. It is spending millions of dollars, and it could not even throw out a few lousy dollars to pay for a second office to service the communities of Coleraine, Casterton and Hamilton.

The Lowan electorate — and I have got to go over this again — is half the size of Ireland. I could fit 76 of the 87 electorates in this house in my electorate, yet the government could not even afford to give me a couple of dollars to service my constituents.

Mr Walsh interjected.

Mr DELAHUNTY — No it isn't. You're well below me, partner.

The Lowan electorate is made up of a collection of communities — a couple of cities, many towns and many small communities — and I do say, as the member over there was saying, that we are very grateful we have had a pretty good run. The West Wimmera Health Service has got the Nhill Hospital upgrade, and we have also had a police station at Natimuk. Can I give a little bit of credit — —

An Honourable Member — To a good local member!

Mr DELAHUNTY — A good local member, that's right. We have got a good local member. I just hope they do not have another redistribution and move me again.

Last year we had a win when we got the Stawell hospital upgrade. The reality is that the previous government gave money to the Kaniva hospital and to the Jeparit hospital and this government has given money to the Nhill hospital and Rainbow, so we are thankful for that. But is a country town like that not entitled to have the same health facilities that people in Melbourne have? It is important that that happens. Nhill is the only country hospital the Treasurer has put on the list; he has delayed funding for many, many others.

However, the police station at Natimuk has been included, and we have a legal aid office in Horsham, but there is no funding in this budget for the emergency services helicopter. There is one in Gippsland and one in the north-east but we have not got one in western Victoria. It is a major problem for us in country Victoria and it is something the government has to put its hand in its pocket for. I know the Treasurer has a big discretionary fund, and he has yet to use last year's, so let us be sure to look after the health of our people in western Victoria and provide money for that emergency services helicopter.

I have a letter in my office which says that the Minister for Police and Emergency Services will build a police station in Lake Bolac in the next four years. The budget has come out and the police station has dropped off the end of the table. As with a lot of other things this government has mismanaged it. We have letters of

commitment but the government is not going to build that station for the people of Lake Bolac.

Mr Brumby interjected.

Mr DELAHUNTY — Lake Bolac. Yes. If you come to western Victoria, Treasurer, you are likely to drive into my electorate. It is about the only place in western Victoria that has water in its lake. I can tell you it is a very busy place during the summertime.

An Honourable Member — Don't tell him, he'll sell it!

Mr DELAHUNTY — He'll sell it!

I notice that when you plough through the budget paper you can find $3.5 million in each of the next four years for sporting facilities and leisure centres in country Victoria, and I know that Hamilton and Horsham have both got applications in for leisure centres. I am not sure when they go to — —

An honourable member interjected.

Mr DELAHUNTY — I am working hard for both of them. I am very even handed about this; I just hope the government funds both.

An Honourable Member — What about the others?

Mr DELAHUNTY — They're doing all right. They have their hands up. The reality is that there is very limited funding there.

The other critical problem is library funding. I am aware that the minister is going to provide some support, but there is a major concern, particularly around the areas of Coleraine, Casterton, Portland and Hamilton. The library services there are in critical need of support, and it is one of those things that we all have to get our heads around and try and resolve the issue of providing appropriate library services, particularly in the remote areas of country Victoria.

Another issue is that we have heard the big announcements in the last couple of years about rail gauge standardisation, and the Treasurer has saved $96 million from the bottom line by dropping it off the end of the list. I wish I could get that advertisement that was lying around — —

Mr Brumby interjected.

Mr DELAHUNTY — It is in the forward estimates? A lot of these are in the forward estimates, but you won't be there to pay for them!

The reality is that that proposal has dropped off like the dropping of the black spot program — another major problem for country areas. There is very little money in the budget for roads and no money for country bridges. It looks like I am getting a message on my pager from the Premier. No, it is not him.

Honourable members interjecting.

Mr DELAHUNTY — I wish! I thought he might be going to say that there is going to be some money for rail gauge standardisation.

The reality is, as we know, that country Victorians need this rail standardisation. We have a ballooning mineral sands industry and a major grains industry — if it rains! — and it is important that we have this infrastructure in place, not only with rail standardisation but also with the road network. Because of the blue gum industry we have major problems with bridges and we need the support of governments to make sure that that industry can grow as it ought.

We have seen a cut of 40 per cent in the Regional Development Infrastructure Fund. It is a great fund; we do not deny that. We welcome it in country Victoria, but the government has cut it by 40 per cent. It was $180 million over three years and now it is $180 million over five years; that is a cut of 40 per cent. And not only that, it now includes the nine interface councils. So we know what is going to happen to that money: it is going to be siphoned away.

I want to quickly cover some matters in relation to health. The health budget certainly concerns country Victorians. We have an ageing community in country Victoria. We are happy with the construction of the Nhill hospital, but we have major concerns with the promises that have dropped off the table of upgrading facilities at Maryborough, Echuca, Warragul, Bairnsdale, Latrobe Valley and Goulburn Valley. There have also been delays in the aged care facilities at Castlemaine, Yarrawonga, Warracknabeal — and the member for Swan Hill is in the chamber — —

Mr Walsh interjected.

Mr DELAHUNTY — It was in my electorate, but I had to flick all the good ones to you.

The list goes on: Skipton, Seymour and Portland. But the major concern we have in the health budget — and I have not been able to get an answer on this — is the consolidation of the funds of 70 rural hospitals. I have not added up the number of rural hospitals, but they are going to bring 70 rural hospitals under one account,

which I believe will reduce the autonomy of local hospitals.

I have talked to the representatives of many hospitals right across Victoria. We have already seen one hospital board, because of its financial concerns, sacked by the government.

Honourable members interjecting.

Mr DELAHUNTY — Do not tell me those members resigned. The government sacked the board of that hospital because of its financial concerns.

Mr Andrews interjected.

Mr DELAHUNTY — We are waiting to see what the government is going to do. Is it, like Queensland and New South Wales, going to sack all the boards in country Victoria?

Mr Brumby interjected.

Mr DELAHUNTY — I think the Treasurer has already started the ball rolling by taking away all their bank accounts and centralising them. The government is taking away the autonomy of the local boards of 70 of those hospitals. I think we are heading down that trail. When I look back through the Auditor-General's report, and I wish I could cover more of it, he highlighted the fact that the Treasurer uses his discretionary funds to fill in the cracks for many of the hospitals across not only country Victoria but also Melbourne, and he got a rap over the knuckles for doing that. I note the Treasurer is not smiling about that one because he knows it is true.

Another thing worrying us in country Victoria is the Hume health services report. The minister ducked and weaved to try and get out of it, but the reality is it was commissioned by the Department of Human Services, a government organisation that is about reducing country services to obstetrics, and all the — —

Honourable members interjecting.

Mr DELAHUNTY — They are not saying too much on that side of the chamber today because they know this is the direction of this government. They want to shut down country hospitals.

Mr Nardella interjected.

Mr DELAHUNTY — You might not close the doors — —

Mr Andrews interjected.

Mr DELAHUNTY — There is another one giving me the two fingers sign.

Mr Walsh interjected.

Mr DELAHUNTY — The Deputy Leader of the National Party says they are closing schools.

Ms Allan interjected.

Mr DELAHUNTY — I remind the Minister for Education Services who is at the table that the government has already closed 13 schools. It has closed 2 per cent of schools in my electorate.

Mr Nardella interjected.

Mr DELAHUNTY — The member for Melton needs to listen again. Thirteen schools have been closed in country Victoria by this government.

I return to talking about rural hospitals. The reality is that it is not about closing doors; it is about taking away the services so there is nothing happening inside. The Human Services report highlights what the government is aiming to do, and taking away bank accounts is an extension of that because it is taking away the autonomy of boards so they cannot operate. Every time a board looks sideways it is going to have to get a letter of approval from the Treasurer to spend the money. I do not think that is the way to go. The Treasurer will not have the time to sign it all; he will have to get out to western Victoria.

I have talked about the western Victorian helicopter service, but one thing I will cover today — and I know there is money there — is ambulance services. Stawell is not in my electorate, but I still have a great sympathy for the Stawell people. During the Easter period it took a lot of work by the local members and a union to make sure that that area was serviced by a two-person ambulance.

Mr Brumby — It was delivered.

Mr DELAHUNTY — It was delivered. On the Thursday before Easter the Treasurer opened the door and said, 'Give them another person in the ambulance'. Stawell is the busiest place in the state at Easter time. It put two people there to make sure they serviced the area during that very busy period. The Stawell Gift is a magic event over the Easter period, and it is important that we have fully staffed emergency services through the weekend.

I see there is a bit of support in the budget for bush nursing hospitals. There are five bush nursing hospitals

in the Lowan electorate, at Balmoral, Harrow, Lake Bolac, Dartmoor and Merino. They do a fantastic job at Dartmoor, right down near the sea, and Balmoral, Harrow, Lake Bolac and Merino offer great services. There is only $7.2 million, so I hope they are good debaters and arguers and get a fair share of that.

The rural work force program is another National Party policy that the minister pinched. An amount of $6 million has been allocated — —

An honourable member interjected.

Mr DELAHUNTY — If you look at the National Party policy, you will see it is there. It is another one of our policies that the government has plagiarised, but I congratulate it on doing that!

An Honourable Member — Another one.

Mr DELAHUNTY — It is another one it has plagiarised. The rural work force program was a key initiative of the National Party's rural health policy. We said we would:

> Support rural and regional communities to attract a family unit by establishing a local central vacancy register for all vacancies.

So it is there in black and white, if you do not believe me. We have talked about ambulance services, and that it is important. I want to make sure — and I want the minister to hear this — that we retain Essendon Airport. It is important — —

An honourable member interjected.

Mr DELAHUNTY — I will get to that before I finish. Support for the retention of the Essendon Airport is critical. We have new ambulance services, and it is important that they can use the airport.

Before I finish on health I will say that this government must make sure that it adequately funds the nurses enterprise bargaining agreement (EBA) and the other industrial agreements it signed off just before the election. If you look at the graphs of the hospitals I deal with, you will see that when the EBAs came through the reality is that the budget bottom line dipped.

In finishing, I know the house would not want to be disappointed by my not mentioning the Wimmera–Mallee pipeline. I am rapt that the Minister for Water finally signed the contract so the consultants can do the work. It has taken nearly 12 months to get the consultants out there to do the detailed design work and confirm the business case. The reality is that this is about making sure we have the business case and the detailed design work done for November this year in preparation for the 2005 federal budget. You can play all the games you like, but this has been a joint project. It is a pity that the government has brought politics into it, because the communities in the Wimmera and the Mallee have worked very hard with governments of all ilks to make sure the Wimmera–Mallee pipeline happens — and it will.

Ms MUNT (Mordialloc) — I would also like to place on the record who I barrack for. There has been a lot of talk about football clubs during the debate, and I would like to give the VFL a plug and say, 'Up the mighty Boroughs!'.

I would like to congratulate the Treasurer on yet another great budget for Victoria. I have been here most of the afternoon listening to the speeches. It is interesting that opposition members have been struggling to think of criticisms of the budget. I believe it is because they secretly know it is a very good budget. This budget has also been warmly received by business, the press and the community. It is fair and it is responsible, with a firm hand to guide it. It delivers a surplus, as has every budget of the Bracks Labor government — and it will continue to deliver surpluses for Victoria in future budgets. Not only that, the Bracks government will deliver on health, education and community safety, because it knows that that is what our community wants.

This budget will build on the capital spending in our previous budgets — that is, on rebuilding our hospitals and our schools. These hospitals and schools have been devastated by seven years of the Kennett government, and it has been an enormous task to rebuild the schools and hospitals and to continue on from here. We will continue to employ more nurses and teachers to care for Victorians in our hospitals and teach our children in our schools, because that is what good government does.

We will continue to build more police stations and employ and train more police officers to serve our community and ensure our public safety and reduce crime.

We will continue to care for our environment, which will be a great focus for the Bracks government in its second term of office. I am proud to be part of that government with that focus. There will be a massive focus on our forests, rivers, waterways and new marine parks. I am sure the honourable member for Sandringham will agree with me that we are proud to have a marine park off our coast near our electorates. That is also an initiative of the Bracks Labor government.

The budget is a firm and responsible basis for the Bracks government's second term of good government. We are getting on with the job. This budget delivers on our commitments to health, education, community safety and the environment. We went into the last election with those commitments and will deliver on them.

I am particularly pleased with the budget initiatives that provide for $71 million over four years to improve home and community services for our senior citizens, which will have a big impact in the Mordialloc electorate, where a we have a considerable aged population; $17 million over four years for women's health services, including breast screening services; $121 million for an additional 600 police over the next four years; a further reduction in payroll tax from 5.35 per cent to 5.25 per cent, and I am sure also that business in the Mordialloc electorate would be very pleased with that, including the considerable business in Braeside; $88 million over four years to establish centres for children and upgrade local child-care centres to provide better services. Once again we cover the aged, children and women with this budget, all extremely important members of our community. The budget will provide $21 million over four years to improve dental health services.

My electorate will benefit directly from the budget. Mordialloc will share in improved services to health, with $464 million over four years to recruit 900 nurses and health care staff. Our hospitals will treat an additional 35 000 public patients a year, which is an enormous increase. Mordialloc will share in a further $184 million over four years to recruit 450 extra secondary college teachers, some of whom will teach students in the Mordialloc electorate at Parkdale and Cheltenham secondary colleges. I am sure they welcome this announcement. The budget will also provide $50 million for 256 welfare officers in our primary schools, once again vitally needed and, I am sure, very welcome to our primary schools. There will be an additional 600 police over the next four years.

The people of Mordialloc electorate will be well served with $19 million to build two new radiotherapy bunkers at Moorabbin hospital, once again a wonderful initiative and one that will considerably help cancer patients in my electorate with a doubling of the radiotherapy facilities. A new linear accelerator will be provided at the Moorabbin hospital. That hospital is a regional hospital for our area and very well used by the people of Mordialloc. Some $3 million over two years will be provided to expand the operating theatre and ward facilities at Moorabbin hospital, which will reduce the waiting list for elective patients in Mordialloc and will be a very welcome initiative.

Some $2.6 million will provide for the Smart Bus red line circle, which runs from Box Hill through to Chadstone, down to Southland and across to Mordialloc. For people travelling from Mordialloc who wish to go shopping at Southland and Chadstone, this will be a very welcome initiative and a wonderful service.

I am sure my schools will warmly welcome the 40-kilometre-an-hour speed signs outside the schools as a wonderful initiative for the safety of our children. Our government is interested in the safety, welfare and education of our children.

After inheriting schools and hospitals in crisis this budget will continue to fix the damage and create a healthier and smarter Victoria. Schools in the Mordialloc electorate now have smaller class sizes. Cheltenham Secondary College, Mentone Girls Secondary College and Mentone Primary School are in the midst of a major rebuilding program. This generates a lot of excitement in our local community. It has been a long time since such effort and money has been lavished on our schools. Our local schools are the heart of our community. Most parents are absolutely thrilled that these works are being done in the area. Mordialloc Primary School is one of the first schools that will be built under a new environmentally friendly plan and we look forward to seeing that begin.

We are building fine schools for the benefit of the children of the Mordialloc electorate, with more teachers and smaller class sizes. We are seeing the results of this investment in education with improved literacy and numeracy. We are very happy about that. I am proud of the wonderful schools serving the Mordialloc electorate. Under the previous government Mordialloc schools were underfunded and under threat.

Our local hospital — where many Mordialloc locals were born and had their babies — was built with community fundraising — —

Mr Nardella — What happened to it?

Ms MUNT — It was closed by the last Kennett government. They closed our local hospital that was built with local funds!

Ms Lindell — After promising not to!

Ms MUNT — Yes, after promising not to. It was a much-loved hospital. It is now a community health centre. As I was listening to the speeches I was

interested to hear how much money this government is investing in hospitals all around the state — not closing hospitals, especially much-loved local ones.

Honourable members interjecting.

The SPEAKER — Order! The member for Carrum and the member for Bass! If they wish to behave in that manner they can leave the chamber and do so elsewhere. If they wish to listen to the member for Mordialloc they will cease interjecting.

Ms MUNT — Thank you, Speaker. This government has education and health as priorities, and I am proud to be part of a government that has these priorities. I am also proud to be part of a government that has such a fiscally responsible budget as this. I commend this budget to the house.

Mr WALSH (Swan Hill) — It is interesting that as we have sat here through the debate so far we have heard a lot about the condition of light and darkness. With this budget I can actually feel the chamber getting darker — there must be something wrong with the light. We are slowly getting darker. Victorians can look forward to three and a half more years of hard labour under this budget.

Turning back to Malcolm Fraser's day, he said, 'Life wasn't meant to be easy', but I do not think it was actually meant to be this hard: three and a half more years of increased fees, of increased fines, and of all those things that are going to hit the average working person year on year for the next three and a half years.

Take the example of the average family man who wants to go fishing, the indexation of all the fees and all the registrations — —

Mr Nardella — Thirty cents more a year!

Mr WALSH — For us that will amount to a lot of money. The registration for the little tinny that the average man wants to go fishing in is indexed up every year, year on year. If he wants to go fishing, the fees for the boat he goes in are indexed up, year on year; the fishing licence fee is indexed up, year on year; the fees on the car he drives to tow the trailer down to the local place go up year on year.

Mr Brumby — What about the women?

Mr WALSH — The women go fishing too. We are not biased in the country, not like you guys in the city. For a Labor Party that is supposed to represent the working person in Victoria, the person who wants to go recreational fishing — —

Mr Brumby — This is the cafelatte set, is it?

Mr WALSH — You said it, mate; I didn't. Speaker, I would like a bit of definition on whether the Treasurer was part of the latte set or the wanker set, that's all.

The SPEAKER — Order! I think the member for Swan Hill should address himself to the budget.

Mr WALSH — I apologise, Speaker. For the Victorian working person, lady or man, who wants to go fishing at the weekend, the licence fee on their tinny is indexed up year on year, the fee on their fishing licence is indexed up year on year, the registration fee on their car is indexed up year on year. This is all about increased taxes, increased fees — —

An Honourable Member — Increased employment!

Mr WALSH — I am interested to know how you can increase employment with indexed fees. It takes the same person to process the same licence fees; it is just another figure on the computer as it goes through.

The average person year on year is paying more money. If it were not so serious we would probably all have a good laugh about this, but it is very serious.

Government is a big business. Government is no different to a business, and it is a big business. It is all about tight fiscal control and about making sure you do not spend more than you earn. If we look at the budget figures for 2002–03, we see that expenditure has blown out by $1.5 billion, but we are fortunate in that we had a windfall of $1.8 billion in income. If we had not had that increase in income, where would we have been from a deficit point of view? We would have been up the proverbial creek in that well known canoe without a paddle.

What is even more serious is that $1.31 billion of that $1.5 billion blow-out in expenditure went in public service wages and conditions. We do not begrudge anyone good wages or conditions, but they have to be within budget. If you are running a business well, you stay within your budget. You do not have that sort of blow-out in your business, and you do not have that sort of blow-out in your recurrent expenditure.

Where would we have been without that revenue windfall? There would have been a significant budget deficit. On my reading of the budget figures we were budgeting last year for a surplus of about $521 million and we ended up with a surplus of $160 million. That means we have a serious problem. We did not control our expenditure and we were fortunate that there was a

significant increase in revenue that got us out of a serious situation.

In this budget there is a projected surplus of $244 million. That sounds very well for the average person, but on a turnover of something like $26 billion it is a very small figure. There is not much of a margin there for error.

Many members attended the budget briefing breakfast this morning, and as the Secretary of the Department of Treasury and Finance, Ian Little, and his associates went through some of the assumptions in the budget, I realised that some are quite ambitious. For argument's sake, take a 7 per cent return on equities to make sure the superannuation fund works out. We all live in hope that we do get a 7 per cent return on the equities market to make sure the superannuation fund works, but based on the last couple of years that is a very ambitious target. We hope it all happens, but if it does not the budget will slip quickly back into deficit. It would be a real shame if we slipped back into those dark, dark days of the 1980s.

Honourable members interjecting.

Mr WALSH — Let us be serious about this. If we go back to that time, governments during the Cain-Kirner years continually spent more than they earned. That is a serious problem. In running any business you do not spend more than you earn year on year or you will go bankrupt. There was a real risk that Victoria was going to go bankrupt.

Mr Nardella — There was not.

Mr WALSH — You may laugh, but we were the joke of the nation.

The SPEAKER — Order! I ask that the government benches stop interjecting. The member will address his comments through the Chair.

Mr WALSH — Members may laugh but we were the butt of all jokes in Australia. We were the rust-bucket state. Everyone was leaving to go to Queensland. Were members proud to be Victorian back in those days?

The Treasurer is at the table tonight, and that is good. I know the Treasurer is a responsible and serious person. I hope he has learnt from the lessons of the 1980s and that he will control those people in cabinet and in the caucus who want to continually spend money. We have to be responsible about how we run Victoria. So far, since the election of the Bracks government, the Treasurer has done a reasonable job. Let us make sure we do not spend more than we earn.

There are hundreds of pages in the budget papers and it is very hard for the average person to relate to them. We can all read through them, but it comes down to the way people see the budget as impacting on them. It would be fair to call this the hip-pocket nerve budget. It is very much about the average person and how they feel about the budget. The budget significantly eats into people's hip pockets or wallets. Taxes are up $790 million; fees and fines are up $83 million; these sorts of increases impact as a percentage more on the lower income earners of Victoria than they do on the higher earners.

Using the fishing example I referred to before, the percentages there impact significantly more on a lower income earner than a higher income earner. If you take someone from one of the more affluent suburbs of Melbourne, the issue of the increase in the licence fee for their little fishing tinnie, the increase in the fee for their fishing licence or the increase in the registration fee for their car, as a percentage, is probably not as significant to their income as it is for someone on a lower income.

As we move through the actual budget papers, I would like to speak from the Swan Hill point of view. There is not a lot in the budget for us, although in the policing area we do quite well. I do not know whether that bears some relationship to the degree of policing that the electorate of Swan Hill needs, but we will get a new police station for Nyah, and I thank the Treasurer very much for that. There are some upgrades for police stations at Culgoa, Boort, Lake Boga, Mitiamo and Quambatook. There is a vital issue here in that the maintenance of our small police stations is very important for our communities. It is not so much an issue about having police there, but rather with this whole issue of community policing the presence of a police officer in a country town is very important.

I cannot speak too highly of the commitment of all the country police personnel in my electorate and of how they join in community activities. If you go around the electorate, not only are they good police people but they are also good community people. They get involved in the schools and in other community activities, and I commend them for that. All I can do is ask the minister and the government to ensure that they continue the commitment to keep our country police stations open because they deliver a very important part of the community structure of our state.

The other positive from the budget for our area is that we will get an upgrade for the aged care facility at Warracknabeal. Aged care facilities are also a very important part of our community. Not only do they deliver a very good service to the aged in our community, but quite often the aged care facilities and the hospitals are also the largest employer in our towns. The hospital and aged care facilities and education system are often the largest employers in many of those towns. They are a vital link not only for the services they deliver, but also for the employment they create in our towns.

One of the concerns I would have is that there is not enough in the budget for infrastructure. We have spoken in the house about the Rural Infrastructure Development Fund, and the fact that with the change in the amount of money in the fund and the dilution of that fund with the inclusion of the nine interface councils I can see it will be very hard for the partnership of the Rural City of Swan Hill, the Shire of Gannawarra and the Shire of Loddon to get involved. It will be very hard for them to get some assistance to get natural gas to that area.

National gas is very much a chicken-or-egg thing. It is about delivering jobs to the area, making sure we can grow the community. We have an important food processing industry in that area and natural gas will be a key part of taking that to the next plane by creating the employment and ensuring that things actually happen there.

In summary, this is very much a hip-pocket budget that hits the average person in Victoria with increased fees, increased taxes and increased fines.

Ms GREEN (Yan Yean) — It gives me great pleasure to join the debate in support of the 2003–04 budget. This budget delivers on the Bracks government's 2002 election commitments in a financially responsible way. Despite a difficult world economic climate, Australia's longest period of drought, and the catastrophic bushfires earlier this year, this budget will still pay significant dividends to the community of Victoria.

The Bracks government is getting on with the job of building a smarter, safer and healthier Victoria by funding the projects and services that Victorians want, need and deserve. It includes projects like the much-needed Greensborough Highway bridge over the Plenty River at a cost of $17.2 million which will bypass an important link between the Northern Ring Road and Diamond Creek Road. The community has waited a long time for the road. The $17.2 million will be spent on widening it to six lanes which will reduce traffic congestion at the Civic Drive roundabout. Travel times and delays will be cut while safety and amenity will be increased. This section of the bypass currently carries about 39 000 vehicles a day, and the large volumes of traffic make turning onto the Metropolitan Ring Road difficult, so this project is much welcomed. The Bracks government has listened and now acted on the call from Melbourne's north-east to invest in key infrastructure such as arterial roads.

Victorians want the Bracks government to get on with the job of building better roads and public transport — and it is. Providing better transport links helps create jobs and drives economic growth and private sector investment. The communities of Greensborough, Plenty, Diamond Creek and Hurstbridge all welcome this bridge. It is in addition to the $120 000 commitment which will see traffic signals installed at the Civic Drive roundabout, adjacent to the bridge, which will become operational next month. Further, cyclists will be able to safely use this bridge over the Plenty River for the first time, providing an alternative mode of transport and being good for our environment.

The budget has provided more good transport news in the area of Yan Yean. There will be significant expenditure in new bus services for Eltham, Research and Warrandyte, including a new loop bus service between Epping and South Morang. Epping will receive funding to become a transit city under the innovative 2030 program for Melbourne's growth. In short, the government is looking after the transport needs of its developing interface, whether it is on the roads or in public transport.

In education, the needs of Yan Yean have also been well looked after. Hurstbridge Primary School, which was tragically destroyed by fire in January this year, is to receive $4.5 million to rebuild it. Having visited the school last Thursday with the Minister for Education Services to make the announcement I know how delighted the community is after such a tragedy.

Other schools and students will also benefit from the extra teachers, student welfare officers in primary schools and the extra money for the many students with special needs in our community. Further, a major capital project will be undertaken at the Concord special development school in the electorate of the Minister for Community Services. The school also services the whole of my electorate and that of the member for Eltham.

The Bracks government looks after all school students no matter what their abilities — —

Mr Perton — No, it doesn't!

Ms GREEN — Yes, it does.

An Honourable Member — Don't listen to him!

Ms GREEN — I am not going to. This is in addition to the works — —

Mr Perton interjected.

Ms GREEN — It's the Doncaster hot cocoa set. It's time for bed!

Mr Perton interjected.

The SPEAKER — Order! The member for Doncaster!

Ms GREEN — I would not be the one to talk about marginal seats if I were you!

Spending in this budget is in addition to the projects currently under way in education in my electorate at Diamond Creek East Primary School and Epping Primary School, which had been neglected through seven dark years of Kennett. They never got a cent.

Epping was a very run-down school. No Liberal Party minister ever, whether it was in the Bolte government, the Hamer government, the Thompson government or the Kennett government, has ever set foot in the Epping Primary School. They did not care. They did not care then, and they do not care now.

Honourable members interjecting.

Mr Perton interjected.

Ms GREEN — Not only is this government undertaking the largest public hospital project at the Austin hospital at a cost of over $300 million — a project that would never have happened if this lot had stayed in government; they would have sold it off — but 30-odd beds and three new operating theatres are about to open at the Northern Hospital in August. This government not only builds hospitals, it supports the people who work in them and provides equipment to be used in those hospitals.

This budget will provide more support for health across the board, including the Northern and Austin hospitals, through an injection of $464 million for its hospital demand management strategy. This means that these hospitals will be able to treat more patients. They will benefit from the 900 new nurses to be employed across the state. Hospitals in my electorate will share in the $29 million being spent to improve radiotherapy facilities, which will benefit not only my electorate but all of the northern suburbs. Some $10 million will also be spent in Victorian hospitals to improve their fire risk management.

While I am discussing fire, as a volunteer with the Country Fire Authority, I know that my firefighter colleagues in the 22 brigades that service the Yan Yean electorate welcome the $19 million the government has allocated for volunteer emergency services, the CFA and the State Emergency Service. Like the Minister for Police and Emergency Services, today I also pay homage to the SES volunteer who unfortunately lost his life overnight. I know that the heart of every volunteer emergency service worker in this state goes out to that family.

Whilst I am talking about emergency services, the government will provide 600 new police across the state. In my electorate of Yan Yean people know that this government cares about community safety because in the last two weeks the Minister for Police and Emergency Services came to my home town of Diamond Creek and turned the sod at the emergency services complex which will service Diamond Creek and surrounding areas. We will have a 24-hour police service for the first time, and ambulance and fire services as well — state-of-the-art facilities — something the previous government would never have done. In addition, my electorate is served by two other recently opened police stations, at Eltham and Kinglake.

This government is doing a fantastic job on the environment with the green wedge legislation. My community welcomes this initiative, and the local government in this area welcomes the funds that will assist it in implementing Melbourne 2030.

Farmers in my electorate will welcome the $24 million allocated for weed eradication. It might surprise the National Party and others to learn that there are a lot of farmers in the interface of my electorate of Yan Yean. They want the benefits of the Regional Infrastructure Development Fund (RIDF) to be extended to the interface area.

An honourable member interjected.

Ms GREEN — They know who looks after them.

They welcome the $70 million for the extension of the reticulation of natural gas to communities in country towns and rural interface areas, which were neglected during those seven dark years.

An honourable member interjected.

Ms GREEN — The black hand, that's right.

This government has looked after families, particularly in the interface, and parents who have spent time out of the work force. I have met many mothers who have been out of the work force for a long time and have not had educational opportunities — and with the federal government's education policies they are not likely to get them now, because most mothers have to fund their children's education and so cannot fund their own. However, this government is going to look after them. We will not shelve our plans to look after parents, as the Howard government has done. We have allocated $11 million for grants to assist parents to return to work after raising their children.

An honourable member interjected.

Ms GREEN — I bet we do.

We have also set aside $88 million for the Children First program, which will help families in the suburbs. We have allocated funding for new child-care centres, which will also assist and be linked to kindergartens, preschools and other services for children.

The Yarra Plenty library service in my electorate has the highest number of library users in this country, second only to the City of Brisbane library. I know that those library users will welcome the government's allocation for new books. In short, this is a great budget for Victoria.

I have been interested in some of the contributions from this side of the house. The National Party member for Swan Hill talked about having read the budget papers. I am glad he has, because some of the contributions I heard this morning indicated quite clearly that even after two days some opposition members on this side of the house had not yet read them and certainly did not understand them.

This is a great budget for the people of Victoria, because it delivers in a financially responsible way. It retains Victoria's AAA credit rating, and as promised we have delivered a healthy surplus. I am proud to support the budget, and I commend it to the house.

Mr DIXON (Nepean) — I was in my office listening to this debate and working very hard, but I thought I had to come in and say something, because when you are not actually watching the speakers it makes you aware that you are hearing the same script. It has the same beginning and the same middle — some of the members read their speeches word for word — and there is some variation on the theme towards the end, when members talk about local issues, but basically it is the same old thing.

I wrote down a few things from the heart about how this budget — —

An honourable member interjected.

Mr DIXON — The honourable member says, 'Eyes up', but if I read this word for word it would take me only 1 minute. I put a few thoughts together about how this budget affects me, my electorate and the shadow portfolio area I look after.

Last week I had a premonition about the budget. I saw a sign — in fact, it was a flash — right in front of me as I was sitting in my office along Point Nepean Road, in Rosebud. It was a speed camera going off. Without any investigation or consultation Vicroads has decided that the six-lane highway that goes through Rosebud will now have a speed limit of 50 kilometres an hour. There are two crossings in the area and a third, to the beach, is about to be installed, so there are plenty of opportunities for people to safely cross the road. However, without talking to anybody, Vicroads has said we will have a 50-kilometre-an-hour limit on this major thoroughfare.

Within a very short time signs went up and the speed cameras were out there. There was one opposite my office, and it flashed and flashed and flashed continually. Apparently 1500 motorists were booked on this road, which is a major thoroughfare and which has been a 60 kilometre-an-hour zone for the 22 years I have lived down there. It has become a 50 kilometre-an-hour zone and all of a sudden it is a wonderful revenue raiser. That was the sign I saw.

I did not realise that this government was going to rely so heavily on speed fines to prop up its budget. We have heard all the selective quotes from newspapers around the state and around the country about how wonderful this budget is, but I think the cartoon by Knight in the *Herald Sun* says it all. In the cartoon the Treasurer and the Premier are sitting out in the office here at the top of the front steps. There is a speed camera down on Spring Street and it is flashing away. The Premier asks the Treasurer, 'Is there a budget surplus?', and the Treasurer says, 'In a minute' — meaning 'One more car and we will be in surplus'. That is what I saw at Rosebud.

I will switch now to my portfolio area. I am disappointed because this government said when it went to the people that education would be its no. 1 priority. We have heard of a range of spending that is to happen in various electorates around the state. Some

money has been spent in my electorate, and I make no bones about it. Of course money is going to be spent on education because it is the second biggest portfolio area. Schools are going to built and repaired. It happens year by year; it is nothing new.

But if education really was an initiative and a no. 1 priority you would think the total funding would reflect that. My portfolio of tertiary education and training has received an increase in funding of 1.9 per cent, which is way under the inflation rate. If that is a no. 1 priority it just does not add up.

When I started to look into the budget figures and looked at them more closely there were some horrible surprises for that sector. For example, I added up the first-year implementation costs for things which were promised at the state election and which are now being implemented in the budget, and it came to $1.8 million across the whole sector for the whole state. There are hundreds of thousands of people in the tertiary education and training sector in this state and it got only $1.8 million. Of course there is a promise of some major spending in the never-never. There is going to be $10 million spent on TAFE next year, but I remain to be convinced about that. It is all in the never-never. There is only $1.8 million throughout the whole sector in new initiatives in tertiary education and training.

I went through all the various indicators. In tertiary education and training those indicators include things like participation rates, course completion rates, quality of education and what people think of what has been delivered. I would say that on 90 per cent of the indicators, and there is a whole list of them, when you compare what is going to happen this year, or what the government expects to happen this year, with what it expects to happen next year there is not one increase. They are either all the same or there is a slight slip. If education was your no. 1 priority you would think in a document like that you would be aiming for the stars. You would say, 'We will try to aim up here and try and achieve this next year'. There is no excitement and no incentive in tertiary education and training. It is a matter of steady as you go and saying, 'If it was good enough this year it is going to be good enough next year'. I thought that was very disappointing. I thought that the government would at least aim for improvement, but no, it is aiming for the same next year.

A group of people I have a lot to do with in adult and community education are extremely disappointed with not only the lack of money but also the lack of recognition they have received. They do a wonderful job in educating a whole range of people within our community. One of the most important groups of people they work with is young people who cannot complete their education in a formal institution and who go along to education units that come under a whole range of areas. They might be community houses or others in a whole range of course providers. Those providers have not been recognised in this budget. That is a great disappointment to them, and I know they will be pretty hot to trot when I attend their conference next year down in Geelong.

But the biggest disappointment in tertiary education and training has been the total abolition of payroll tax exemptions for employers of apprentices and trainees. The reason given for this is that it has been rorted. Yes, there has been some rorting in it, but what has it been replaced with? It has been replaced with a completion bonus, as the member for Ripon says. That looks good on paper.

I started to look into this completion bonus and found that the only people who qualify for a completion bonus are those who employ three or more trainees or apprentices. I would expect that that rules out probably about 80 per cent of employers who would like to take on young people and give them an opportunity through training. They no longer have that opportunity or incentive. They will receive $3000 or $1500, depending on whether they have a trainee or an apprentice, but, as I said, it is available only for employers of three or more trainees. That is the greatest disincentive I have ever seen.

The government's own figures in the budget show that in the next financial year it expects only 7670 trainees to actually qualify for that bonus. What about the other 140 000 or so trainees and apprentices out there? There are no incentives for their employers — there is nothing for them. They will be lost. Some of them are lucky because they are in the system and the good employers might keep them on.

Yes, there has been some rorting, but the vast majority have done the right thing. There is no way known that employers are going to take on new trainees and new apprentices because there is absolutely nothing for them in this budget. That is disgraceful. It is something that the media has certainly picked up on. I know there are a lot of people screaming out there. I know there has been a payroll tax reduction of 0.1 per cent in the budget, but that is for those on the payroll now. Many young people are never going to get onto the payroll because no-one is going to train or employ them because any incentive for that has gone out the door.

As to black spot funding for roads in my electorate, the Mornington Peninsula has I think the highest or

second-highest car and pedestrian crash rates in this state. It has received absolutely no black spot funding. What we have been given are 50-kilometre-an-hour zones and a couple of speed cameras to collect revenue. That is not going to do anything about the crash rate. The 100-kilometre-an-hour roads out the back — the Mooroooduc Highway and the freeway — have no black spot funding at all now. The Mornington Peninsula is a very dangerous place to drive and there is nothing there for those roads.

I read with glee that there is going to be I think $20 million or $30 million for safety zones outside schools. I brought this up in this place on Tuesday — or it might have been last week. We have been pushing for four years for a sign at Boneo Primary School. That school is on the corner of two 100-kilometre-an-hour roads, and at 3.30 p.m. everybody is scooting down those roads at 100 kilometres an hour, going to the surf beaches, the wineries or the golf courses.

There are 350 children at that school. All those children come to school or go home by car, and the road is a very dangerous place. Finally, after three years of pushing, Vicroads said 12 months ago, 'Yes, we will fund a sign. The Mornington Shire Council is going to pay the other half'. What has happened? It is still not there. They say they are looking for a cheaper version from Western Australia.

I cannot believe a child has not been killed or badly injured there. If any member applies for this money in any electorate, they will be lucky if they get it four years down the track. That has been the experience of Boneo Primary School.

The member for Mornington mentioned the campus of the Mornington Peninsula Hospital at Rosebud so I will not go into the detail he did. There was a front-page headline saying that Labor was to give $20 million to this project at Mornington. One of the current members for Chelsea Province in the other place, Mr Viney, said, 'Labor promises that this campus will be funded in the 2003–04 budget'. But no, it is not there. It has been forgotten; it is on the never-never. That was their key promise. All the local Labor candidates were there standing on the greenfield site with great big smiles on their faces. That greenfield site is just empty now — there is absolutely nothing there at all.

I think it was the member for Mordialloc who was very pleased about the extra radiotherapy beds in Moorabbin. I think that is great, but every person who requires radiotherapy in my electorate — from Portsea down to Rosebud, McCrae and Dromana — has to be ferried by volunteers to Moorabbin or to the city because there is nothing nearby. And the vast majority of those with cancer — my electorate has the highest aged ratio of any electorate in the state, so the majority of my constituents are retired — have to be driven by volunteers to get to Moorabbin or the city.

I am pleased for Moorabbin, but we have a group of doctors and individuals who have raised the funding, obtained a block of land and are ready to go to set up a radiotherapy centre at no cost to the government, right near the Frankston Hospital. They do not want money; all they want but cannot get — they have been trying to get it, and I have tabled a 10 000 signature petition asking for it — is for somebody from the Minister for Health's office to talk with them and sign the permission form to allow it to go ahead. Every single person they talk to has been shifted to another department, and they get different answers from different people. They just want one person to sign the form. They do not want money, they just want that bit of help. As I said, I am pleased for Moorabbin; but gee, we want something in Frankston so the elderly people in my electorate do not have to be driven by volunteers to get their radiotherapy day after day.

I note that there are going to be reductions, and some efficiency gains, in the Department of Sustainability and Environment. I have a rampant abalone poaching problem along the back beaches of my electorate, where there are vigilante groups. It is just happening in front of them, and there is no visible presence of fisheries officers. I feel sorry for the officers. People ring them up and they have to say, 'Sorry, we are underfunded' — and the poachers just keep on poaching. It is happening day after day down there.

Boating is a huge issue on the Mornington Peninsula. We are crying out for another ramp. It has been planned and has the okay to be built on the foreshore at Rosebud, but there is no money in this budget for it. We will have to wait another 12 months, but we have already been waiting five years.

The old wooden breakwater in an important little harbour at Flinders had to be taken down because it was dangerous: it was breaking away and damaging boats. A new breakwater has been promised and promised and promised, but it has been put on the never-never, because there is nothing in the budget. Local residents will have to wait another year — and I do not think they will ever see it.

There is really nothing in this budget for the Mornington Peninsula. If I had to single out anything at all, I would say to the Minister for Health, 'Please sign

off on that radiotherapy unit in Frankston; it is not going to cost you a cent!'.

Mr HUDSON (Bentleigh) — It is a great pleasure to speak on the budget bill, but I have to say that the response to this budget by the opposition has been pathetic. It has searched around in desperation to find something to say. Opposition members are like Chicken Little, running around telling us the state is on the brink. What would they do to fix the budget? Would they cut services? No, they would not cut services. In every speech we have heard tonight they have been baying for more money for their electorates. Would they cut taxes? No, they would not. What we are on the brink of is the biggest ever infrastructure spend by a government in the public sector — $10 billion over the next four years. What we are on the brink of is having 450 additional teachers and 256 additional student welfare coordinators. We are on the brink of having 900 additional nurses and an additional 600 police. Members of the opposition have been running around trying to tell us that the sky is falling in. The sky is not falling in!

Opposition members say we are plunging the state into debt. They say that we are heading into the dark years. Let us have a look at debt: net debt has increased from 1.2 per cent of gross state product to 1.4 per cent — oh, that is a real problem! This compares to debt being 3 per cent of gross state product in the Kennett years. Three per cent! Was there anyone in the Kennett government then saying, 'We're on the brink.'? No! They did not say it then. Are Standard and Poor's and Moody's saying we are on the brink? No, they are not. But this opposition is running around like Chicken Little telling us that the sky is going to fall in.

And the opposition claims that state taxation revenue has increased dramatically. I heard the shadow Treasurer in here complaining that property taxes have increased. Yes, property taxes have increased, because the economy has increased. And stamp duty is going down over the next three years. In fact if you look at this budget compared to last year's budget, you see that the total revenue increase is 0.5 per cent.

Here we have the Leader of the National Party saying that fees and fines that have increased and been indexed should not have been increased and should not have been indexed. Why should they not? Costs go up; the consumer price index goes up. Why should those fees and fines not be increased? Why should they not increase in line with inflation? Costs increase in line with inflation; the cost of delivering services increases in line with inflation. There is no reason why fees and fines should not do so as well.

Let us go back to taxation revenue. The shadow Treasurer was saying that taxation revenue has increased by 27 per cent over the last five years. Guess what, the economy has grown by more than that over the last five years! If the economy is growing, then of course your taxation revenue is going to grow. Does the opposition want the economy to grow and the size of government to shrink? Perhaps they do on that side of the house, but on this side of the house we believe the economy should be geared to delivering goods and services that the people want, and that is what we are doing.

Let us have a look at taxation revenue. How much is it forecast to grow? It is going to grow by 2.6 per cent per annum for the next three years. And what will the economy do? It will grow by 3.5 per cent for the next three years. So as a percentage of the total economy revenue is actually going to go down from 4.7 per cent to 4.4 per cent.

We have the opposition over there saying that we are a high-taxing government. It is saying we have been ramping up taxes, when taxes are going to go down. It is saying we are high taxing, when our taxes are round about the Australian average. It is saying we are high taxing, when our taxes are 10 per cent below the New South Wales average.

Let us have a look at the record of this government on tax cuts. We have cut over $1 billion worth of business taxes. Payroll tax — we have cut it. Land tax — we have cut it. The duty on non-residential leases has been abolished. The financial institutions duty has been abolished. The duty on quotable marketable securities has been abolished. The duty on unquoted marketable securities has been abolished. The payroll tax on maternity leave has been abolished. The duty on mortgages is to be abolished next year. The bank accounts debits tax is going to be abolished. The stamp duty on property — the rates remain unchanged.

Let us just examine stamp duty for a moment, because throughout last year we had the opposition running around in a hairy-chested kind of way telling us how bad it was that we had such high stamp duty, as it claimed. Week after week they were telling us that they were going to cut this tax. They did not announce anything until we got to the election campaign. When we got to the election campaign we found the Liberals making a promise that they would cut $1000 off the price of buying a median-price house. One thousand dollars! One thousand dollars is about half the cost of one month's mortgage payment for someone buying a median-price house over 20 years or 240 months. That is half a month out of 240 months. That is what their

stamp duty policy amounted to at the last election. No wonder that policy sank without trace. No wonder it went down without a whimper.

Then we hear opposition members saying that we are wasting money. I can see from their position that they think it is a waste of money. We can all remember the Kennett years when they squirreled away billions and billions of dollars and artificially hid the size of the surplus year after year, and that last doozey of a budget from the former Treasurer, Alan Stockdale, that had a several billion dollar surplus that blew out even further during the course of the year.

An honourable member interjected.

Mr HUDSON — Several billion. Keep up: several billion. A couple of billion — $2 billion. Go back and look at the papers.

Who can forget the 1999 election campaign when the then Premier, Jeff Kennett, was out there promising millions of dollars extra expenditure. Week after week during the election campaign he promised that he was going to spend $1 billion on hospitals, that he was going to spend millions of dollars on a whole range of things. Then we got to the last week of the election campaign when the then Treasurer, Alan Stockdale, issued the Liberal's financial statement. It said that over four years the extra money to be spent on the bottom line of the budget was $85 million. Everything they had announced during the campaign were already commitments they had built into the forward estimates — for hospitals and for every other service. Treasurer Stockdale belled the cat and said, 'Yes, that is what we are really like. All we really want to spend is $85 million'.

Opposition members say we are wasting money, and I can understand it from their point of view because they hate spending money on services. They think it is much better to squirrel it away and have big budget surpluses. They do not believe in using the benefits or fruits of the economy to deliver services to the people of Victoria where they need them. The opposition claims it is a waste of money. Let us look at the outcomes the opposition says are a waste of money. Let us look at the spending on health. As a result of the spending this government is committing to health we will treat an extra 35 000 patients a year — in fact every year we have been in government we have treated an extra 35 000 patients on top of the extra 35 000 we had treated in the years before.

This government has been getting into the waiting lists. We have been treating more patients and have been doing far better than anything the former government did. Let us look at the number of people presenting at hospital emergency departments. Over the next year we will treat an extra 47 000 people in emergency departments — 47 000 people that the former government did not treat, 47 000 people that it left lying on trolleys, many of whom would have been more properly catered for through the aged care nursing home places that should be approved by the commonwealth government.

Let us look at retention rates for years 7 to 12 in all Victorian schools. When we came to government in 1999 the school retention rate was 81 per cent for years 7 to 12; after three years we have lifted that retention rate to 85 per cent. We are well on track to achieving the target of having 90 per cent of our year 12 students getting some sort of vocational qualification.

Let us look at the preschool participation rate. When we came to government that rate was 91 per cent; in three years we have lifted that rate to 96.4 per cent. Let us look at what the Kennett government did to preschools. It cut funding to kindergartens by 25 per cent, it forced the kindergarten committees to lift their fees by 200 per cent, and it forced most of the kindergartens to move to a situation where they had to employ part-time teachers. We saw a mass exodus of preschool teachers from the system because they were being paid peanuts. We had a system that was in total collapse. We have been able to introduce reforms that have seen a 20 per cent real increase in wages for preschool teachers; that brings them not quite up to parity with primary school teachers, but at least they are getting a decent wage and getting close to parity. What would the opposition say about that? It would say it is a waste of money.

Let us take class sizes for P–2. The opposition has pooh-poohed this, but class sizes have gone down. They have also gone down for the older grades. Have a look at your class sizes!

Honourable members interjecting.

Mr HUDSON — They have gone down.

Let us have a look at community safety. Last year we had the member for Doncaster running around saying we had a crisis around crime in this state. He was running around saying that we needed to have minimum sentences; but he would not quite use 'mandatory sentences' because he likes to style himself as having a progressive, liberal legal mind.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The DEPUTY SPEAKER — Order! Under sessional orders the time has come for me to interrupt business for the adjournment of the house.

Mitcham–Frankston freeway: local traffic

Mr HONEYWOOD (Warrandyte) — The matter I wish to raise is for the attention of the Minister for Transport. I know he has had a bad week but I ask him to come into the house tonight and agree to take action to investigate the impact of the proposed Mitcham–Frankston tollway on local main roads in Warrandyte, Park Orchards and the Donvale area of my electorate.

We have already found genuine concern that depending on where the tolling mechanisms are situated along this freeway that has become a tollway we will have a large number of local streets become rat runs The member for Yan Yean takes an active interest the *Warrandyte Diary* and it has come out this month with a heading 'Freeway toll danger — local roads could bear the brunt of rat-running traffic'.

We already have a problem with the main street in Warrandyte. At a recent Warrandyte Community Association meeting people were calling for a lowering of the speed limit from 60 kilometres an hour to 50 kilometres an hour. In the past the Minister for Transport and his department have resisted any request to lower the speed limit to 50 kilometres an hour. My constituents, and those of the member for Yan Yean, are concerned that we will have more traffic, not less traffic diverting off the existing Eastern Freeway where it terminates at Springvale Road through local roads such as Park Road, Warrandyte–Ringwood Road and Blackburn Road to avoid paying any of the Bracks government's road taxes.

I ask the Minister for Transport to come in at this early stage of planning for the tollway, which we know will be shunted off for many years, and have a thorough, professional investigation of the impact on local roads of the location of those tolling mechanisms. While we have heard from the Premier that he will not do anything to discourage traffic going off onto local roads in my electorate and thereby avoiding paying the toll, I put it to him that unless he does something there will be major problems for my constituents and those of the member for Yan Yean in terms of the potential for local roads to be impacted upon.

The Minister for Transport has still not given any assurance to the Park Orchards community that he will not proceed with on-ramps and off-ramps from the freeway extension, which is now a tollway, into Park Road. Park Road was made for local orchardists to get their crops to and from market, and it has never been upgraded. Already on the planning books the minister is proposing ramps onto and off Park Road which would make that whole suburb, with schools adjacent to that country road, a major rat run.

Gaming: problem gambling

Mr LANGUILLER (Derrimut) — Tonight I wish to raise a matter for the attention of the Minister for Community Services. Problem gambling is a phenomenon that crosses all boundaries and places great pressures on families. In the western suburbs of Melbourne, and in my electorate of Derrimut in particular, there are major issues confronting service providers in reaching out to problem gamblers, particularly those from ethnic backgrounds. I ask the minister to take action to forge a better and closer working relationship with community groups to ensure that problem gambling services are far reaching, flexible and culturally sensitive.

I understand that on average in terms of gaming machine losses per capita the City of Maribyrnong has the second highest level of gaming losses in the state while the municipalities of Brimbank, Hobsons Bay and Melton have above average rates of loss for problem gamblers. We need to do more to better understand the impact of problem gambling on these culturally and linguistically diverse communities.

Different communities have different attachments to gaming and different views on losing money to gaming. However, the losses, whatever your ethnicity, can be devastating and can tear families and communities apart. I know that many community organisations are committed to working in partnership with the government, such as the Salvation Army and Isis Primary Care at St Albans, to better reach ethnic communities on the subject of problem gambling.

Certainly the Bracks government has shown great leadership in tackling problem gambling and has led the nation in the development of programs to target problem gamblers. We have rejected the secrecy of the previous government and put in place a transparent gambling regime that is reaching more problem gamblers than ever before, rather than using the Kennett approach, particularly in the western suburbs, of 'out of sight, out of mind'.

A number of issues need to be addressed in a culturally and linguistically diverse way. For example, let me deal

with the concept of shame. The issue of shame is one that needs to be dealt with culturally. Shame in the Vietnamese community is not conceptually the same as that in Mediterranean communities. Our government's research by the Victorian Casino and Gaming Authority on the impact of gaming on specific cultural groups identified issues that we need to deal with. One common thread that came through from the consultation and discussions with the ethnic communities related to migration. It appears that we also need to deal with that issue when we deal with problem gambling.

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

Trucks: roadworthiness

Mr DELAHUNTY (Lowan) — I raise a matter for the attention of the Minister for Transport. The issue causing major concern in Lowan is the limited number of heavy-vehicle testers for the very important transport industry. The action I ask of the minister is that he review the process of dealing with defect notices on heavy vehicles in country Victoria in general and the Lowan electorate in particular.

Many trucking companies are concerned about their inability to have roadworthy inspections in their area. As we know, transport is a vital issue for country Victoria and particularly, in this case, for the road transport industry. I have spoken to many transport companies about this matter — Peach's Transport of Hamilton, Roger Perry Bulk Haulage of Horsham, Wimmera Container Line of Horsham, Moore's Bulk Haulage of Horsham, English Transports and K. & J. Baker Cartage. These are just a few of many in the transport industry in western Victoria.

I will read a letter I received at my office from one of the companies:

> I am writing to your office to raise the following concerns.
>
> As a company we are experiencing the problems of the clearance of default notices on heavy vehicles.
>
> …
>
> When one of the vehicles is issued with a default notice, the necessary works are completed at Hamilton and the vehicle then needs to be driven to Casterton for a roadworthy check to be completed and for the clearance of the vehicle. This involves a drive, loss of production and other associated expenses.

I thank the library for its support this afternoon in getting a copy of a defect notice, and I also thank the public service officers and the Brunswick police who gave me a Vicroads/Victoria Police defect notice. The form requires details of the vehicle and whether it is a visual or a full roadside inspection, states the date after which the vehicle must not be used and provides for a clearance notification. I also have a copy of the sticker — the canary we often talk about — which states whether it is a major or minor defect, and on the back of that is the defect notice. As I say, if they tick it as a minor defect it is not a big problem, but if they tick it as a major one we need the heavy-vehicle testers.

When I looked at the list of heavy-vehicle testers in the Wimmera I found that the only one in the Hamilton area is Coxon's of Henty Street, Casterton. So as you can see by the letter, these people have to travel long distances to get an inspection. We need some commonsense and flexibility in relation to this. We need Vicroads to serve the trucking companies, not to be working only bankers hours, and to bring together the trucking companies, the vehicle testers, Vicroads and the police to try to resolve this issue, which is causing major problems in country Victoria.

Casey: Growing a Green Web program

Mr WILSON (Narre Warren South) — I call upon the Minister for Environment to act now to investigate the need for the further development of wetlands, parklands and tree planting in the Narre Warren South electorate as part of the Growing a Green Web program.

Growing a Green Web aims to establish corridors of indigenous flora across the metropolitan area, including the City of Casey, to form a city-wide green network. Since 1996 over 90 000 indigenous plants have been planted, complemented by more than 450 educational sessions in the City of Casey. Jointly funded by Casey and Parks Victoria, the project would not be possible without the support of the various friends groups, community organisations and volunteers.

Some of the groups of note in my electorate include Don Bosco Primary School, Kilberry Valley Primary School, Narre Warren Primary School, the Friends of River Gum Creek, Narre Warren South Conservation Group, the Oakgrove community centre, Rotary clubs, guides, scouts and countless volunteers.

Activities such as seed collection, revegetation, plant propagation, waste collection and environmental training will help to continue the expansion of the greening of the City of Casey and improve the environment for the electorate of Narre Warren South.

In conjunction with the Growing a Green Web program Casey also runs an annual environmental expo, which

is attended by over 2500 schoolchildren. Activities this year included water watch, the Gould League, Our Planet Enterprises drama performances, indigenous arts activities, Environment Protection Authority air watch programs, coastal action and Country Fire Authority community safety programs, as well as activities in the Pearcedale Conservation Park in the electorate of my colleague the member for Hastings.

Students of the local schools who attended the program and said how valuable it was included students from Beacon Hills Christian College, Fountain Gate Primary School, Hallam Valley Primary School, Heritage College Christian School, Courtenay Gardens Primary School and Brentwood Park Primary School.

To highlight a few of the other groups involved with the environment I note the valuable work of Rod Charles and Phil Hughes of the Narre Warren South Conservation Group. They have led their group in many activities, including many years of work with the Clean Up Australia Day activities and the tree planting in the newly developed suburb of Narre Warren South. The group, as well as improving the environment, seeks to use these activities to bring together the new members of the local community at the Oakgrove community centre. This group seeks to have further wetland areas developed in Narre Warren South.

The Friends of the River Gum Creek are ably led by Tony O'Hara. This group pushed for strategic planning of River Gum Creek and worked with Melbourne Water on its plan and implementation. For Mr O'Hara's outstanding work in the community he was awarded the Casey Citizen of the Year award for 2003.

I wish all members of the community in the City of Casey happy planting in this Growing a Green Web program.

Forklift operators: safety

Mr MULDER (Polwarth) — The issue I wish to raise for the Minister for Workcover is in relation to the zero tolerance rule and the lack of accountability of forklift operators. Employers in my electorate have attended workshops on forklift safety and are keen to ensure that they maintain a safe working environment and that licensed forklift operators carry out their work in a safe manner at all times.

After testing forklift operators are issued with a licence to drive a forklift and agree to abide by a set of rules, much as drivers of motor vehicles and trucks do — in fact, it could be argued that forklift drivers operate in a somewhat more dangerous work environment than drivers on a road. When a truck driver breaks a road rule — by going through a red light, for example — it is the truck driver who must pay the fine and lose the demerit points, not the company that employs them to drive. If a forklift driver is involved in misconduct they may need to be treated in a similar manner, especially if their behaviour puts the safety of others in the workplace at risk.

Given that the majority of employers are fully supportive of workplace safety initiatives and are quite willing to take responsibility for incidents caused through employer actions or policies, it would seem unfair that they be held accountable for the misconduct of forklift operators when the forklift operator goes out of their way to behave in an unsafe manner, driving a forklift in a way that puts other workers in the workplace at risk.

The situation for employers in this regard, if they have someone who operates in such a manner, is that they cannot deal with them because of the unfair dismissal regulations. If someone drives in such a dangerous manner as to put people's lives at risk, employers are hamstrung in what they can actually do. I ask the minister to review the zero tolerance rule for incidents involving forklifts to ensure that forklift operators are accountable for their own actions and that those actions are not in contradiction to policies put in place by employers who promote a safe work environment.

Employers in their own right have gone along to these seminars with potential operators and have agreed to abide by everything that has been put in place for them to run a safe workplace. But they cannot deal with misconduct, and that is the issue I want the minister to look at.

Hastings Road, Frankston: pedestrian crossing

Mr HARKNESS (Frankston) — The issue I wish to raise tonight is for the attention of the Minister for Transport. Road safety is a very important issue in my electorate of Frankston. The action I seek from the minister is an assurance that the state government will construct a pedestrian crossing on Hastings Road, Frankston.

A pedestrian crossing is urgently required on this road adjacent to the Frankston Hospital. Hastings Road is a very busy thoroughfare, having two lanes in each direction. Motorists use it as a road for accessing the Frankston central activities district and also to access the new and improved Frankston Hospital. It is also a bus route and a popular route for vans and trucks wanting to access Frankston.

Over the course of time many specialist medical services have established premises on the northern side of Hastings Road, an example of which is Gribbles Pathology. Many hospital patients require these services as part of their medical treatment, and clients of the specialist services must also access the hospital. Staff at both the hospital and the surgeries of specialists also must cross this busy road. Frankston has an ageing population, and many hospital users are older Victorians. The nearest set of traffic lights, at the intersection of Hastings and McMahons roads, is too far to walk to in order to cross the road, and it is unreasonable to expect older residents to walk hundreds of metres to access medical services. Residents, patients, hospital visitors and staff recognise that a pedestrian crossing is required here as a matter of urgency.

With the assistance of the minister and other Labor members of Parliament, last year the speed limit on Hastings Road was reduced from 70 kilometres an hour to 60 kilometres an hour. This has provided considerable assistance to people attempting to cross the road. However, many people still take their lives in their hands when attempting to cross this carriageway. Vicroads informs me that between 1999 and 2003, 20 pedestrians sustained injuries on Hastings Road and 4 people lost their lives.

I know the Bracks government is committed to providing the highest possible standards of safety for all road users, including pedestrians. To ensure that our young, our elderly and other pedestrians are provided with the safest possible road environment, the Bracks government allocated over $14 million to black spot road funding between 1999 and 2002. That is in stark contrast to the miserly funding for Frankston roads by the previous Kennett government.

As the local member I am standing up for Frankston. I am proud to be a member of a government that is getting on with the job of delivering for all Victorians. Safer roads provide for a safer community. I will continue to stand up for Frankston, both as the local member and as a member of the parliamentary Road Safety Committee, to ensure that Frankston gets the safe pedestrian crossings it deserves. This pedestrian crossing is urgently needed, and I appeal to the Minister for Transport to ensure that it is constructed as soon as possible.

Balcombe Road, Black Rock: traffic control

Mr THOMPSON (Sandringham) — Tonight it seems all roads lead to Thomastown. The matter I wish to raise is also for the Minister for Transport.

Twelve months ago I raised with the minister the important concerns of residents and other people associated with St Joseph's Primary School in Balcombe Road, Black Rock. There was a request by the school community, in particular the principal, Annette Brewer, and a number of parents — namely, Chris Morley, Toni Borrett and Alby Bardoel — to have a new crossing installed with electric signals which would help mitigate the prospect of there being a serious accident at the site, where a number of children cross each day.

Balcombe Road is a busy road which runs east-west, and in certain conditions and at times when children are accessing the school from the other side of the road there is a risk to them. There is a school crossing supervisor. In the current budget some $6 million or so is provided for remediation works, which would enable the installation of variable electronic speed limit signs.

As the matter was not able to be resolved some 12 months ago, I asked the minister whether there may be scope for the concerns of the St Joseph's Primary School committee in Black Rock to be addressed by the policy of the government in terms of the installation of variable electronic speed limit signs outside the school, and a speed limit of 40 kilometres an hour would mitigate the risk of an accident arising at this particular location.

Gembrook–Launching Place and Gembrook–Pakenham roads: safety

Ms LOBATO (Gembrook) — I raise a matter for the Minister for Transport with regard to the intersection where Gembrook–Launching Place Road and Gembrook–Pakenham Road meet in Gembrook. I ask the minister to investigate the issue with the view of finding a remedy to improve the safety of the intersection.

Before doing so I take this opportunity to express my sympathy to the family, friends and colleagues of Rod King, a State Emergency Service worker who was tragically killed in the early hours of this morning attending to SES duties at Launching Place. Rod King was a constituent of mine who lived in Wesburn. I pay my respects to him as a dedicated SES volunteer and to his family.

There has been community concern for the safety of motorists for some time in regard to this intersection in Gembrook. I share the concern because of the constraints on visibility that are experienced when approaching the intersection, particularly when coming from the Gembrook–Launching Place Road end, where

a row of environmentally significant trees on the left-hand side restricts vision significantly and causes the intersection to be dangerous.

These roads are frequently used by large trucks and on weekends are used by numerous visitors travelling from the south-east into the Upper Yarra corridor. There have been several near misses at this intersection, and the issue is a constant source of discussion at the Gembrook township committee meetings, with Bob Farr and John Cascone regularly lobbying for a remedy.

I have been asked by residents whether it might be possible to realign the intersection and to remove the foliage from the trees. I ask the minister to investigate those issues.

Planning: Camberwell Junction

Mr BAILLIEU (Hawthorn) — I raise a matter for the Minister for Planning on behalf of my constituents, particularly constituents in Camberwell. The matter goes to the development of Camberwell Junction, and in particular a proposal to develop the Camberwell station precinct. There is enormous concern in my electorate amongst constituents about this proposal. What I am asking the minister to do is to rule out now that she will force this project on the residents of Camberwell, and in particular to rule out the prospect of high-rise developments for the Camberwell Junction and Camberwell station area.

I note that this proposal has been recently floated without consultation with residents and without the knowledge of the council, which has caused considerable consternation. The reality is that Camberwell Junction is already very densely populated. It is the subject of heavy traffic because there is a shortage of car parking. The Camberwell station precinct offers a degree of separation between the business precinct and the residential precinct, and the prospect of a high-density, high-rise development at Camberwell station is simply not wanted. The consultations the opposition has carried out with residents have indicated that quite clearly.

In making this request of the minister, I refer to an article in the property section of the *Weekend Australian* of 26 and 27 April in which a noted architect commented about Camberwell Junction and a couple of other precincts in metropolitan Melbourne. He had a number of things to say. The article is entitled 'Where will all the towers go?', and the gist of it is that Camberwell Junction is proposed as a place for high-rise towers. It states:

> The least intrusive solution is to develop medium to high-rise solutions, rather than linear medium-density developments.
>
> The thesis we are putting forward is that high-rise buildings on one site with fast-moving shadows are a far better outcome than a whole series of medium-density buildings, accommodating the same number of people but spread through the community.

I can assure the minister that that is not what the residents of Hawthorn, Camberwell and Canterbury are looking for, nor is that sort of development suitable in Camberwell. I ask the minister to rule out the prospect of this being forced on the people of Camberwell.

Australian Bureau of Statistics: small business surveys

Mr ROBINSON (Mitcham) — I raise an issue for the attention of the Minister for Health, who represents the Minister for Small Business in another place. It concerns small businesses in the Mitcham electorate, and I dare say across Victoria, who are required to engage in surveys with the Australian Bureau of Statistics (ABS). This issue has come to my attention on a number of occasions over the past few years.

I ask the minister to take up this matter with her interstate colleagues at various councils and with the federal government to see whether we cannot work towards achieving some form of appropriate compensation for businesses and small business owners in this position.

The power of the ABS to collect information and data from Australian citizens and businesses is of long standing, going back, I think, to a commonwealth act of 1905. It is a very good thing, because governments require that sort of information to plan for optimum economic and social growth. But what has changed in recent years is that the ABS, again quite properly, has as a business unit been earning increasing levels of income through the sale of the information. In 1999–2000 it earned some $21 million through the sale of goods and services. I would anticipate that that figure will grow over time.

All of us in this place work on behalf of small businesses to try to ensure that the burden of paperwork and red tape that confronts them, whether it emanates from local, state or federal government, is eased. Increasingly the call from small business is that the red tape, despite the best efforts of people in places like this, only seems to increase.

It would seem only fair that when small business owners are required to spend time, with the threat of being fined and convicted if they do not, completing

detailed surveys about their business operations — and when money is raised by the ABS from the sale of that information on a commercial basis — they should be compensated in some form or another.

I am not sure what the most appropriate form of compensation would be, but discussions between ministers at the appropriate councils — —

Mr Baillieu interjected.

Mr ROBINSON — They are in great demand and are likely to be snapped up. We hope to see the honourable member for Hawthorn down at a Box Hill Hawks football match, but I will save that for another adjournment debate.

I hope the Minister for Small Business can take up this issue.

The DEPUTY SPEAKER — Order! The honourable member's time has expired. Ten matters having been raised in the adjournment debate, that concludes the time allocated for raising matters.

Responses

The DEPUTY SPEAKER — Order! The Minister for Health, responding to matters raised for the Minister for Transport by the members for Warrandyte, Frankston, Sandringham, Gembrook and Lowan; the Minister for Community Services, by the member for Derrimut; the Minister for Environment, by the member for Narre Warren South; the Minister for Planning, by the member for Hawthorn; and the Minister for Small Business in another place, by the member for Mitcham.

Ms PIKE (Minister for Health) — A number of matters were raised by various members for various ministers, and I will be happy to ensure that these matters are referred to them.

The DEPUTY SPEAKER — Order! There was also a matter raised for the Minister for Workcover by the member for Polwarth.

Ms PIKE — I will be very happy to pass that on.

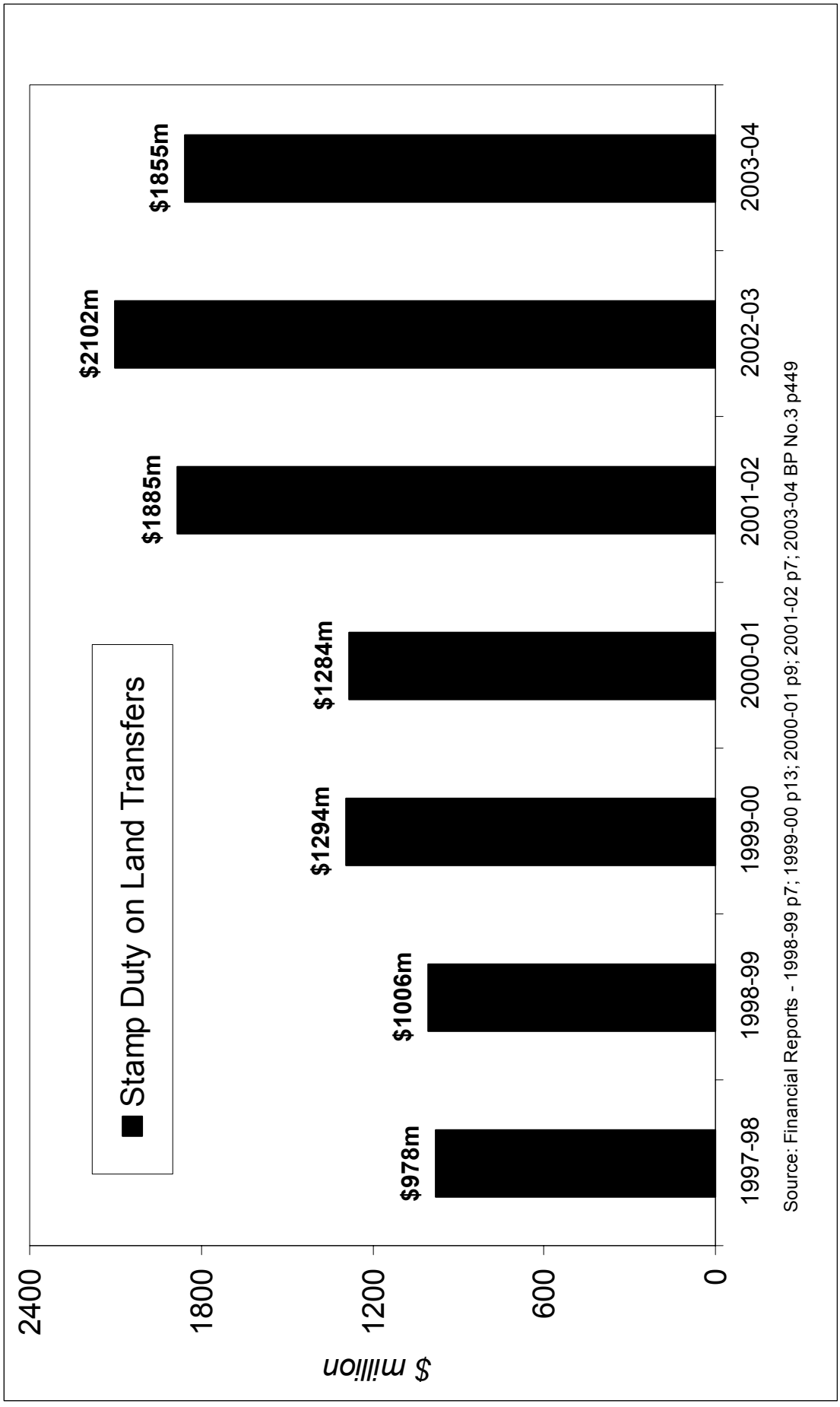
The DEPUTY SPEAKER — Order! The house stands adjourned.

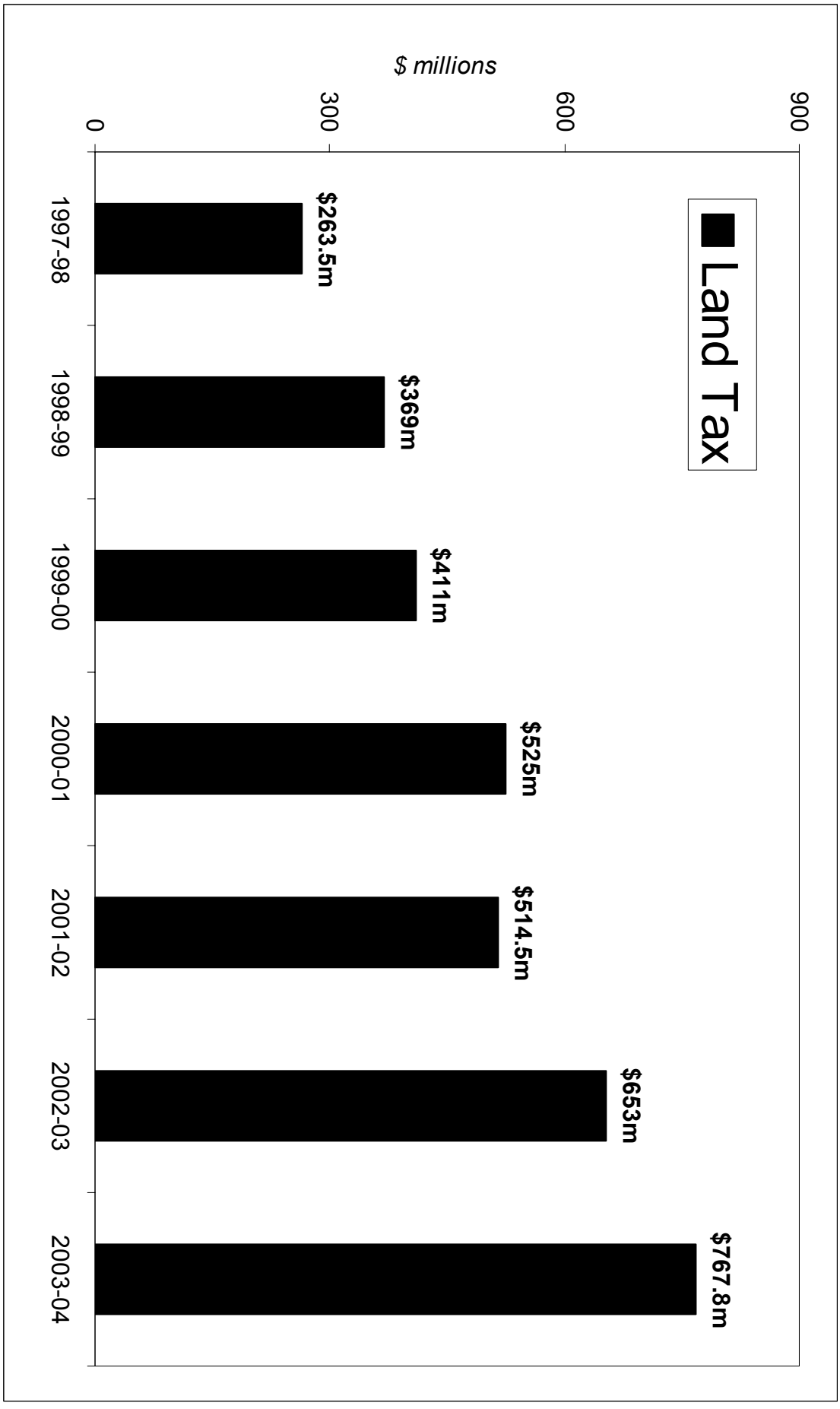
House adjourned 10.30 p.m. until Tuesday, 20 May.

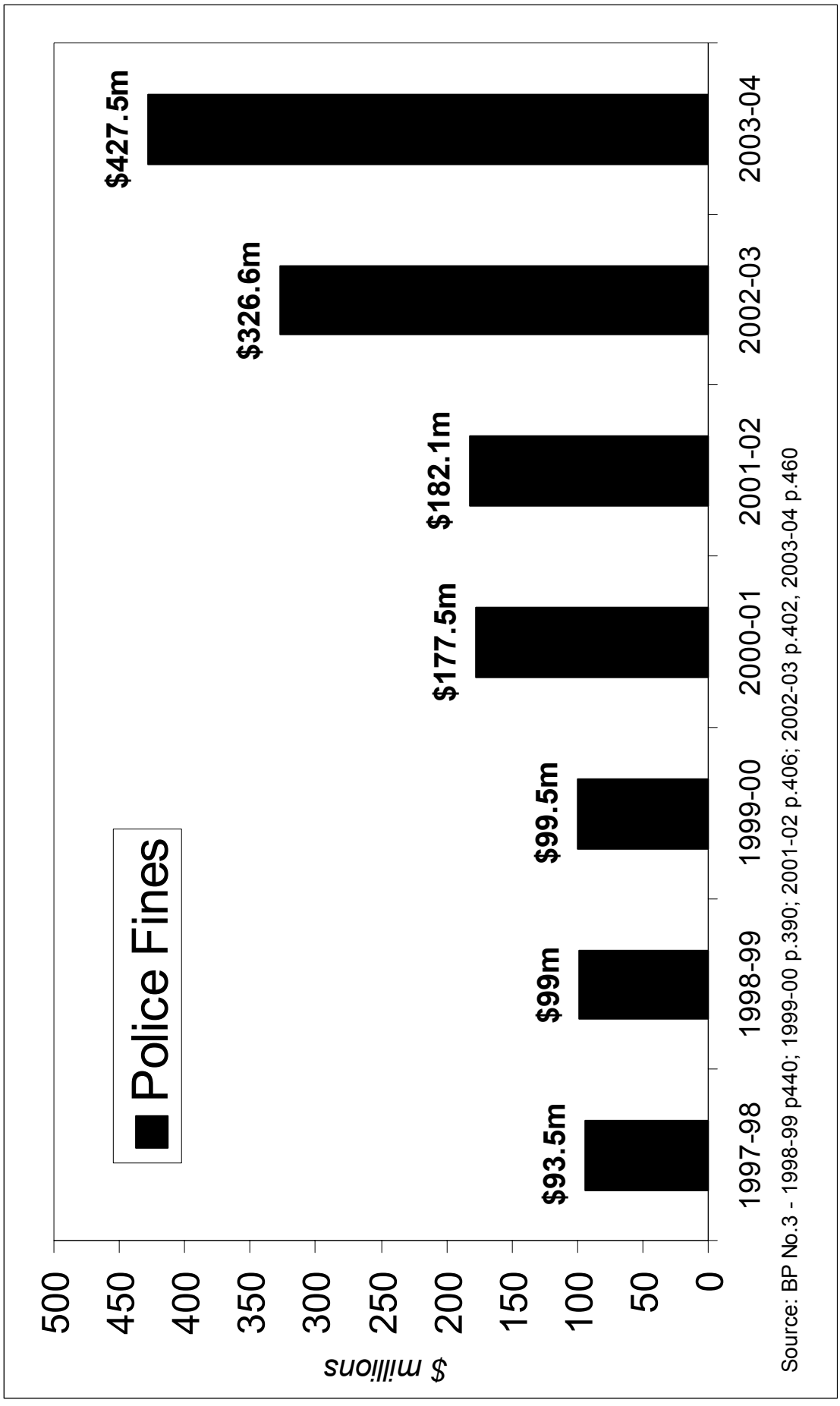
Where has the money gone?
Victorian Budget — changes since 1998–99

	1998–99 Actual (excluding abormals)	2003–04 Budget estimates for 2002–03	Change $m	Change %	2003–04 Budget estimates for 2003–04	Change $m	Change %
Revenue from operating activities							
Taxation (adjusted for GST)	8,855.9	11,952.7	3,096.8	35.0%	12,296.6	3,440.7	38.9%
Fines and regulatory fees	330.1	550.9	220.8	66.9%	637.2	307.1	93.0%
Investment revenue	1,339.0	1,231.0	–108.0	–8.1%	895.9	–443.1	–33.1%
Grants (adjusted for GST)	7,480.0	9,351.4	1,871.4	25.0%	9,544.6	2,064.6	27.6%
Sales of goods and services	1,428.3	2,021.8	593.5	41.6%	2,047.2	618.9	43.3%
Revenue from outside operating activities							
Gain (loss) from disposal of physical assets	6.7	–5.3	–12.0	–179.1%	–7.3	–14.0	–209.0%
Fair Value of Assets Received Free Charge or for Nominal Consideration	65.5	62.8	–2.7	–4.1%		–65.5	–100.0%
Inter-sector capital asset charge	493.0	501.0	8.0	1.6%	514.0	21.0	4.3%
Other	922.4	797.5	–124.9	–13.5%	670.1	–252.3	–27.4%
Total Revenue	20,920.9	26,463.8	5,542.9	26.5%	26,598.4	5,677.5	27.1%
Expenses from ordinary activities							
Employee entitlements / wages	6,983.7	9,263.1	2,279.4	32.6%	9,597.7	2,614.0	37.4%
Superannuation expenses	1,303.7	2,802.3	1,498.6	114.9%	1,950.8	647.1	49.6%
Depreciation	776.2	962.0	185.8	23.9%	1,024.8	248.6	32.0%
Amortisation	28.6	62.3	33.7	117.8%	67.9	39.3	137.4%
Borrowing costs	735.7	496.9	–238.8	–32.5%	483.3	–252.4	–34.3%
Grants & Transfer payments	3,595.6	4,179.1	583.5	16.2%	4,537.2	941.6	26.2%
Purchase of supplies and services	5,346.8	8,401.3	3,054.5	57.1%	8,598.2	3,251.4	60.8%
Other expenses	344.6	136.8	–207.8	–60.3%	94.0	–250.6	–72.7%
Total Expenses	19,114.9	26,303.9	7,189.0	37.6%	26,353.9	7,239.0	37.9%
Operating surplus	1,806.0	159.9	–1,646.1	–91.1%	244.5	–1,561.5	–86.5%

Source: 2002–03 Budget Paper No.2, pp 242, 244; 2003–04 Budget Paper No.2, pp. 104, 164, 266,


$ million
2400
1800
1200
600
0
Stamp Duty on Land Transfers
$978m
$1006m
$1294m
$1284m
$1885m
$2102m
$1855m
1997-98
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Source: Financial Reports - 1998-99 p7; 1999-00 p13; 2000-01 p9; 2001-02 p7; 2003-04 BP No.3 p449


$ millions
0
300
600
900
Land Tax
1997-98
$263.5m
1998-99
$369m
1999-00
$411m
2000-01
$525m
2001-02
$514.5m
2002-03
$653m
2003-04
$767.8m


Police Fines
$ millions
500
450
400
350
300
250
200
150
100
50
0
$93.5m
$99m
$99.5m
$177.5m
$182.1m
$326.6m
$427.5m
1997-98
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Source: BP No.3 - 1998-99 p440; 1999-00 p.390; 2001-02 p.406; 2002-03 p.402, 2003-04 p.460

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Wednesday, 7 May 2003

Transport: Broadmeadows service

1. **Mr MULDER** — To ask the Honourable the Minister for Transport with reference to the electric suburban train service that left Broadmeadows station without a driver at approximately 21:17 on 3 February 2003 —

(1) Was the train switched to the most easterly track (closest to Festival Hall) between North Melbourne and Franklin Street Junction.

(2) Do broad and standard gauge lines share this track over the Harbour Esplanade (former Dudley Street) bridge.

(3) Was the standard gauge 'Overland' passenger train between 10 and 15 minutes late from its scheduled departure time of 21:30 for Adelaide on that night.

(4) What time did the driverless suburban train pass through Franklin Street Junction.

ANSWER:

The Australian Transport Safety Bureau is conducting ongoing investigations into the train that departed Broadmeadows station without a driver on 3 February 2003.

The Government will make the report public as soon as it is available.

Transport: Z class trams

37. **Mr MULDER** — To ask the Honourable the Minister for Transport —

(1) Has substantial internal damage such as graffiti occurred to trams such as Tram No 185 since they have been refurbished by M Tram.

(2) Has any consideration been given to replacing the white-painted interior panels with a more graffiti-resistant design.

(3) What is the typical cost incurred for refurbishment of a Z, Z1 or Z2 class tram in the M Tram fleet.

ANSWER:

M Tram advises that graffiti damage in trams is rare and refurbished trams are no more likely to be damaged than other trams.

The white surfaces in the refurbished fleet are powder coated steel. This surface has been chosen specifically for durability and ease of cleaning, unlike the laminate surfaces they replace, which are very porous and more difficult to maintain.

Payment for a tram refurbishment is in accordance with the amount set in the Swanston Trams Franchise Agreement (as amended).

A copy of the Franchise Agreement is available at www.contracts.vic.gov.au

Transport: Comeng rail carriage repairs

39. **Mr MULDER** — To ask the Honourable the Minister for Transport with reference to rail carriages damaged in the Epping accident on 18 June 2002 —

(1) What costs have been incurred in repairing each of the Comeng motor carriage 698M and 634M motor carriage.

(2) What costs have been incurred in repairing each of the other two carriages.

(3) What amounts have been incurred for repairing each of these carriages by —

(a) National Express Group;

(b) Victorian Rail Services Pty Ltd;

(c) Alstom;

(d) Department of Infrastructure;

(e) insurers; and

(f) other parties.

(4) On what date are any investigative reports into this accident expected to be released.

ANSWER:

The costs for the repairs to the carriages damaged in the Epping accident are to be borne by Connex and its Insurers as stipulated in the Franchise Agreement.

The Department of Infrastructure has not been advised of the costs.

The Australian Transport Safety Bureau has indicated that the Investigation Report on the Collision of the Connex Train at Epping is expected to be furnished to my office by May 2003.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
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The portfolio of the minister answering the question on notice starts each heading.

Thursday, 8 May 2003

Housing: public housing vacancies

28. **Ms ASHER** — To ask the Honourable the Minister for Health, for the Honourable the Minister for Housing, what are the addresses of public housing in Hampton and East Hampton that have been vacant at any stage over the past two years and what is the length of time these premises have been vacant.

ANSWER:

I am informed that:

It is not considered appropriate to state the addresses of Hampton and Hampton East properties owned by the Director of Housing to maintain the privacy of the tenants currently residing in them.

In Hampton, the length of time properties were vacant averaged 40 calendar days during the last 2 years. In the same period, units within a 12-unit walk-up block in Hampton were vacant for an average of 431.3 calendar days due to substantial upgrade works.

In Hampton East, the length of time properties were vacant averaged 37 calendar days during the last 2 years. In the same period, there was 1 property with a vacancy period of 160 calendar days due to substantial upgrade works.

Transport: graffiti

38. **Mr MULDER** — To ask the Honourable the Minister for Transport —

(1) How often is graffiti cleaned from structures such as bridge piers located between Richmond and Flinders Street stations and North Melbourne and Spencer Street stations.

(2) Are the graffiti-covered South Yarra and North Melbourne Junction signal boxes redundant.

(3) Are the South Yarra and North Melbourne Junction signal boxes scheduled for demolition or retention; if the latter, when will the graffiti be removed.

ANSWER:

Arrangements are in place with the transport operators to promptly remove obscene or offensive graffiti from infrastructure between stations.

There is no intention to demolish South Yarra or North Melbourne signal boxes.

Agriculture: fishing licence revenue

68. **Mr DIXON** — To ask the Honourable the Minister for Agriculture representing the Honourable Minister for Resources —

(1) What dollar amount from fishing licence revenue will be spent on boating facilities.

(2) What percentage of the fishing licence revenue will be spent on boating facilities.

ANSWER:

1 and 2 —

This question was incorrectly directed through me to the Minister for Resources and as Fishing Licence Revenue issues fall within my portfolio responsibilities I am responding on his behalf.

The Recreational Fishing Licence Trust Account was established to fund projects that serve to improve recreational fishing in Victoria, not to improve recreational boating facilities. Although some projects which have been funded may be utilised by recreational boaters, the principal purpose of the projects is to provide facilities to improve the recreational fishing experience in that particular location.

No recreational fishing licence revenue will be spent specifically on boating facilities as these will be funded from revenue raised from the recently introduced Boat Operator Licence.

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