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FIFTY-FIFTH PARLIAMENT

FIRST SESSION

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Tuesday, 20 May 2003

The PRESIDENT (Hon. M. M. Gould) took the chair at 2.02 p.m. and read the prayer.

ROYAL ASSENT

Message advising royal assent to:

13 May

Commissioner for Environmental Sustainability Act
Commonwealth Games Arrangements (Amendment) Act
Country Fire Authority (Volunteer Protection and Community Safety) Act
Federal Awards (Uniform System) Act
Major Events (Crowd Management) Act
Melbourne Cricket Ground (Amendment) Act
Murray-Darling Basin (Amendment) Act
Outworkers (Improved Protection) Act
Port Services (Port of Melbourne Reform) Act
Seafood Safety Act
Southern and Eastern Integrated Transport Authority Act
University Acts (Amendment) Act
Vocational Education and Training (TAFE Qualifications) Act

20 May

Firearms (Trafficking and Handgun Control) Act

QUESTIONS WITHOUT NOTICE

Local government: charges

Hon. R. DALLA-RIVA (East Yarra) — I direct my question without notice to the Minister for Local Government. Local councils have voted in favour of inbuilt annual price rises on dozens of fees and fines and have said that they will lobby the state government to legislate the changes. My question is: will the minister support the Victorian ratepayers being hit with annual increases in council collected fees and fines just as the government has slugged every Victorian by indexing car registration, speeding fines and hundreds of other fees and charges?

Ms BROAD (Minister for Local Government) — As I am sure members opposite know fully well, fees and fines set by local government by-laws are matters for local government to determine. As I have explained to the house on numerous occasions, unlike the former Kennett government, this government is not in the business of dictating to local government in relation to rates, and it is certainly not in the business of rate capping.

Some fees and fines are set by state government regulation but collected and retained by local government. For those types of fees and fines the procedure is that local government applies to the responsible minister to vary fee levels. I am not aware that there has been any such application in relation to any fees or charges. If as a result of decisions taken by local government there are such applications through local government representatives, then those applications will be considered on their merits. But I am not aware that any such applications have been made at this point.

In relation to the overall question of responsibility, clearly, elected local government representatives are accountable to their local communities in the same way that the state government is responsible for decisions which are made in relation to fees and charges, and that is how it should be. So at this point there is no matter before the state government to consider. The overwhelming number of fees and charges collected by local government are as a result of by-laws, which are matters purely for local government to determine.

Insurance: reform

Hon. J. H. EREN (Geelong) — I refer my question to the Minister for Finance. Will the minister advise the house of the insurance reforms announced today and explain how they balance the rights of people injured through negligence and the needs of businesses, individuals and community groups to have access to insurance?

Mr LENDERS (Minister for Finance) — I thank Mr Eren for his question and his ongoing interest in what has been a very significant and serious issue in Victoria — the affordability and availability of insurance. As I have previously advised this house, in my 15 months as minister, the Department of Treasury and Finance has dealt with individual groups and organisations that have come forward with insurance issues on more than 400 occasions. So the government has been conscious of this as a problem. It is also conscious that it needs to take action to help these groups and business in general on the insurance issue. The government has very carefully and cautiously watched what is happening in the community and in other jurisdictions. It has engaged with its own community so that it would get the balance and the decisions right.

Today the government has announced further insurance reform — a threshold for general damages and changes to the statute of limitations. These reforms balance the rights of people to have access to the courts to sue for personal injuries and the need for access to affordable insurance. The reforms will encourage new providers into the insurance market in Victoria and ease some of the cost pressures which to a large extent have led to these increases in premiums. The Premier will introduce legislation in this parliamentary sitting for a threshold on general damages.

General damages, which are sometimes called damages for pain and suffering, will not be awarded unless an injury has been assessed at greater than 5 per cent impairment. In all cases complainants will still be able to sue for economic loss, including loss of wages and all medical expenses. So in all cases claimants will still have access to the courts for the tort of negligence. The assessment will be made according to the American Medical Association guidelines that are already used by the Transport Accident Commission and Workcover in this state. The reforms will provide greater certainty for providers of professional indemnity, medical indemnity and public liability insurance. This is good news for business, community groups, professions and for Victoria.

Currently small claims are often met directly by small businesses, professions and community groups as insurance companies gradually increase the amount that a policyholder has to pay before insurance can come in to help. Our threshold will result in reductions in claim costs for insurers, and this reduction should be reflected in premium costs. We believe this will lead to increased availability of public liability insurance, an important thing in Victoria as a result of the threshold.

The Premier has also announced today changes to the statute of limitations. This is something I hope Mr David Davis will applaud the government for. The period for adults making claims for personal injuries will be reduced from six years to three years from the date of discoverability. The limitation period for minors — that is, people aged under 18 years — will be six years from the date of discoverability of the injury. This will encourage claims to be made earlier and provide greater certainty for defendants and insurers. These reforms will apply to all people who sustain injury after today, but if a person was injured before today but has not yet brought proceedings to court, the existing law will continue to apply provided that proceedings commence before 1 October this year.

The government believes these reforms will make Victoria a more attractive market for insurers to operate in. They strike an important balance built on other measures which are already in place to help ease the current difficulties in obtaining insurance. Mr David Davis, like a bull in a china shop, criticises the government for what he says is being slow on this. I would say to Mr David Davis that insurance affects people's lives; changing the tort law affects people's lives; any government that went like a bull in a china shop, going through willy-nilly on the latest whim, would deserve to be condemned. This government has acted responsibly, cautiously and in response to the needs of Victoria in a prudent way that balances human responsibilities and economic reality.

Commonwealth Games: funding

Hon. D. KOCH (Western) — My question without notice is for the Minister for Commonwealth Games. Has the state government made a formal submission to the federal government for Commonwealth Games funding?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I thank the member for his interest and I thank him for his question as well. The member would be aware that the government of Victoria is looking for extensive support from the federal government in relation to the Commonwealth Games. We are working very closely with it in this matter including as recently as the Three Years Celebration which was attended by the Honourable Gordon Rich-Phillips from the other side of the chamber, who will appreciate the level of in-principle support that the federal government has lent or is lending to the Commonwealth Games.

But the proof will be in the pudding as to how much it is prepared to deliver to the games, and we look forward to seeing a contribution that is at least pro rata of that made to the Olympic Games in Sydney. No doubt there will be significant arm wrestling on what that figure is likely to be. We have agreement in principle from the minister. At a recent meeting the federal Minister for Arts and Sport, Dr Rod Kemp, agreed in principle to funding the Commonwealth Games, but as I have mentioned, no doubt there will be extensive discussion and arm wrestling over what the quantity of that support is to be.

I look forward to that taking place, but in terms of any submission we are working closely at an officer level to make sure that the commonwealth obtains the value that it seeks from its level of investment in the Commonwealth Games here in Victoria.

Supplementary question

Hon. D. KOCH (Western) — Did the Premier mislead the Public Accounts and Estimates Committee with his submission that the Minister for Commonwealth Games sent a one-page, four-paragraph letter on 28 February to Senator Kemp which makes no funding request? Did this constitute a formal submission to the federal government?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — We have had significant correspondence with the federal minister about these issues. He has given in-principle support to the level of contribution, and I know that the submissions we have made to the federal government have been cautiously supportive of what we seek. My understanding of what that submission is seen to be from the point of view of the federal minister's position is that the federal government is in favour of the notion of supporting the Commonwealth Games at a ministerial level and an officer level. I suggest that you might seek to ask the federal minister what he deems to be — —

Honourable members interjecting.

The PRESIDENT — Order! The minister's time has expired.

Public liability: government assistance

Mr SMITH (Chelsea) — My question is for the Minister for Finance. Will the minister advise the house how the Bracks government has equipped groups in the community to cope with the crisis in liability insurance which occurred after the collapse of HIH and prior to today's announcement?

Mr LENDERS (Minister for Finance) — I thank Mr Smith for his question and his ongoing interest in finding solutions to problems with insurance on a hands-on basis particularly in his own constituency. Prior to today's decisive action by the Bracks government in relation to insurance reform, we as a government have provided specifically targeted assistance on public liability insurance issues in a range of circumstances. Earlier in answer to a question in the house I referred to 400 of them. For instance, the government has provided a rescue package for heritage and tourist rail operators extending until 30 December 2003. Without this government assistance heritage and tourist rail operators such as the Seymour railway heritage centre, which my good friend Mr Mitchell and his friend in the other place the honourable member for Seymour, Mr Ben Hardman, have worked very hard for, would have ceased.

In addition, the Victorian government has worked with Bicycle Victoria to assist the implementation and development of insurance arrangements for bicycle user groups in this state. Senior Treasury officials have attended an information session run by Bicycle Victoria and have provided assistance with the current status and implications of legislation as well as giving advice and answering questions. They also had discussions that enabled them to liaise in a lot of areas, to help to get insurance and to put the risk mitigation processes in place.

A number of people have written to me regarding insurance issues facing waste transfer stations, which are an important recycling issue in a number of members' electorates. At my request the Department of Treasury and Finance (DTF) officers consulted with a large number of stakeholders including the Waste Management Association of Australia, the Waste Management Association of Victoria, Ecorecycle Victoria, the Municipal Association of Victoria, the Shire of Yarra Ranges and Jardine Lloyd Thompson. A number of my colleagues, including Mr Mitchell and Ms Buckingham and others, have been seeking action on these areas over a period of time.

The issue is being investigated at both the national and state levels. We ensured that all relevant groups worked together to progress a comprehensive industry package to assist. As was raised in the house recently, we have also extended the Victorian Tourism Operators Association scheme, which provides indemnity for high-risk adventure tourism activities for which commercial cover was unavailable. DTF has been working closely with the VTOA and other relevant groups to develop options for medium to long-term solutions.

In addition, the government has provided through DTF a range of assistance, such as referrals to specialist insurance brokers and technical advice to a number of groups. The types of groups assisted in this way make an impressive list. They include fun runs, wildlife parks, Kiwanis, Scots of Victoria, the Russian Women's Association, Heartbeat Victoria, the Bacchus Marsh Motocross Club, the Maryborough Carers Support Group, the Gippsland Guardrail and Safety Platforms, walking clubs, the Southern Hot Rod Club, the Chios Brotherhood of Melbourne, the Stratford Fitness Club, the Cobden Angling Club, the Melbourne Aboriginal Youth Sport and Recreation Cooperative, the Dandenong Benevolent Society — a great institution chaired by Jan Wilson, my predecessor as the member for Dandenong North, who continues in retirement to do this wonderful community work —

and several other community festivals, including the Thorpdale Potato Festival.

The honourable member for Narracan in the other place, Ian Maxfield, has been at me ever since I have been in Parliament about the Thorpdale Potato Festival. He took me to Thorpdale where I met with the committee and undertook to go there this year, but unfortunately I was on government business in Swan Hill that day. But I have undertaken that next March I will be at the Thorpdale Potato Festival. When I was a student I competed in events carrying bags of potatoes. I loaded potatoes in Thorpdale — although I probably would not be able to carry bags of potatoes anymore — and I am sure Mr Hall and Mr Phil Davis will join me at the potato festival next year, along with the honourable member for Narracan in another place, Ian Maxfield.

We will enter the bag-carrying race and participate in what is a grand community festival that has not been able to function because of the lack of insurance. But through the packages announced today and the action taken by the government over the past two years we are confident we will be able to assist groups like the Thorpdale Potato Festival to continue operating.

As I said, to date we have assisted more than the 400 groups with our second substantive legislative package to deal with insurance in this state. I invite all members to come to the Thorpdale Potato Festival next year and have a good time.

Public liability: government assistance

Hon. P. R. HALL (Gippsland) — My question directed to the Minister for Sport and Recreation also concerns public liability insurance, but this time for organisations that have been funded to deliver government sport and recreation programs, in particular organisations like regional sports assemblies and older adult recreation networks. Although the Minister for Finance mentioned something like 400, he did not specifically mention the fact that these organisations have also been subjected to some assistance by the government to arrange a public liability insurance scheme. Post 30 June the current scheme expires. What plans has the Minister for Sport and Recreation to further assist organisations like regional sports assemblies and the older adult recreation networks to extend the fine work they do in their communities?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the member and welcome his interest in issues of regional sports assemblies and the older adult recreation networks. Members of the house may not be aware that those organisations provide strategic work particularly in rural communities to try to increase participation or facilitate the needs of sporting organisations especially from the point of view of regional sports assemblies and older adults by trying to get them more engaged and more active in their own community organisations.

I understand the way their insurance schemes operate is that because they provide services on behalf of and in partnership with government they are covered by the same insurance by which the department is covered, which is through the Victorian Managed Insurance Authority.

That insurance will continue to exist up until 30 June. I also understand that funding arrangements and agreements with those organisations are in the process of or about to enter into negotiations to further advance funding for those organisations well into the future. Once those agreements are finalised — I expect they will be finalised over the next few weeks, certainly before 30 June — the insurance for those organisations will continue as it has to this day. They can feel confident that they will not find any difficulty in relation to insurance, because their insurance arrangements will be as they have been up until 30 June.

To indicate how supportive we are of these organisations, we have also indicated that we are contributing an additional $150 000 a year to the regional sports assemblies. We are looking forward to seeing those assemblies and the older adults recreation networks work strategically so that we can see increased levels of participation and physical activity across the broader community, particularly in regional Victoria where they have a significant focus.

In recent years the Victorian Health Promotion Foundation has supported these organisations, and that has been evidenced by having these providers deliver the participation and community sport and recreation scheme. I appreciate that there are members from both sides of the chamber on the board of Vichealth, and I congratulate Vichealth for its continued support for the regional sports assemblies, in particular to see that we provide additional opportunities and support to facilitate increased participation levels in sport and recreation and physical activity at a community level, especially in regional Victoria.

Bendigo: tornado damage

Hon. J. G. HILTON (Western Port) — I refer my question to the Minister for Energy Industries. Can the

minister report to the house on the restoration of power to the citizens of Greater Bendigo following the tornado on Sunday, 18 May?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — At approximately 6.00 p.m. on Sunday, 18 May, a tornado tore across Bendigo's northern suburbs causing damage to homes and businesses. It also hit Powercor Australia's Eaglehawk zone substation, resulting in the loss of electricity supply to 18 000 addresses in northern Bendigo. Both of the 66 kilovolt feeders into the zone substation were covered in debris, including trees and roofing iron, and there was widespread damage to five of the zone substation's eight 22 kilovolt feeders.

The tornado also brought down power lines in scenes described by some residents as 'total devastation' and affected power supplies across a wide area including Bendigo, Eaglehawk, Epsom, White Hills, Bagshot, Elmore, Goornong, Huntly, Bridgewater, Calivil, Dingee, Inglewood, Newbridge, Raywood, Serpentine, Woodvale, Marong, Maiden Gulley, Long Gulley, California Gulley and Myers Flat. I mention all of those places so that members get a feel for just how widespread the devastation was.

Despite the devastation and difficult conditions, electricity supply began to be restored at 7.30 p.m., and by midnight on Sunday more than 16 000 customers had their electricity supply restored. This achievement was due to Powercor's crews and contractors, who came from as far afield as Charlton and Shepparton, the teamwork of Victoria's emergency services, and of course the assistance of the local council. I understand that the remaining customers were restored to supply gradually throughout the day on Monday, 19 May.

While there is still a huge clean-up task ahead, I congratulate the staff involved in the restoration of electricity supply. It really was a team effort. I join my ministerial colleagues the Minister for Police and Emergency Services and the Minister for Community Services in acknowledging the magnificent job of Victoria's emergency services personnel, in particular in clearing a way for power to be restored to all of those homes and businesses.

Finally I want the house to note that under the regulatory framework established by the Bracks government the distribution businesses have incentives built into their licence conditions, and those incentives are that they act quickly to restore supply to customers. Again it indicates that those incentives are working effectively for the people of Victoria.

The combination of these regulatory incentives and the requirements of legislation, which is overseen by the office of the Chief Electrical Inspector, have ensured on this occasion the safe return of supply, and they are clearly working to produce the best outcomes for the people of Victoria and for consumers of electricity.

Questions interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! Before I call the next speaker I wish to acknowledge in the gallery the Honourable H. G. Sirisena, MP, Chief Minister of the Southern Province of Sri Lanka, and welcome him to our chamber.

Questions resumed.

State insurance office: government policy

Hon. R. H. BOWDEN (South Eastern) — My question is to the Minister for Finance, John Lenders. At the state Labor conference last weekend, after the punch-up, the national secretary of the Australian Workers Union, Mr Bill Shorten, called on the state government to consider setting up a state-run insurance office, and I ask: has the government given any consideration to establishing a state-run insurance office as advocated by Mr Shorten?

Mr LENDERS (Minister for Finance) — I thank Mr Bowden for his question. While I actually sat through two full days of the Labor Party conference, studiously watching the policy debate, I obviously missed the part of the conference Mr Bowden saw, in the form of a resolution to set up a state insurance office. I am surprised at that because I was paying some attention to the conference and particularly to issues regarding insurance.

However, all I can say to Mr Bowden is that there was a state insurance office in this state, which was sold off some time ago. I will not go back down that path because we are trying to look to the future rather than dwelling on the past, but the best way for us as a state to deal with issues of insurance is for us to, at various times, examine every option available.

One of the issues for state insurance offices, which is a peril for government, is that unless government has the policy parameters right in the insurance industry a state insurance office just does not miraculously fix problems that may be there. A state insurance office just deals with insurance like any other insurer will, obviously with a lot of positive aspects as we have seen

in some areas where the state has a very serious role, such as transport accident and workers compensation.

Certainly the concept of setting up a state insurance office as a way of dealing with every insurance problem is not detailed public policy because some of the issues that the government has addressed today — statute of limitations thresholds and those types of issues — are not fixed by simply having a state insurance office. They are crucial issues that need to be addressed in the legislative sense, and that is what the government is doing.

On the particular issue of whether a state insurance office is on the agenda, if it was debated at the Labor Party state conference I certainly missed it. I would be intrigued, Mr Bowden, as to where you were watching the Labor Party state conference from, because we have quite strong standards on who comes into our conference — we have very strong standards on who we let in! On a serious note, this issue is not on the government's agenda.

Supplementary question

Hon. R. H. BOWDEN (South Eastern) — The minister's reply will no doubt have come as a surprise to his Labor colleagues in this house as they have been briefed at a party meeting on the public liability insurance crisis, and one of the options canvassed by the government was the establishment of a state insurance office.

Will the minister advise the house what options he is pursuing to address the insurance crisis if he is ruling out the insurance office proposal canvassed of the government and promoted by Mr Shorten?

Mr LENDERS (Minister for Finance) — Again I am most intrigued by the meetings Mr Bowden has been attending because let me assure you, President, and as my colleagues here would know, I have been at most of the briefings of government party members on issues of public liability insurance for the last 15 months and I have paid attention to them.

If Mr Bowden wishes to cross over to this side of the floor and join us, there are plenty of seats we will make available — we will squeeze up and make room, because we are an inclusive party. We also admire Mr Bowden's skill in winning a preselection against the forces of Mr Kennett during the last coalition government.

On the issue of a state insurance office, as I have said to the house, obviously any government looking at issues in insurance should consider all options. However, that is not an option that has remained on the agenda for this government as we come to conclusion in some of these very serious issues.

Insurance: reform

Hon. KAYE DARVENIZA (Melbourne West) — I refer my question to the Minister for Small Business. As the minister would be well aware, small business has experienced a major problem with insurance. Does the Bracks government have any strategies in place to assist some small businesses in insurance matters?

Hon. M. R. THOMSON (Minister for Small Business) — I thank the member for her question. Insurance has been one of the most frequently raised issues and topics that small business has brought to my attention in recent times. I know that the honourable member has had similar experiences with small businesses in her electorate.

Whilst the government has already acted on insurance issues and legislated on a number of measures, more needs to be done. A survey done in conjunction with industry associations and the Victorian Tourism Operators Association showed that tourism operators had experienced an average increase in insurance premiums of 200 per cent, with one operator receiving an increase of 1251 per cent. Now they face the challenge of having access to any insurance. We have to remember that most tourism operators are small businesses, and the cost of insurance or inability to get it has put them in the awful position of having to make decisions as to whether they attempt to operate without appropriate cover.

The problems that have arisen because of public liability insurance and the hike in premium costs are not of the state government's making, but they highlight the need for further government action.

The Premier's announcement today will help protect the rights of all Victorians to have access to adequate insurance cover. We do not have the power to force companies to lower their premiums and Australia, without any local underwriters, is at the mercy of the international markets.

However, we can reform our laws to meet the current circumstances we are faced with while still maintaining the right for legal recourse. It is important to get the balance right between the rights of people injured through negligence and the needs of businesses, individuals and community groups to have access to insurance.

The government's latest reform package provides assistance to small business through the placement of a threshold on general damages. It is intended that thresholds will reduce the number of small claims thereby cutting costs. Currently small claims are often met directly by small businesses, professionals and community groups as insurance companies have gradually increased the amount a policyholder has to pay before insurance cuts in.

The reforms announced by the Premier today will help small business gain access to affordable public liability insurance whilst protecting the rights of individuals, and they go on the back of reforms already introduced by the Bracks government to ensure a vibrant small business community.

Commonwealth Games: funding

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is directed to the Minister for Commonwealth Games. I refer to the minister's answer to the question regarding the funding submission to the commonwealth for the games. I refer also to the Premier's appearance at the Public Accounts and Estimates Committee hearing last Tuesday where the Premier tabled what he said was the formal submission to the commonwealth government for funding for the Commonwealth Games.

The document the Premier tabled was a one-page letter dated 28 February from the Minister for Commonwealth Games to federal minister Kemp consisting of no more than five paragraphs and not making a formal request for funding.

Given the apparent inconsistency between what the Minister for Commonwealth Games said earlier this afternoon and what the Premier said at the estimates hearing last week, I ask: did the minister mislead the house or did the Premier mislead the Public Accounts and Estimates Committee?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's interest in the issue because I look forward to the opposition supporting this government when we eagerly look for support from the federal government for the Commonwealth Games. I look forward to the Honourable Gordon Rich-Phillips using his connections and links to the federal minister to make sure that the money that should be forthcoming to Melbourne in 2006 and the money that should be forthcoming to the Victorian initiative for the 2006 games will be forthcoming. I look forward to seeing members of the opposition work tirelessly, as we will as a government, to make sure the money is forthcoming and to use their links with the federal government to make sure there is no shortfall in the money that comes to this state for the Commonwealth Games.

They can play semantics with whatever they like in relation to this, but what I would like to put to the members of the opposition is that we hope they are as supportive of the Commonwealth Games into the future as they have been in the past and that they are supportive in lobbying their federal colleagues to make sure that money is forthcoming, because this is an opportunity to actually do something for Victorians. We look forward to them supporting us, supporting Victorian taxpayers and supporting the Melbourne 2006 Commonwealth Games by making sure the money is forthcoming by lobbying their colleagues as strongly as we have and we will in the future.

Hon. Andrew Brideson — On a point of order, President, the minister has now been attempting to answer the question for a couple of minutes. He has not addressed the specific question that was asked of him by the honourable member. He is now debating the question and I ask you to direct the minister to answer the specific question asked of him.

The PRESIDENT — Order! The minister was straying from answering the question, so I draw him back to the question at hand.

Hon. J. M. MADDEN — I have finished answering the question.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Will the minister confirm to the house that the one-page letter dated 28 February 2003 from the Minister for the Commonwealth Games to the federal Minister for the Arts and Sport constitutes the state government's formal submission for funding for the Commonwealth Games?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question. It is a submission — whether it is a formal submission or not is probably up to the federal minister's definition of a submission. The state government has a very good working relationship with the federal minister. He has given us in-principle support at meetings we have had with him, but no doubt we will squabble about the figures.

I look forward to the opposition's making sure that the minister makes a contribution that is pro rata with the contribution the federal government gave to the Sydney

Olympics, because anything less would be a kick in the guts to Victorians! Given the history of the opposition when it was in government when it was pretty good at kicking the state and taxpayers in the guts, I am sure it would not want to be seen to be doing that again.

Insurance: reform

Hon. R. G. MITCHELL (Central Highlands) — I refer my question to the Minister for Sport and Recreation, and I ask the minister to advise the house what action the Bracks government has taken to assist sport and recreation organisations deal with the insurance crisis.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the member's question and his interest in this issue in particular. First of all I would like to congratulate the Minister for Finance for the significant initiatives he has outlined today in relation to insurance issues. Those initiatives complement what this government has been doing for some time within respective portfolios in relation to insurance issues across the board.

The government appreciates that a number of sport and recreation organisations have been severely affected by the current problems with public liability insurance, and Sport and Recreation Victoria — my department — has worked closely with the Department of Treasury and Finance to assist a number of sport and recreation organisations to deal with those insurance issues. We have been able to provide strategic advice to Vicsport in particular and to the Outdoor Recreation Centre to help address the current crisis.

The sport and recreation organisations that have been directly assisted by this government to obtain public liability insurance cover include pony clubs through the Pony Club Association of Victoria and major equestrian centres and riding schools through the Australian Horse Riding Centres. In addition I understand a number of businesses, particularly trail-riding businesses and adventure tourism operators, have been assisted through the Victorian Tourism Operators Association, and the Werribee Park National Equestrian Centre has received assistance.

Assistance has also been provided to Vicsport to ensure that it can facilitate, develop and deliver an insurance education program for state sporting associations, develop and coordinate the delivery of risk-management workshops for sport and recreation clubs as part of a larger project financed by the government and coordinated by the Municipal Association of Victoria, and provide advice to sport and recreation organisations seeking appropriate and affordable insurance.

This package of legislation also complements a number of other measures that have been introduced over the course of previous months and years, including the provision of waivers and the protection of volunteers and Good Samaritans from being sued.

This government believes that active participation in sport and recreation is an important element of building strong, healthy and cohesive communities. We have seen in the 2003–04 budget the provision of $57 million over four years for a range of initiatives that will make sport and recreation more accessible to the community, including $11 million over four years to strengthen sporting organisations throughout Victoria. A portion of this allocation includes funding to help sporting clubs and organisations deal with insurance issues.

The Bracks government is getting on with the job of continuing to assist sport and recreation organisations to deal with insurance issues so that they may continue to provide sport and recreation opportunities for all Victorians.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 81, 166, 183, 185, 186, 213–18, 309, 318, 319, 346, 347, 351, 352, 387 and 389.

MEMBERS STATEMENTS

Drought: government assistance

Hon. PHILIP DAVIS (Gippsland) — I raise a matter in relation to drought in Victoria, in particular in eastern Victoria. I acknowledge that on 9 May the Minister for Agriculture in the other place declared the shires of East Gippsland and Wellington to be in drought. However, I have cause to raise in the Parliament the concern of my constituents and the farming community in general about the discriminatory way in which it appears drought declaration operates.

Given that dairy farmers in the Macalister irrigation district have a significantly reduced operating parameter this year with aggregate farm surpluses down from $45 million to a loss of $40 million and individual farmers down in the order of $200 000 with negative

positions, I am concerned that the minister immediately clarify whether or not those irrigators will be eligible for drought assistance.

This is of some urgency because there is extreme anxiety among the members of the community as the drought continues. I simply raise the matter for the attention of the house and the minister in the other place to show that this is an important issue to Gippsland.

Justice Hubert Frederico

Ms HADDEN (Ballarat) — On 2 May I had the very great pleasure of being a guest of the Chief Justice of the Family Court of Australia, the Honourable Justice Alistair Nicholson, at a reception to honour the retirement of the Honourable Justice Hubert Rofeno Frederico, who retired after 27 years on the bench of the Family Court.

Justice Frederico was the son of the late County Court judge, Judge Frederico, and was appointed to the Family Court of Australia in Victoria in 1976 by the then chief justice, Elizabeth Evatt. For some 25 years, Freddie, as he is affectionately known to his family, many friends and associates, was also the judge administrator of the Family Court, southern region, which included Tasmania, Victoria and South Australia. Freddie, a keen sportsperson and Collingwood fan, was awarded the Australian sports medal 2000, and he had a long association with Ballarat and rowing on Lake Wendouree.

I am certain that there are many who will miss Freddie's fair, just, compassionate and courteous approach to practitioners, witnesses and litigants who appeared before him and especially on his Family Court circuits to Ballarat.

Freddie was a firm believer in justice not only being seen to be done but being done. Freddie's presence in the Family Court will be greatly missed. So, thank you Freddie, and I pass on to you my sincerest best wishes and good health on your well-earned retirement.

Somerville Village: speed limits

Hon. R. H. BOWDEN (South Eastern) — My statement today is to express some concern about the average speed limit through the Somerville Village shopping centre. The Somerville Village traders association has written to me asking for assistance.

The Somerville East shopping centre on Eramosa Road East is the area of concern. It has a 60-kilometre-an-hour speed zone in a built-up area which has a lot of traffic. Somerville Primary School is also in the general area. Twice a day several hundred children are in a confined area where there are a lot of shoppers and cars in a relatively high-speed zone.

Recently the Somerville Village traders association wrote to me asking for assistance to see if the area around the Somerville East shopping centre and the Somerville Primary School could have its speed zone lowered to 50 kilometre an hour. This might enhance safety for the shopping centre and the hundreds of young students who go to Somerville Primary School.

Geelong: netball tournament

Hon. J. H. EREN (Geelong) — I recently had the privilege of attending the central west zone netball tournament in my electorate at the Corio Leisure Time Centre in Norlane West, and I was pleasantly surprised at the size of the crowds at the event. When we talk about big sporting events we normally think of the football or the basketball, but this tournament had a lot of people there. Just to give the house some idea here are some statistics. There were 540 players from 54 teams, ranging from under 13 to the open competition, and 54 umpires and 54 coaches, not including the volunteers, parents, friends and other spectators. It was a huge event.

It is a pity the event did not get the coverage in the local media it deserved. Either way it was a great event, with two teams in my electorate doing particularly well: Bellarine 2 won the under-15 competition, and Bellarine 1 was runner-up in the under-17s.

I had the privilege of handing out medallions to the Corio Netball Association life members following the tournament, and they in turn handed out the trophies to the winners of the competition. I congratulate the organisers, the Corio Netball Association including Netball Victoria and in particular, Gail Baulch, Colin Murray, Lisa Carrey, Noeline Grey and Diane Balaburova.

Bushfires: timber salvage

Hon. E. G. STONEY (Central Highlands) — Members of the house will recall that on several occasions I have drawn attention to the urgent need for immediate decisions and actions to salvage timber killed in the bushfires. On a trip in March to Gippsland the Honourable Philip Davis and I were told by the industry that the government was not moving on the issue and the opportunity could be lost to salvage the timber due to the short time frame of 18 months. Surprise surprise! The *Bairnsdale Advertiser* stated in blazing headlines on 16 May 'Urgent timber salvage':

> Timber salvage operations in the East Gippsland forests have been brought forward because of the urgency in the need to save burnt timber, the Forestry Victoria salvage operations manager for the area, Anne Geary, said this week.
>
> Salvage operations will continue for three years. The summer fires destroyed or severely damaged an estimated 16 000 hectares of harvestable alpine ash in East Gippsland's state forests. A further 8000 hectares was destroyed in the north east of the state.
>
> …
>
> 'Harvesting the timber now will boost the morale of the East Gippsland community which is still recovering from the effects of the fires and the drought,' she said.

I applaud the decision but it should have been made immediately. I like to think in a large way pressure from the industry and the Liberal Party caused the government to make the right decision, slow as it was.

Global Education Network

Hon. H. E. BUCKINGHAM (Koonung) — On Friday two weeks ago I attended a most exciting launch of the Global Education Network at the Box Hill Institute of TAFE. This is an innovative program and I believe the first offered by a TAFE institute in Victoria if not Australia.

The Global Education Network will provide skills-oriented international education exchange programs in the information and communications technologies and the hospitality and tourism sectors. This is a similar situation to the higher education sector's study abroad system. A key focus of the Global Education Network partners is to provide opportunities for students based on merit not on economic situation or background.

The international partners in this program are Colorado Mountain College and SAIT, which is a leading Canadian institute based in Alberta, Canada. The Global Education Network and its corporate partners will provide a host of exchange and work opportunities that will expose students to the global market and workplace, and provide internationally recognised credentials. Ultimately the program hopes to recruit institutes from each of the six continents. This is an outstanding program and I salute Box Hill institute's continued delivery of innovative educational excellence.

Neighbourhood Watch: North Balwyn

Hon. R. DALLA-RIVA (East Yarra) — I rise to commend the Neighbourhood Watch community-based crime prevention programs, in particular the one operating in the North Balwyn area which is within the East Yarra electorate. Like many members, I visit most of my Neighbourhood Watch community centres, and this is a wonderful opportunity to reflect on the work done in those organisations by a vast array of volunteers all seeking to provide a better and more secure environment in which to live.

Mr Bruce Maling is the coordinator for the Neighbourhood Watch program in the Balwyn North areas of BRD020 and BRD021 and has been giving his time for many years to improve the community and look after his neighbours. I have known Mr Maling for many years, and I regard him with the utmost respect in his efforts to improve the neighbourhood's communications.

Neighbourhood Watch is an effective way of reducing crime, even if people just read the newsletter or report any suspicious activity to police via the 000 number. Reporting all crimes to police also helps as they can build up a picture of what truly goes on in an area and then deploy resources to combat the situation. Neighbourhood Watch is a most effective community safety crime prevention program in Victoria.

Casey: community volunteer awards

Hon. J. G. HILTON (Western Port) — Last week I had the pleasure of attending the Casey community volunteer awards presentation. It was a truly inspiring event. There were 42 nominations across a wide range of categories including sport, innovation, youth, and community service. As is the case with presentations, there were some winners. However, I believe the true winners are all the people in the community who benefit so much from the selfless and tireless commitment of volunteers. Volunteers represent the glue which binds our society together, and without them we would be a significantly diminished society.

I commend all the volunteers, not just in Casey but throughout my electorate, who do so much for other people without a second thought as to their own benefit.

Monash University: Churchill engineering review

Hon. P. R. HALL (Gippsland) — Today I call on the Minister for Education and Training to play a proactive role in addressing considerable community disquiet about the outcome of a Monash University review into engineering at its Churchill campus and, further, the need to clarify Monash University's role as a partner in the Churchill education precinct.

Yesterday's *Latrobe Valley Express* carried front page headlines, 'Monash review labelled a scam — call for uni inquiry'. Within that article the former mayor of Latrobe City Council, Tony Hanning, claimed to have evidence that the review process was flawed in that there were apparent conflicts of interest and perhaps a pre-determined outcome to that review.

The National Tertiary Education Union, the student union at Monash Gippsland, Friends of Monash Gippsland, the Construction, Forestry, Mining and Energy Union and the Australian Manufacturing Workers Union have also expressed similar concerns. A request in writing was submitted to the minister by a number of those organisations which in part requested that:

> … the minister facilitate a meeting to discuss and clarify the role of Monash University as a partner to the education precinct, and as a committed member of the local Gippsland community, in light of the conduct of the process by which the decision to reduce undergraduate engineering has been made.

I support the call for the minister to meet with those local interest groups and resolve the considerable community concerns that exist in regard to this matter.

Rodney King

Mr SOMYUREK (Eumemmerring) — Last week I attended the funeral of Rodney King, a 53-year-old State Emergency Service volunteer who died while on duty. I extend my deepest sympathy to his wife Marion and his two sons, as well as to all his friends and family and other members of the Upper Yarra SES.

This was a tragedy for the communities of the Upper Yarra. During his 17 years as an SES volunteer Rodney King selflessly served the areas around Millgrove, Warburton, Wesburn and Launching Place, as well as further afield. Such commitment to community service deserves our acknowledgement and recognition in the Parliament today.

His death is also a severe blow to the SES. In the 28-year history of the SES he is the fourth member to die while carrying out his duties. It serves as a reminder to us all of the risks taken by others to ensure the safety of our entire community. In times of desperate need our emergency services personnel are always on hand to provide rescue, comfort and safety. I thank Rodney King on behalf of the community he served for his contribution, and know that he will be sorely missed.

Warrawee residential facility

Hon. ANDREA COOTE (Monash) — On Sunday I had the very great pleasure of attending the opening of Warrawee in Bentleigh which is a low-care residential establishment.

Hon. T. C. Theophanous — You did not go to the ALP conference?

Hon. ANDREA COOTE — My invitation was in the mail!

I commend the local mayor, Cr Dorothy Marwick, and the councillors and the executive of the City of Glen Eira on an excellent facility. I was there with my colleague the Honourable Noel Pullen, but the minister was not anywhere to be found, which was very sad — —

Hon. T. C. Theophanous interjected.

Hon. ANDREA COOTE — He must have been at the conference!

It is an excellent facility and there are a lot of lessons for the government to learn there. It is certainly world best practice. There are wide corridors and ensuite bathrooms. It is set up in a house-type environment with 15 householders in each house. There is an excellent kitchen and staff to look after the residents. The nurses were excellent and the nurse station was light, bright and cheerful.

I encourage the minister to make the time to look at the facility because it is something that the government should be implementing across the state, particularly in rural and regional Victoria. I commend everyone involved with the opening, and I particularly thank Kit Walsh for showing me over her rooms.

The PRESIDENT — Order! The member's time has expired!

Tintern Girls Grammar school and Southwood Boys Grammar School

Hon. C. D. HIRSH (Silvan) — I want to speak today about the very long-established Tintern Girls Grammar School in Ringwood East, and to commend the work of its principal, Mrs Sylvia Walton, who has also been there for many years. I also congratulate the organisation on the opening of Southwood Boys Grammar School, which opened in 1999 and now accepts students up to year 11.

There has been a need for a boys school in the area for quite some years. The competition is pretty fierce, and they do very well. Tintern has 1150 students with a strong pastoral care component, and a teaching farm with prize-winning sheep, cattle and poultry. They do very well indeed. Southwood took over the campus of the old Southwood Primary School, which was closed by the Kennett government, so the community is pleased to see a school still operating on that site rather than the units that appear on most other school sites.

The Southwood boys school has an emphasis on drama, orchestra, choirs and bands and offers a range of flexible programs to accommodate the different learning styles and capacities of its students.

Gowrie Street Primary School: Manega Koori annexe

Hon. W. A. LOVELL (North Eastern) — On Friday, 16 May, together with Aunty Mary Atkinson, an elder of the Bangarang nation, I was very honoured to assist in cutting the ribbon to open the new building occupied by Manega, the Koori annexe of the Gowrie Street Primary School at Shepparton.

In the early 1980s it was recognised that many of our local indigenous children were not fulfilling their full potential in mainstream education. Manega was established in 1984 to encourage indigenous students to stay at school and improve their literacy skills. Manega offers a curriculum better suited to the needs of these children and also includes cultural education.

This project is a joint initiative of the Goulburn Valley Aboriginal Education Consultative Group and the Gowrie Street Primary School. Now in its 20th year Manega has proved to be a tremendous success. Many of Manega's former students have gone on to complete their Victorian certificate of education and tertiary studies. For the past 19 years Manega has occupied portable classrooms in the grounds of the Gowrie Street Primary School. The relocation of the special school from the grounds of Gowrie Street to its new location in Verney Road presented an opportunity for Manega to move into the vacated facility. This new facility will allow more room for student programs and parent and elder participation.

Principal Janet Gill-Kirkman and the staff of Gowrie Street, and Manega, are to be commended for this program that is providing Koori children — —

The PRESIDENT — Time!

Banyule: netball stadium

Ms MIKAKOS (Jika Jika) — On 15 May 2003 I attended the official opening of the Banyule netball stadium by the Honourable Justin Madden, the Minister for Sport and Recreation and Minister for Commonwealth Games, and the mayor of the City of Banyule, Cr Jenny Mulholland. Also in attendance were the Minister for Community Services; Mr Craig Langdon and Mr Steve Herbert from the lower house; and the Honourable Bill Forwood. The facility features four netball courts, two with state-of-the-art floors, retractable seating, meeting and exhibition space, child-minding facilities and the provision for the recycling of rainwater. The inspiration for the new facility was a study by Banyule City Council of women's sporting needs in the region.

Netball remains the highest participatory sport for women and girls in this state, with Netball Victoria having 105 000 registered members and tens of thousands more girls in school competitions. Banyule and Districts Netball Association and the Yarra Valley netball competition will share the facility with Macleod College. The project is the result of a partnership between Banyule City Council, which contributed $3.9 million, the Bracks government, which contributed $500 000 through Sport and Recreation Victoria, and Macleod College, which contributed $600 000. Congratulations go to all the parties involved in making this facility an outstanding building and resource for the community.

Bendigo: tornado damage

Hon. D. K. DRUM (North Western) — In light of Sunday evening's tornado that ripped through the Eaglehawk and California Gully areas of North Bendigo, I join with the Minister for Energy Industries and congratulate the State Emergency Service and the Powercor workers, who, along with the Country Fire Authority people, came from around the state to help with the necessary clean-up and the constant work of trying to restore the power and get some normality back into the lives of the people whose homes, garages, sheds and fences had been damaged or destroyed by the wind. The 150 kilometre-an-hour winds that hit houses over a 7-kilometre stretch caused a path of destruction that could only be rivalled by the carnage in a horror movie. We are certainly very relieved that nobody was seriously injured.

Apart from commending the workers I commend the government for the prompt way in which it has announced grants of $22 800. I am sure the people who will be receiving these grants would like to have their

appreciation conveyed to the house. Naturally there will be some real worries emerging in coming months about emergency housing, underinsurance and matters of unforeseen damage. It will be imperative that the government shows compassion and understanding when those issues raise their heads.

PETITION

Planning: Carnegie tabletop dancing venue

Hon. ANDREW BRIDESON (Waverley) presented petition from certain citizens of Victoria praying that the government take the necessary action to prevent a tabletop dancing venue at 123 Koornang Road, Carnegie from operating and amend the planning laws to ensure that tabletop dancing venues are located away from family-friendly areas (460 signatures).

Laid on table.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 3

Ms ARGONDIZZO (Templestowe) presented *Alert Digest* No. 3 of 2003, together with appendices, minority report and extract of proceedings.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Budget Sector — Quarterly Financial Report No. 3 for the period ended 31 March 2003.

Crown Land (Reserves) Act 1978 — Minister's Order of 6 May 2003 giving approval to granting of a lease at Nhill Caravan Park.

Drugs, Poisons and Controlled Substances Act 1981 — Standard for the Uniform Scheduling of Drugs and Poisons, No. 17, Amendment No. 3, 1 May 2003 and Minister's Notice regarding the amendment, commencement and availability of the Poisons Code.

Lake Mountain Alpine Resort Management Board — Report, for the period 1 November 2001 to 31 October 2002.

Parliamentary Committees Act 1968 —

Premier's response to recommendations in Scrutiny of Acts and Regulations Committee's report on Improving Victoria's Parliamentary Committee System.

Treasurer's response to recommendations in Public Accounts and Estimates Committee's Report on the Valuation and Reporting of Cultural, Heritage and Infrastructure Assets.

Whole of Government response to recommendations in Law Reform Committee's report on the Inquiry into Oaths and Affirmations with Reference to the Multicultural Community.

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

Bendigo — Greater Bendigo Planning Scheme — Amendments C11 and C42.

Frankston Planning Scheme — Amendment C17.

Kingston Planning Scheme — Amendment C35.

La Trobe Planning Scheme — Amendment C19.

Macedon Ranges Planning Scheme — Amendment C19.

Melbourne Planning Scheme — Amendment C57.

Monash Planning Scheme — Amendment C19.

Moonee Valley Planning Scheme — Amendment C41.

Mornington Peninsula Planning Scheme — Amendment C59.

Mount Alexander Planning Scheme — Amendment C11 (Part 1).

Nillumbik Planning Scheme — Amendment C21.

Whittlesea Planning Scheme — Amendments C22.

Prevention of Cruelty to Animals Act 1986 — Code of Practice for the Welfare of Animals – Private Keeping of Reptiles.

Road Safety Act 1986 — Alcohol Interlock Guidelines, May 2003, pursuant to section 50AAG(2)(b) of the Act.

Rural Finance Act 1988 — Treasurer's directive of 8 May 2003 to Rural Finance Corporation.

Statutory Rules under the following Acts of Parliament:

Agricultural and Veterinary Chemicals (Control of Use) Act 1992 — Nos. 33 and 34.

Liquor Control Reform Act 1998 — No. 35.

Road Safety Act 1986 — No. 36.

Subordinate Legislation Act 1994 — Ministers' exemption certificates under section 9(6) in respect of Statutory Rule Nos. 32, 35 and 36.

Water Act 1989 — Minister's Order of 12 May 2003 declaring a water supply protection area for the Tarra River.

Proclamation of the Governor in Council fixing an operative date in respect of the following act:

Gaming Legislation (Amendment) Act 2002 — Sections 6, 7(2), 32(2), 36(4), 36(6) and 37 — 15 May 2003 (*Gazette* No. G20, 15 May 2003).

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Second reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation):

The Summary Offences (Offensive Behaviour) Bill 2003 reflects the government's commitment to deliver more effective sanctions to specifically target the disruptive behaviour of 'sex tourists' in St Kilda.

For many years now, street prostitution has been a problem in St Kilda. At any hour of any day, street prostitution can be found in residential streets. Sex tourists — those who travel specifically to St Kilda to cruise the streets and observe, abuse and harass sex workers and residents alike — throw objects from their cars, make obscene gestures, yell abuse, litter, sideswipe parked cars and, occasionally, resort to violence. These illegal acts are reprehensible in any community, but in St Kilda they serve to compound the harms associated with street prostitution.

Street prostitution and the nuisance behaviour associated with it cause considerable distress to members of the Port Phillip community, in addition to causing significant harms to sex workers themselves. In response to community concern about street prostitution in St Kilda, in March 2001 I established the Attorney-General's Street Prostitution Advisory Group. The advisory group was chaired by the then Parliamentary Secretary for Justice and member for Richmond, Richard Wynne, MP, and contained representatives from the Liberal and National parties, Victoria Police, City of Port Phillip, local residents and traders, health, welfare and outreach workers and street sex workers.

Together, the advisory group — in consultation with the Port Phillip community — considered ways to address the unacceptable situation in the City of Port Phillip. In its final report released in June 2002, the advisory group provided the government with a range of recommendations, some of which are currently being further developed within the group. Building upon the work of the advisory group, the government, through this bill, implements one of the key recommendations arising from its final report.

That recommendation proposed the introduction of a new offence that could be enforced by an infringement notice, and addressed the offensive and nuisance behaviour of 'sex tourists'. This recommendation arose from the concerns of residents and street sex workers who face regular abuse and harassment from such people.

The bill will introduce a new offence into the Summary Offences Act 1966 that will target people who use offensive words or gestures in a public place from a motor vehicle. The offence will only apply in 'declared areas'. These areas will be declared by the Attorney-General and must be areas where street prostitution is prevalent.

The offence is punishable by an infringement notice, or on-the-spot fine, which may only be issued by Victoria Police and will carry a penalty of $100. However, if a person elects to challenge the charge, it will be heard in the Magistrates Court and they will face a higher maximum penalty of $500.

The offence will be one of strict liability. This means that it will not be necessary to prove that the defendant intended that their words or gestures were offensive. The offence will be committed once the offensive words are uttered or the offensive gesture is committed. The offensive words or gestures must be used or made within the view or hearing of another person in a public place. Furthermore, their words or gestures must be likely to offend a reasonable person.

The new offence is tightly restricted so as to target a specific problem in St Kilda. It will equip Victoria Police with an effective and immediate enforcement tool to be used in policing the nuisance behaviour associated with street prostitution. The bill will reduce the harm caused to residents and street sex workers and help to provide a safer and better environment for those who work and live in St Kilda.

I commend this bill to the house.

Debate adjourned on motion of Hon. R. DALLA-RIVA (East Yarra).

Debate adjourned until next day.

SAFE DRINKING WATER BILL

Second reading

For **Mr GAVIN JENNINGS** (Minister for Aged Care), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

The Bracks Labor government is committed to improving services to all Victorians in a financially responsible manner. In particular, this government is committed to protecting and improving the quality of drinking water in Victoria.

Access to a reliable supply of good quality drinking water is fundamental to community health and wellbeing, and is essential for the development of many sustainable value-adding industries in regional Victoria, particularly the food and tourism industries.

Through this bill, this government is proposing a comprehensive, statewide regulatory framework that addresses these matters.

We believe that this bill significantly protects and enhances the quality of drinking water supplies in Victoria in a sustainable manner, therefore fulfilling a major policy

commitment of this government, as encapsulated in our Growing Victoria Together policy.

The proposal also satisfies the government's objective of creating transparent processes for service delivery.

Scope and philosophy of the bill

The regulatory framework will cover drinking water supplied by the state-owned water businesses around Victoria, principally the 3 Melbourne metropolitan water companies, the 15 regionally based urban water authorities and Melbourne Water.

The regulatory framework will also, for the first time, cover drinking water supplies that are provided at alpine resorts and supplies managed by Parks Victoria.

Rural water authorities are also covered in relation to water destined for drinking in communities around Victoria.

The bill also allows for the formal identification and regulation of water that, although not intended for drinking, is supplied in a manner that may lead to it being confused with drinking water and inadvertently consumed by the public. The bill will not apply to the supply of packaged water or water for irrigation.

The bill embraces the total water cycle philosophy through adoption of a sound and proactive catchment-to-tap approach to drinking water quality management. Further, environmental improvement is likely to result from closer coordination between water suppliers, catchment management authorities and local government.

The bill addresses concerns raised in the past by the Auditor-General and the Office of the Regulator-General that, within the existing Victorian water quality regulatory framework, responsibilities for managing risks are unclear in a number of areas. The bill provides the required clarification and also clarifies roles and responsibilities among stakeholders for the management of incidents of contamination of drinking water in Victoria.

The framework is consistent with the Council of Australian Governments national competition policy principles for institutional reform. Its implementation will also meet Victoria's commitments under the Council of Australian Governments water reform agreement.

The framework has been developed over recent years with considerable public, water industry and stakeholder consultation. There were three consultation stages during 2000, 2001 and 2002 covering the public, industry and key government stakeholders.

In summary, the legislative proposal once enacted will place Victoria in a leading position in Australia in the regulation and provision of safe drinking water supplies.

Principal objectives

The bill is designed to require water suppliers to develop and implement an integrated risk management framework for drinking water quality, comply with standards for water quality, communicate effectively with all stakeholders and publicly disclose relevant water quality information.

The proposed Safe Drinking Water Act will describe the regulatory regime and contain key obligations relating to risk management and public disclosure. Regulations to be made under the act will include necessary standards for water quality and associated monitoring requirements.

The principal objectives of this bill are to:

protect public health in Victoria in relation to drinking water supplies;

create a consistent statewide regulatory framework for drinking water quality;

establish and implement comprehensive risk management strategies for drinking water quality that covers the overall delivery chain from the catchment to consumer supplies;

give Victorians access to objective information about the quality of drinking water that they receive;

provide communities with the opportunity to establish local non-health-related standards for drinking water quality;

ensure that proposed drinking water standards are subjected to a rigorous benefit-cost analysis;

provide clarity of roles of the various parties who may be involved in the management of incidents concerning drinking water.

Key aspects of the bill

I will now turn to the key aspects of the bill.

Part 1 of the bill contains definitions and outlines the purpose and application of the act.

Part 2 of the bill obliges each water supplier to develop and implement drinking water risk management plans and systems to cover risks and hazards that may affect the quality of drinking water, from the catchment to the tap. Water storage managers will also be required to have in place and implement risk management plans. These plans will be required to be independently audited.

Part 3 of the bill obliges the water suppliers to supply drinking water that meets a set of water quality standards, generally measured at or near the point at which the drinking water is supplied to consumers. The standards will cover health-related criteria, such as microbiological and chemical safety, as well as aesthetic criteria, such as taste, odour and discolouration.

Part 3 also provides flexibility for specific local water quality standards to be established through community consultation, provided any risks to public health have been adequately addressed. The water supplier will also be required to report to consumers on the quality of water supplied and disclose instances where the quality of water may, for whatever reason or however briefly, be suspected of posing a risk to public health.

Part 3 also requires that the drinking water quality standards and the more detailed aspects of the risk management requirements will be set through regulations recommended by

the Minister for Health, after consultation with the Minister for Water, the Minister for Environment and the Treasurer.

This will ensure that standards are set in a transparent and appropriate manner, with the community benefits and costs of particular standards clearly identified. The intention is to develop standards based on the latest version of the *Australian Drinking Water Guidelines*, which is published under the auspices of the National Health and Medical Research Council, whilst ensuring that the standards are relevant to the needs of Victorians.

Part 4 of the bill sets out the powers and functions of the Secretary to the Department of Human Services in relation to drinking water quality. In particular, this will include powers to enter into undertakings with water suppliers to achieve specified requirements and powers to request information. Part 4 of the bill establishes the mechanism for the exercise of these powers.

Part 4 of the bill also grants the secretary the power to provide directions to a water supplier or a water storage manager if the secretary believes that drinking water may pose a risk to public health. Authorised officers may enter water supply premises if the secretary believes that drinking water may pose an immediate risk to public health.

The bill requires the department to report annually to the Minister for Health on the status of drinking water quality in Victoria. It also requires the minister to ensure that a copy of the report is laid before each house of Parliament.

Part 4 of the bill also sets out the mechanism by which the cost of regulating the water suppliers can be funded by the water supply industry in Victoria.

The total levy will be imposed having regard to the costs that are incurred or are likely to be incurred by the secretary to the department in relation to additional activities carried out under the new regulatory framework. The levy is estimated in total at less than $1.5 million per annum.

The bill will complement the Food Act 1984, which contains certain relevant offences and emergency management powers. In particular, it will continue to be an offence under the Food Act for a water supplier to sell unsafe drinking water.

Part 5 of the bill empowers the Governor in Council to make the necessary regulations. This part also provides penalties for the provision of false and misleading information to the secretary or to the public.

Part 6 of the bill proposes consequential amendments to existing legislation that clarifies the regulatory requirements placed on water suppliers. The bill will repeal several water-related provisions of the Health Act 1958 and a section of the Water Act 1989 that provided a water authority with immunity from liability for any action taken in connection with the treatment of water in accordance with the Water Act or any other act.

Implementation and operation

The proposed regulatory framework allows a staged implementation of its requirements, to enable water suppliers a reasonable time to comply. The act will come into force on 1 July 2004.

In recent years the quality of drinking water in Victoria has significantly improved. Nevertheless, there is still a way to go in some areas, and undertakings from water suppliers will provide a mechanism through which the implementation of any new works required to meet the standards can be achieved in stages, while all residual risks are adequately managed.

It is anticipated that new capital and operating costs arising from the framework can be managed as part of the overall business improvement process undertaken by water suppliers in Victoria.

The Minister for Health will also initiate a review of the size and scope of the regulatory activities of the department after the initial two years of full operation, to determine the ongoing resources required to meet the new functions under the act.

Benefits to the community

The benefits to the community of the proposed framework are provided through the increasing use of risk assessment and management with regard to drinking water supplies, improved confidence and assurance in the delivery of good quality drinking water, improved emphasis on catchment-to-tap management and improved transparency of processes.

This is expected to result in a reduced frequency of incidents of contamination of drinking water and reduced severity of such incidents when they do occur.

Closing remarks

As I stated at the outset, regulatory reform of this nature and the provision of good quality drinking water can be expected to enhance the overall business competitiveness of the Victorian economy. This will facilitate sustainable and value-adding business, tourism, cleaner agriculture and quality of life opportunities in Victoria, especially in regional areas of the state.

In closing, I would like to thank the many people who have contributed to the development of this bill, in particular through the extensive public and industry consultation.

I believe that the bill strikes the right balance between quality of drinking water supplies and affordability of services.

I am confident that this legislation, and the bill which I currently put before you, enhances the quality and safety of drinking water supplies for Victorians and therefore fulfils a major policy commitment of this government.

I commend this bill to the house.

Debate adjourned for Hon. D. McL. DAVIS (East Yarra) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

WATER (VICTORIAN WATER TRUST ADVISORY COUNCIL) BILL

Second reading

For **Ms BROAD** (Minister for Local Government), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

This bill establishes an independent advisory council, to be known as the Victorian Water Trust Advisory Council, to implement the $320 million Victorian Water Trust. The trust is a key element of the Bracks government's commitment to securing Victoria's future water needs.

The commitment to establish a Victorian Water Trust was outlined in Labor's *Water for the Future* policy statement. The Bracks government recognises that Victoria's future growth depends on our capacity to manage our water wisely and overcome past neglect of the resource base and water infrastructure. A long-term investment strategy is a central part of this government's plan for ensuring Victoria's water resources are protected and available to sustain future generations.

The purpose of the trust is to:

provide measured investment to meet Victoria's future needs;

enhance the health and sustainability of Victoria's water resources, including river health

encourage increased water recycling and reuse and efficiencies in water use across the state; and

generate additional investment from sources other than the state government.

The government has already committed $160 million to major initiatives to be funded through the trust over the next four financial years commencing in 2003–04.

The establishment of an independent advisory council will play an important role in ensuring that the funding arrangements for Victoria's precious water resources are sustainable and well targeted.

The independent advisory council will advise the minister on the allocation of funds for initiatives that meet the objectives of the trust.

The establishment of the advisory council will assist in the long-term planning and action necessary to sustain investment to meet Victoria's future water needs.

The advisory council will consist of between three to five members appointed by the minister. Members will have experience in the environment, finance, water infrastructure, community services or a field appropriate to the functions of the advisory council. Members of the advisory council will be appointed for a period of up to three years and may be reappointed.

Ambitious targets have been identified to protect Victoria's water resources, as outlined in Labor's Water for the Future policy. These will underpin the programs of the Victorian Water Trust and include:

to increase the efficiency of irrigation systems across the state by 25 per cent by 2020 through piping open channels and other improvements and reforms;

to reduce Melbourne's water use per capita by 15 per cent by 2010;

to significantly improve the ecological health of Victoria's rivers by 2010 by increasing environmental flows and undertaking riverbank and other catchment management works; and

to increase water recycling to 20 per cent by 2010 for Melbourne.

Funding for the trust will be identified each year by way of a separately identified amount provided for the trust in the appropriations legislation. Funding will not be available for projects that have been completed or are part of the normal business of existing authorities. The Bracks government is committed to providing genuine leadership in sustainable water management and will work with catchment and water authorities as well as the private sector to encourage innovation and attract investment.

Broad community discussion and awareness of Victoria's future water needs is critical, and one of the advisory council's first tasks will be to inform the community on its activities and the processes for funding these initiatives.

The Victorian Water Trust is an important part of achieving the government's commitment to enhancing the health and sustainability of Victoria's water resources, providing greater security for meeting Victoria's future water needs and encouraging greater efficiencies in water use across the state.

The advisory council will play an important role in promoting the trust and ensuring that the Victorian Water Trust is effective in achieving its objectives. The advisory council will be supported by the Department of Sustainability and Environment.

I commend the bill to the house.

Debate adjourned on motion of Hon. E. G. STONEY (Central Highlands).

Debate adjourned until next day.

DANDENONG DEVELOPMENT BOARD BILL

Second reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation):

This bill replaces the Dandenong Development Board Bill 2002, which lapsed when Parliament was prorogued last year.

The main purpose of the bill is to establish the Dandenong Development Board, which is a cooperative effort between the state government and City of Greater Dandenong.

Dandenong is one of the state government's nine announced metropolitan Transit Cities projects. The Transit Cities program is an important component of Melbourne 2030, as it implements a number of the initiatives stemming from the strategy.

On 12 March 2002 the Premier announced that the government would establish the Dandenong Development Board, and as part of that announcement the Premier advised that the board will have seed funding of $1 million.

This funding allocation was confirmed in the state 2002–03 budget where $4 million was allocated over four years to the board.

With the establishment of the board the government is honouring its commitment to setting the vision for tackling the economic, social and environmental challenges in Dandenong.

The board will be established as a body corporate with perpetual succession. The clause that establishes the board provides as part of a standard provision for such bodies that the board may acquire, hold and dispose of real and personal property. It is not intended that the board will have the power to acquire real property, and therefore no specific powers have been provided in the bill to enable this to occur. What the provision will do is to enable the board to acquire leasehold property and thereby rent an office.

The function of the board will be to promote the development of Dandenong as a key centre for employment and services in the south-east metropolitan area. The board will aim to refocus the Dandenong town centre and encourage activities which lead to the creation of an economically vibrant, safe and attractive centre.

In order to help the board to achieve its objective it will include representatives from the City of Greater Dandenong Council, the local business community, the Department of Sustainability and Environment, the Department of Infrastructure, the Department of Innovation, Industry and Regional Development and the Urban and Regional Land Corporation.

The board will assist in the facilitation of economic, cultural and community development, and employment growth in Dandenong. The board will also make recommendations on infrastructure and other works considered necessary to stimulate development and cultural activity in Dandenong.

In order to implement the government's Transit Cities program to revitalise Dandenong, the board will assist by:

providing opportunities for increased private investment and business innovation in Dandenong

improving the overall quality of the place and encouraging sustainable development

encouraging the development of higher density housing at strategic locations near transport nodes

encouraging diversity of housing types and promotion of design innovation, while protecting residential character

focusing higher density mixed-use development around the key transport nodes

facilitating appropriate demonstration projects

building communities that offer fair access for all to services and employment opportunities

improving public transport usage and the integration of transport services and assisting in delivering 20 per cent of metropolitan trips by public transport by 2020

creating and improving pedestrian-cycling linkages with transport interchanges

reducing the pressure to develop on the urban fringe

facilitating improved safety through community building and design

improving access to services

ensuring a 'whole of government' response to development issues.

The Dandenong Development Board will actively liaise with agencies/instrumentalities such as the Department of Education and Training, hospitals, Department of Justice (Crime Prevention Victoria), police, Vicroads and Victrack so as to coordinate government expenditure and actions to achieve a safe urban design and built form and functionality for Dandenong.

As I have stated previously, the Dandenong Development Board will be facilitating the revitalisation of Dandenong. However, the government is also aware that to be truly successful the board should be doing itself out of a job. With that in mind the bill contains a sunset date for the legislation. That date is 30 June 2010.

I commend the bill to the house.

Debate adjourned for Hon. D. McL. DAVIS (East Yarra) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries):

It is with great pride that I introduce the Regional Infrastructure Development Fund (Amendment) Bill into the house.

These amendments facilitate the fulfilment of the government's commitment to extend natural gas to the rural and regional areas of Victoria.

Since its inception in 1999 — when the Bracks government committed $180.7 million to the Regional Infrastructure Development Fund (RIDF) — the fund has supported 71 infrastructure projects across regional Victoria.

Through the commitment of $128.4 million of RIDF funds we have catalysed some $300 million of investment in economic, transport, tourism and education infrastructure across regional Victoria.

Funding for an additional five projects is expected to be announced shortly, bringing the total commitment to $133.6 million. The balance of the fund is expected to be committed by 30 June this year.

The Regional Infrastructure Development Fund has proved to be an outstanding success for regional and rural Victoria. Groups such as the Victorian Farmers Federation have called for the fund to be replicated at the national level. Recognising the strengths of the RIDF model, the Western Australian government has established its own regional infrastructure funding program parallelling the aims and objectives of the RIDF.

At this point it is worth reflecting on some of the achievements that have relied on the fund for their success.

In Wodonga, the Regional Infrastructure Development Fund was instrumental in securing Visy's $60 million, state-of-the-art box plant. The $1.2 million from the fund contributed to the cost of trunk infrastructure servicing the new industrial area of the Wodonga Enterprise Business and Technology Park, leading to the creation of more than 200 jobs.

In Warrnambool, a $3.3 million grant from the Regional Infrastructure Development Fund contributed to the first major upgrade of the popular Flagstaff Hill Maritime Museum in over 25 years. The redevelopment included a complete overhaul of the entrance gallery and the introduction of a spectacular night attraction, incorporating a high-tech sound and laser light show.

The Regional Infrastructure Development Fund was instrumental in assisting the Birchip Cropping Group complete a $700 000 research facility to promote efficient management of crops, generate higher yields, improve farm incomes and foster the development of new markets and products.

The fund has also supported the completion of over 200 cattle underpasses across Victoria's dairy regions to improve safety for farmers and road users. Around 100 more underpasses have received approval, taking the total funding approved under this program to $6 million, with a further $2.5 million committed at the last election.

The $10 million rural community infrastructure allocation has supported nearly 180 projects across rural and regional Victoria. This program has been hailed as a fantastic success by councils and local community groups, enabling them to complete a number of locally driven projects in smaller communities.

Building on this success, at the last election the government committed a further $180 million to the Regional Infrastructure Development Fund.

Through consultation across Victoria in our first term of government, we heard that the extension of reticulated natural gas was the most important economic development issue to country Victorians. We have listened and responded.

In September 2002, we announced the establishment of Regional Development Victoria and directed that one of its key responsibilities would be the extension of natural gas to country Victoria.

In November we took our commitment a step closer, announcing that $70 million from the renewed Regional Infrastructure Development Fund would be directed towards extending gas in rural and regional Victoria.

Now we take the next step — making legislative amendments to facilitate the program — through this bill.

The bill:

> expands the purposes of the fund to include extending reticulated natural gas in regional Victoria and Melbourne's rural fringe and
>
> updates the schedule of municipalities in regional Victoria to reflect the de-amalgamation of the Delatite shire last year.

The bill amends the act to explicitly allow the RIDF to fund natural gas extension projects in regional Victoria and the nine interface councils on Melbourne's fringe.

The Regional Infrastructure Development Committee, which makes recommendations on disbursements from the fund, will develop guidelines to ensure that only rural areas of these interface municipalities receive assistance under these provisions.

The bill also provides for the resources of the fund to be used in the development and implementation of gas extension projects.

This puts weight behind our commitment to support municipalities in the development of gas extension projects through sharing experiences and funding external expertise.

This bill delivers on one of the government's key commitments to rural and regional Victorians at the last election.

I commend the bill to the house.

Debate adjourned on motion of Hon. BILL FORWOOD (Templestowe).

Debate adjourned until next day.

CONSTITUTION (WATER AUTHORITIES) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

I note that this is a historic bill as it is the first introduced into this house under the new constitutional provisions that require a 60 per cent majority on the third-reading motion for it to pass. I could not let that go without passing.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

Honourable members will agree that the provision of water services, at reasonable cost, is a matter of primary importance to our community. It was for this reason that, 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. To secure the public control of water services, an amendment to Victoria's constitution was proposed to entrench the public ownership of our water authorities.

This bill implements that commitment. The ownership of our water authorities that deliver water to Victorians will be entrenched in state ownership by amendments made to the Constitution Act 1975. Any bill that removes the responsibility for ensuring the delivery of water services from a public authority will be governed by those entrenchment mechanisms and will require a special three-fifths majority of all of the members of both the Legislative Council and the Legislative Assembly before it can be submitted for royal assent.

Members should also note that this bill will also need to be passed by a three-fifths majority of the members of both houses, as it seeks to amend section 18(2) of the Constitution Act as a consequence of the recently enacted Constitution (Parliamentary Reform) Act 2003.

A new part VII will be added to the constitution to require public ownership of water authorities. If a public authority has the responsibility for ensuring the delivery of a water service, that responsibility must be carried on by that authority or another public authority. 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.

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

I commend this bill to the house.

Debate adjourned for Hon. PHILIP DAVIS (Gippsland) on motion of Hon. E. G. Stoney.

Debate adjourned until next day.

BUDGET PAPERS 2003–04

Mr LENDERS (Minister for Finance) — I move:

That the Council take note of the budget papers, 2003–04.

Hon. BILL FORWOOD (Templestowe) — It is my pleasure to rise to speak on the budget.

Mr Lenders interjected.

Hon. BILL FORWOOD — I should make the point to the Leader of the Government that under his rules I have an hour; everybody else only gets a quarter of an hour. At least he did not cut into my hour. I should start by saying that it is disappointing that I am the only person in this chamber who gets an hour to speak on the budget papers. It would be better if other members, particularly colleagues of mine who are on the opposition front benches, had the opportunity to speak for longer than the allocated quarter of an hour.

Hon. T. C. Theophanous — You want all of them to speak for an hour!

Hon. BILL FORWOOD — No, that is not my point. My point is that there are better ways of dividing the time of the house than having one person speak for an hour and others for only 15 minutes. However, I turn to the budget.

This is the fourth budget of the Bracks government — and how quickly it has all deteriorated. We are now four budgets in, and what have we got? In some senses we have a typical Labor budget — this is a high-taxing, high-spending budget — but it is not typical in many other ways, and I will deal with those as I go. This budget demonstrates once and for all that the inheritance this government received when it came unexpectedly to government in 1999 has been squandered. The $1.8 billion that had been left by the previous government has gone, and there is not much to be shown for it. How quickly it has all deteriorated!

Now as you move around the community what you get are people asking, 'Where has all the money gone?'. They try and find out where the money has gone. When they look at the budget papers they do not get it where the money has gone, nor do they get it when they look around their communities. Time and again people say, 'Where has all the money gone?'. The next thing they ask is, 'Where will it all end; aren't we back where we were before?'. They are asking, 'What happened to the

money, where do we go from here?'. They are saying, as they do, 'I know that Labor can't manage money'.

I drove into a service station the other day in Upper Heidelberg Road and on the back of my car I have a sticker that says, 'Bracks. Taxes. Lies. Labor = tolls'. I was putting petrol in my car at the time and the guy beside me said, 'Like your sticker, it's true, isn't it? Labor can't manage money'. People are saying, 'Where will it all end?' because they see taxes going up. We know from the budget papers that taxes have gone up $3.4 billion in this state since 1999–2000, an extra $1900 per household throughout the state.

They see their taxes going up; they see the promises being broken; and particularly they see the promise in relation to the Scoresby freeway; but there are a raft of others which I will come to later and deal with one by one. They see money being wasted, and I will deal with the waste of money in more detail later in my contribution. They see deals being done with their Labor mates, particularly on wages, and later in my contribution I will deal with the issue of wages growth in some detail because that is some of where the money has gone. But they do not see outcomes, the benefits of the funds that they inherited, nor anything from the massive amounts of taxes that have come in since Labor came into government. Promises broken, money being wasted, deals being done, and not much to show for it.

One example goes to the question of disability services. Much more can be said about this, but this email is a simple story, and states the following about residential places for the disabled:

> The disability services division budget for 2003–04 shows a callous indifference to the needs of people waiting for services.
>
> In this budget there is no increase in the number of residential places. Yet there are over 3000 people registered as waiting for a residential place with more than 1000 of these classified as urgent.
>
> On current estimates, over the three years 30 June 2001 to 30 June 2004, the government will have increased the number of residential places by 91.

From 4979 to 5070. The email further states:

> In the same period expenditure will have increased about 20 per cent, from $370.2 million to $441.5 million. This increase of $71 million is accompanied by a very small increase in service capacity of 91 extra places over three years. It is no wonder that families are in despair, knowing that increases in the dollars in the disability services budget has not meant commensurate increase in service provision.

Those words came to me from a person who spends a lot of her time with a disabled child. The email goes on:

> An alternative to a residential place is in home and outreach support. There are over 1100 people registered as waiting for support, with nearly 800 classified as urgent.
>
> The government's response to this desperate need is to provide for 100 more places in Homefirst support. It is no wonder that Victorian families caring for their loved ones at home feel abandoned by this government.

We have a situation where the money is coming in, but the outcomes are not there for people to see. The email finishes by saying:

> It is a very grim and hopeless situation.

High taxes, high spending, a state at the brink. As my colleague the honourable member for Box Hill said in his contribution in the other chamber recently, 'If things are like this now when the economy is strong, what will happen when things start to deteriorate?'.

Members would be aware that Moody's produced a recent analysis for May 2003 of the state of Victoria and went through some of the credit strengths, giving credit, I might add, for the privatisation program of the previous government and also strong financial support provided by the commonwealth government. But it says under the heading 'Credit challenges':

> Victoria's credit challenges include:
>
> > potential for slowing revenues and expenditure pressures likely to require greater spending restraint.

In my contribution I will deal at some length with the issue of greater spending restraint. Mr Baxter and I sat through the Public Accounts and Estimates Committee hearings last week and know that the government has decided it will take $141 million in savings. We know the government is having difficulty in being honest about where those savings will come, although I point out to honourable members that if they look at the budget papers, savings are due to start full year on 1 July this year. Somehow or other in the next five or six weeks the government will have to identify all those things. We asked a number of the ministers questions like, 'If the full-year amount is $31 million in savings that will come from the health area, which programs will it come from and where will the funds be found?'. In response the Minister for Health said, 'We are talking to stakeholders'. We asked which stakeholders, and she would not tell us. Why the great concern? The government says it will save $141 million on top of the $130 million it says it will save from the productivity dividend. Why is that? Because already it has blown the budget; already the funds have gone; already people in

Victoria are legitimately asking the question, 'How did it deteriorate so quickly; where has all the money gone; where will it all end up; and what have we seen for the funds that have been spent?'.

I thought Terry McCrann put it well in an article in the *Herald Sun* of Wednesday, 7 May, under the heading 'Home boom saves bacon'. He is making the point that if it was not for the $512 million over budget that came in through property windfall taxes, this budget this year would be in deficit again. He said:

> This budget formally charges 'the party' — the government. Next year's will likely prove it's 'guilty'.

He is starting off — he charges the party, next year the government will be found guilty. We are back to the Guilty Party, to which I will return throughout my contribution. I will demonstrate to the Minister for Energy Industries and others that what we have is a return to the bad old Labor: high taxing; high spending; cannot control the wages growth; waste of money; and no outcomes. What have we got? Disaster looming around the corner. Terry McCrann said:

> If so, the really big worry is that there's no Jeff Kennett — and even more, the fiscally retentive Alan Stockdale — waiting in the wings to pull us back from financial meltdown.

Terry McCrann's words were, 'We're heading for financial meltdown'. He continued:

> One number captures the dreadful state of our finances, and which worked to keep Messrs Bracks and Brumby, temporarily, out of financial jail.
>
> The property boom dumped an extra $510 million more than expected into the state coffers.
>
> But for that, the budget would have plunged at least $350 million into the red.

As I will demonstrate later in my contribution, for each year the government has been in office it has spent above its budget. It has no capacity to keep to the budget that is allocated to it by the Parliament. This is not money that goes on new programs, as has been amply demonstrated elsewhere, this is money that is absolutely wasted.

McCrann continued:

> Worse, we've got to teetering on the edge of Joan Kirner-style red ink, despite a much more general and more sustained surge in state revenue.

He goes on:

> … Bracks and Brumby have had a staggering $5 billion more to spend this year than Kennett and Stockdale thought they would …

And still they have spent all that money and more, and there is nothing to show for it.

If you go to the country and ask the people where the fast rail link is, they will say, 'We think it is coming, but we don't know when'. And if you talk to them about, for example, rail standardisation, they will say, 'It was promised, but we don't know when'. And if you go to my electorate, to the Banyule community health centre, the people will say, 'We were promised $11 million but we don't know when'. In other words, $5 billion more, and what have we got to see for it? Not a lot.

Terry McCrann's article also states that the budget numbers show precisely why a toll has to go on the Scoresby freeway — there is no way future budgets could handle the $2 billion spent.

Moody's Investors Service says there is potential for slowing revenues and expenditure pressures. Terry McCrann comes out and says, 'Home boom saves bacon', but talks about the great worry that will come from the downturn when we have no-one to pull us back from financial meltdown — and that is his expression.

Then one can turn to an article headed 'Wages blow-out may squander the Kennett inheritance' in the *Australian* by Alan Wood, the economics editor, which states:

> Militant Victorian unions are dragging their state downhill.

We can go into the issue of the unions in some detail but I think people understand this. One of the things the government cannot do is govern for all Victorians — it is partial to its friends. Members have heard me say before that this government is a political wing of the trade union movement. The trade union movement came first and the Labor Party came second. There is no doubt at all that militant unions, as he says, are dragging their state downhill. He also said here:

> Steve Bracks and Brumby have been warning of a tough budget; public sector unions have been warned against pay claims; motorists face a jump in registration charges, which will also be indexed from now on; and all the talk is of spending cuts to preserve a budget surplus of at least the $100 million the government has committed itself to as a talisman of its fiscal responsibility.

The article goes on to say:

> In its 1999–2000 budget the Victorian Treasury forecast that in 2002–03 state government revenue would total $21 billion. The mid-term budget review in February this year showed a revenue forecast of $25 billion — a $4 billion windfall. Add them together and you have a $5.7 billion gift to the Bracks government.

Where has the money gone? It is a question Brumby doesn't like — —

Hon. T. C. Theophanous — Are you going to do your own speech or just read?

Hon. BILL FORWOOD — I am pointing out to you, Mr Theophanous, that as well as myself, there is, for example, the guy in the service station who said to me, 'They can't manage money'.

Hon. T. C. Theophanous — When you showed him the Liberal Party sticker!

Hon. BILL FORWOOD — No, he saw it on the back of the car — Bracks. Taxes. Lies. Labor = tolls. Spontaneously he said to me — —

Hon. T. C. Theophanous — On a point of order, President, the honourable member keeps referring to a sticker as being something that is being put around, but he refuses to identify what the sticker is from. I suspect the sticker has a sign on the bottom which makes it clear that it is a Liberal Party sticker, in which case he should identify that it is a Liberal Party sticker so that the house is clear about where it came from.

Hon. Philip Davis interjected.

Hon. BILL FORWOOD — On the point of order, President, I pick up the interjection from my colleague the Leader of the Opposition, who says it looks like a Labor Party sticker because it does look very much like part of the Labor Party logo from the last campaign! It does not have anything across the bottom, so in that sense it is not authorised.

Hon. T. C. Theophanous — It is not authorised?

Hon. BILL FORWOOD — This one is not. The only words it has on it are: Bracks. Taxes. Lies. Labor = tolls.

Hon. T. C. Theophanous — What about the thing on the side?

The PRESIDENT — Order! Are you speaking further on the point of order, Mr Forwood?

Hon. BILL FORWOOD — I do not think there is a point of order. It is a sticker on the back of my car.

The PRESIDENT — Order! The minister has raised a point of order as to a document, in this case a sticker, that the honourable member is referring to. I asked him to source it. He has stated to the house that it is not sourced; it is not authorised by anybody and he has read out the full extent of all the words on the sticker so the house is aware of its origins, or in this case the lack of origins — —

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Hang on! President, I take offence at that!

The PRESIDENT — Order! While I am on my feet I ask the minister to desist from speaking. With respect to the point of order, the member has identified the full content of the sticker to the house and has noted that it is not authorised by anybody, and so he has made it clear as to all words that are on that sticker. That satisfies the member's original point of order.

Hon. BILL FORWOOD — Thank you. I am reluctant to do this, but by way of interjection the minister accused me of lying, and I ask him to withdraw it.

Hon. T. C. Theophanous — I did not.

Hon. BILL FORWOOD — You did. I heard it.

Hon. T. C. Theophanous — I didn't do it. What do you want me to do? Apologise for what I didn't do?

Hon. Philip Davis — Apologise! You know the rule!

The PRESIDENT — Order! I, unfortunately, did not hear it because I was on my feet trying to give a ruling, but there were interjections going on. The honourable member takes offence at words uttered by the minister. And you are asking him to withdraw, Mr Forwood, is that right?

Hon. BILL FORWOOD — Yes.

The PRESIDENT — Order! The member has taken offence and asks the minister to withdraw.

Hon. T. C. Theophanous — President, I do not believe I did say anything about the member lying. I did say that if it is from the Liberal Party then that would be a lie. But I did not say anything about the member himself lying. I do believe that document comes from the Liberal Party.

Hon. Philip Davis — Are you going to withdraw?

Hon. T. C. Theophanous — And incidentally, I withdraw.

Hon. BILL FORWOOD — I thank the minister for his gracious withdrawal! I do not think the issue of where the sticker comes from is relevant to the debate.

What is relevant to the debate is the reaction of the people who believe the sentiments behind it are true, and that is why the government is so sensitive.

It is why the minister and the Treasurer, and the Premier in particular, are very sensitive to the accusation of where the money has gone and what we have to show for it. Yes, we are high taxing and high spending, but what have we got to show for it? Where has all the money gone?

Mr Theophanous, as a philosophy student, would know of Georg Hegel, who was a 19th century philosopher. What he said in his *Philosophy of History* was:

> What experience of history teaches is this — that people and governments never have learned anything from history, or acted on principles deduced from it.

This was later picked up by George Bernard Shaw in *The Revolutionists Handbook*, and the preface to *Heartbreak House,* and it is now more commonly known as 'Those who don't learn from history are condemned to repeat it'.

One of the problems for the Labor Party is that out there among the ordinary people of Victoria they think we are on the brink. They think history is about to repeat itself. They think the behaviour of the Labor Party in government, in the 1980s and early 1990s, is about to come back.

Craig Wilson said to me recently, after a discussion we were having about the tolling on the Scoresby issue:

> This government has peaked, and I think it is on the way down.

That is just his opinion and he is only one person, but the theme that runs through is that this government is out there squandering funds. Can a leopard change its spots? Does this Labor Party have the capacity to be different to previous governments? On the evidence found in the budget papers and in the evidence of the last few days one would have to say no.

John Cain, in his book *John Cain's Years,* made two points, which I wish to share with the house.

Hon. Philip Davis — This is our bible.

Hon. BILL FORWOOD — A highly marked bible. At page 270 he said:

> The cabinet process built around properly prepared submissions circulated in accordance with appropriate time lines fell into disarray. The government lost the capacity to take on and decide hard issues … Ministers regarded the wishes and demands of the interest groups and/or the public sector unions in their portfolio as more important than good management and good government. Many did not want to say no to anything asked of them. The perceived wishes of the factions on appointments and resource priorities were dominant, and the government became the object of varying demands of the factions.
>
> I was constantly accused of being too concerned about 'good government'.

We are beginning to see the same issues rise again. One could certainly look at the insurance example. The premiers of Queensland and New South Wales were capable of dealing with the issue. Not here in Victoria! Do you know what is happening in Victoria? No-one has told us officially yet — the Minister for Energy Industries knows because it went through cabinet yesterday — this house is not sitting next week.

Hon. T. C. Theophanous — Excuse me, did you see the two full-page ads by the plaintiff lawyers?

Hon. BILL FORWOOD — I did. I saw them.

Hon. T. C. Theophanous — Does that look like we're caving in?

Hon. BILL FORWOOD — Absolutely it does!

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! Through the Chair, please.

Hon. BILL FORWOOD — There is no doubt that Labor members are under so much pressure and they have got it so badly wrong that the dates, which have been in our diaries for months, have been changed. We are not sitting next week because a bill that was to be introduced in the Assembly needs to go through in two weeks. This is an example of what Mr Cain was saying about the inability to make the hard decisions. At page 286 he said:

> The corollary of this kind of mentality is continuing factional warfare. In this mood the factions continue to be feral and to fight about everything …

He goes on about some of the things and continues further:

> Extreme policy positions can be pursued to curry favour with some group in or on the fringe of the party because of some perceived factional benefit in doing so.

What did we see on the weekend? Again we saw this sort of problem. I only need to refer the house to page 2 of the *Australian* of 19 May:

> A federal frontbencher said he left yesterday's conference depressed after the morning was spent talking about a brawl between delegates rather than debating policy.

> He said the Victorian branch was now in the same destructive state as in the 1970s —

I would say 1980s and 1990s —

> when federal intervention was required to rescue it.
>
> 'It's growing like a cancer', he said. 'The organisational branch of the Victorian party is completely dysfunctional'.

So we have the budget brought to this place today by a party that, by description of one of its own frontbenchers, is completely dysfunctional. We do not have a government capable of taking the hard decisions. We do not have a government capable of articulating a vision for the future. We do not have a government capable of managing the finances of the state. As you walk around Victoria today people are saying, 'Where's the money gone? What have we got to show for it?'.

If you need any further examples you can turn to today's Crikey.com.au, which goes into some detail about the role played by cabinet ministers in the Bracks government. It says:

> In the debates themselves, cynically led by right boss — —

Hon. T. C. Theophanous — On a point of order, Acting President, I want to draw your attention to the fact that the member is going to proceed to quote from a source known as Crikey.com. This is a source where people anonymously — —

Hon. BILL FORWOOD — Delia Delegate.

Hon. T. C. Theophanous — Well, anonymously, are able to put any kind of scurrilous accusations about any person or persons without being able to be pursued in any way, shape or form. It is open to any member of the public, as I understand it, to put those comments on to the Net. For all I know, the honourable member is going to quote from the source that has made its contribution to Crikey.com and that contribution could in fact be Bill Forwood! No-one knows who has made that contribution.

This house went through a very difficult period in the late 1990s and it was decided during that time that a code of conduct would be brought into this house. That code of conduct was institutionalised — —

Hon. BILL FORWOOD — You would not dare pursue this?

Hon. T. C. Theophanous — Mr Forwood might want to laugh, but that code of practice was introduced into this house and accepted by the house and a number of rulings were subsequently made by the President in relation to that code. The code was along the lines that if a member obtains a document from an unknown source that contains allegations the member may raise the matter in the house but in a way that does not name any individual. If this code of practice is going to be followed by this house people will not get up and simply make comments based on emails or based on what may or may not have been written into Crikey.com.

Let me give you another example, Acting President, so you clearly understand this. Anyone can anonymously paste information onto the Net.

Hon. Philip Davis — You have not made your point of order yet.

Hon. T. C. Theophanous — The point of order is that under the code of conduct that has been established in this house — and I will quote from a ruling on the code of conduct from the then President:

> If a member obtains a document from an unknown source …

Now, if the member is able to identify who exactly wrote this information and sent it in to Crikey.com, it might be a different story, but he is unable to do that, so it is an unknown source under that definition and, if so, you should rule him out in the sense that he should not proceed to name any individuals contained in that unknown and unnamed source of allegations.

Hon. BILL FORWOOD — On the point of order, Acting President, there is a long-held tradition in journalism in this country that the editor takes responsibility for articles, particularly in newspapers, and all the electronic media. This document is publicly available on the web through Crikey.com, a very well-known Internet site.

Hon. Philip Davis — And entertaining.

Hon. BILL FORWOOD — Yes, entertaining. This site has all sorts of stuff on it and, as I said by interjection to Mr Theophanous, if they get it wrong they are sued. The author has just paid $25 000 to Nick Bolkus for something that he said that was wrong, so he takes responsibility for it. I have sourced this document absolutely. I did not write this document. This document is a public document off the Web and we should not allow this house to be put in a position where, because of the sensitivities of some members, documents on the public record are not able to be used in this place.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! The member has

referred to Crikey.com. He has made reference only to the source at the present time; he has not made any specific quotations from Crikey.com. Until he does, I do not think there is a point of order.

Hon. BILL FORWOOD — I wonder what you are so sensitive about because — —

Hon. Philip Davis — You know what's coming, do you, Theo?

Hon. BILL FORWOOD — He does. I showed it to him. It does describe Mr Theophanous as an alleged branch stacker.

Hon. T. C. Theophanous — On a point of order, President, I want to refer you to standing order 9.17, which indicates:

> No member will use offensive or unbecoming words in reference to any other member of either house.

Also standing order 9.18 states:

> All imputations of improper motives and all personal reflections on members will be considered highly disorderly.

I put it to you, President, that the sleazy attempt by the Honourable Bill Forwood to try to quote from a document which is unnamed and unsourced is highly disorderly, and I ask you to rule him out of order and to ask him to withdraw and apologise.

The PRESIDENT — Order! The minister has referred to standing orders 9.17 and 9.18. He has taken offence at the words the honourable member has quoted to the house. I ask the honourable member to withdraw under standing order 9.18, which states that:

> … imputations of improper motives and all personal reflections on members will be considered highly disorderly.

Hon. BILL FORWOOD — On the point of order, President, it needs to be objectively offensive. Since when have the words 'alleged branch stacker' been objectively offensive? I would have thought that in the Labor Party the words 'alleged branch stacker' were a badge of flaming honour. I think it is extraordinary that he can come in now with such a display of petulance and say that the words 'alleged branch stacker' cannot be used in this Parliament.

The PRESIDENT — Order! I have ruled on the point of order. Where members in the past have uttered such words they have been asked to withdraw and they have done so. The member has indicated he takes offence, and I ask the Honourable Bill Forwood to withdraw.

Hon. BILL FORWOOD — I withdraw. I am very sorry about the extraordinary sensitivity of the minister to the events that took place at his own state council.

The point I am making to this Parliament in the debate on the budget is that this state is in trouble because of the antics of these people, like the punch-up at the brawl at the state council. You do not need me to tell you that Mr Theophanous, along with some of his colleagues, was in it up to his eyebrows.

Hon. T. C. Theophanous — On a point of order, President, this is totally inappropriate. The honourable member has made a direct accusation in relation to me, saying that I was involved somehow in the brawl — what he has called the brawl, which I do not believe was anything like that, but he has suggested that I was involved in that. I take offence at that and I would also ask you, President, in giving your ruling to indicate to the member that if he has a substantive matter that he wishes to put to the house in relation to my behaviour in any forum then he should do so by substantive motion and should not be attempting by way of sleazy mechanisms to come in here and make unsubstantiated allegations against members.

The PRESIDENT — Order! The Honourable Bill Forwood made accusations against the member to which he objects, which were not accurate, and I ask the member — —

Hon. E. G. Stoney — How do we know?

The PRESIDENT — Order! Because I was there. I ask the honourable member to withdraw.

Hon. BILL FORWOOD — I withdraw. I am glad there were some eye witnesses to the brawl. But I do make the point that he has been known to be involved in the odd scuffle in the chamber.

The PRESIDENT — Order! I was there also, so I ask the member to come back to the budget, please.

Hon. BILL FORWOOD — I am. Let me make this point about the budget — this is really important: the issue that confronts the state at the moment is that we are on the brink and one of the reasons we are on the brink is because of the behaviour of the government and part of the behaviour of the government comes from senior cabinet members. I am quoting a document. The story is on the front page of the *Australian*, but I am quoting a document that not only mentions Mr Theophanous in name but also mentions the chief of staff to the Minister for Finance, Roland Lindell. It mentions Mr Theophanous again in reference to a speech he gave. It mentions Mr Larocca, who

works for small business minister, Marsha Thomson. It mentions a Mr Tom Cargill, who works for Senator Robert Ray. I refer to the quote in the *Australian* where it says:

> 'The organisational branch of the Victorian party is completely dysfunctional.'.

This is about the budget. We have a situation in Victoria where the government is in factional warfare — —

Honourable members interjecting.

Hon. BILL FORWOOD — Let me just read a few more quotes from Delia Delegate on Crikey.com, who happens, like the President, to have been there. I do not need to go into the details of what Mr Roach did to Mr Abbouche, or the role played by Mr Shorten. The point that I am making is that the people of Victoria are entitled to know that the behaviour of the government is the same as that of the government in the late 1980s and 1990s. I come back to the point — President, you were not in the chamber at the time — that I am saying the question is: does a leopard change its spots? If you read the budget, the answer is: no. What have we got? We have high taxes, we have high spending, we have wastage, we have wages blow-outs — we have nothing to show for it. And why? Because of the rabble that is running the state.

An Honourable Member — Move on.

Hon. BILL FORWOOD — Absolutely. If you want to have some examples of why a leopard cannot change its spots, I refer you to this document: *Economic and Financial Management under Labor*, by Theo Theophanous, MP, February 1994.

We can go to this year's budget and talk about the funny-money deals because the government is involved in them. If you are looking for funny-money deals you do not need to go much further than the Spencer Street deal — where the government took $66 million, would you believe, up front — or the payment from National Express which it took up front and put into revenue, wrongly classified. You can look at some of the funny-money deals in the pre-election period when the government raided, as it did in the past, the Transport Accident Commission, when it raided the gas and water authorities and when it took $115 million of roads expense and fortuitously reclassified it as capital, adding another $115 million to the reported surplus. The government is now reversing those decisions.

Mr Theophanous would remember better than most the days when next year's revenue was pulled into this year and when this year's expenses were pushed out to the following year.

Hon. T. C. Theophanous — So quote me!

Hon. BILL FORWOOD — I am going to quote Mr Theophanous at length. At page 8 his document states:

> The deterioration of the current account could not be addressed by Labor at the time without appropriate union/government enterprise agreements and greatly increased revenue. As these options seemed largely closed, Labor took the only other route available to it — it borrowed, not to build infrastructure or public assets, but to pay for the recurrent costs of delivering services. The current account deficit thus reached record levels and affected Victoria's credit rating …

He has put it on the record.

What I am saying to the chamber is that we are heading back the same way. We are on the brink. If you look at the current budget papers you will see that the borrowings for this year are double what they were budgeted for last year.

Hon. T. C. Theophanous — That's why I'm here, Bill — to make sure we don't!

Hon. BILL FORWOOD — Mr Theophanous says he is here to make sure it does not happen but Mr Theophanous is the person who refuses to allow this chamber to hear the sordid story of the weekend brawl which he would not deny — I hope — he was present at and which he discussed with people who were there.

Let me go on to refer to shifts in the capital account. I have just mentioned the shifting of $115 million from one account to the other. Mr Theophanous said in his document:

> Not only was the … government caught in a fiscal policy wedge which made higher deficits and increased debt inevitable, it was also forced to adopt some inappropriate strategies because of it.

What are we doing now? We are back with the inappropriate strategies.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Yes, we are. Mr Theophanous knows that, and if he wants any evidence or proof of it, why not go to the Ombudsman's summary of the report on the investigation into allegations of a conspiracy between the then Department of Natural Resources and Environment and the Department of Justice? Mr Theophanous's words were 'forced to adopt some

inappropriate strategies'. If ever there was living proof of an inappropriate strategy it is this document tabled in this house two weeks ago. What does it say? It says:

> The 'projectising' of the survey function was little more than a scheme to panel beat an existing statutory function into a different shape so as to meet the section 76 criteria.

What does that actually mean? It means this: at the moment there are $450 million of taxpayers' funds in trust accounts in Consumer Affairs Victoria. The government wanted to get some money, so what did it do? It concocted a scheme — it called it a round robin scheme, by its only language. The idea was that the government would make up projects to get grants from these trust funds instead of using the appropriation which comes to the Parliament, which we are debating today. What a funny-money scheme is that!

The Ombudsman's report goes on to say:

> It was a condition that the 'projectising' would only be for three years after which the funding of the survey function by way of appropriation would resume.

In other words, 'Let's just raid the money out of the trust funds and use it inappropriately, and then we'll go back to the old system after that'.

I make the following point, and I make it very seriously, about what the two ministers said when asked their views about this. The Ombudsman says:

> In due course I received responses from both. Although neither answered the questions that had been posed, each acknowledged having been in attendance at the presentations given in regard to —

the initiative.

Page 7 of the report shows that if it were not for Deloittes this story would never have come out. It states in reference to the investigator:

> His insistence on obtaining information finally resulted in his being told of the intention to 'projectise the existing functions of the survey office' and of the proposal to replace appropriation money with funding from the Estate Agents Guarantee Fund. He stated that he informed Land Victoria that DTT —

Deloittes —

> would not put its name to something that was not a project.

Well, good on 'em, because this is a funny-money deal, and that is the direction this government is heading in. If you want more proof of it, what about last year's Parliament appropriation bill?

Hon. T. C. Theophanous — Aren't you going to quote me anymore?

Hon. BILL FORWOOD — I have got more. As Mr Theophanous would know, the Parliament appropriation bill brought to this place last year was false. What sort of executive brings to this Parliament a bill — particularly a bill dealing with funds — knowing it to be false? I will deal with that in real detail when we debate the Parliament appropriation bill.

Mr Theophanous, having talked about how the government was forced to adopt inappropriate strategies, went on to talk about interest swaps and short-term borrowings:

> The above action was compounded by some highly questionable financial transactions including certain types of interest swaps.

He went on to say that they were used —

> … to acquire up-front payments in lieu of interest.
>
> In one example $35 million was appropriated, probably unlawfully …

Then he went on to point out that when he was chairman of the Public Accounts and Estimates Committee he was the person who brought this to notice — and I give him full credit for that. But the issue is that we are now back with the government doing the same thing. As you track your way through the budget papers you will discover that this sort of funny-money stuff is coming back again.

During the estimates hearing the other day there was a brief exchange with Tony Arnel from the Building Commission who was there with the Minister for Planning. Some millions of dollars are in the Building Commission for its use — that is how it funds itself, as it does not get an appropriation line. But it will be interesting to see — I will keep my eye on this — if the government decides, 'Oh, there are a couple of million in the Building Commission. Let's see if we can lay our hands on that'.

That is the sort of behaviour that has come back and it is compounded by the behaviour that we see around the government such as the fracas that took place on the weekend.

Hon. J. M. Madden — That was a blue.

Hon. BILL FORWOOD — A blue, thank you. I pick up the words of the minister, who just said it was not a fracas, it was a blue.

Mr Theophanous wrote this document which raised the issue of funny-money deals, and he is right. They are back, and we should all be really concerned about it. This is not an appropriate way to run the state, and we

now have a situation where the behaviour that was so prevalent in the 1980s and 1990s is back with us. Why would things be any different?

I go back to my question: does a leopard change its spots? No, of course it does not. Why doesn't it? The Premier used to be a ministerial adviser; the Deputy Premier, Mr Thwaites, used to be a ministerial adviser; the Minister for Local Government and Minister for Housing was chief of staff to Joan Kirner for six or seven years; and Mr Gavin Jennings, Deputy Leader of the Government in this house, was on Joan Kirner's staff as well. Do leopards change their spots? No, of course they do not. They used to be advisers, and now they are in the cabinet and they are behaving the same way. The people of Victoria want to know where the money has gone and what the government has to show for it. The answer is: not a lot!

I wish to make a couple of points. I refer honourable members to table 7.3 on page 133 of budget paper 2.

Hon. T. C. Theophanous — Have you finished with me, Bill?

Hon. BILL FORWOOD — You leave. I'll go back.

The table is titled 'Labor's financial statement 2002 asset investment funding approved for commencement in 2003–04'. We know the toll came in because the government could not fund it, and we know that caused huge angst internally in the Labor Party.

What we now have on pages 133, 134 and 135 is a whole list of projects that have been promised but not funded. What sort of government does that? Why are we now in the situation where, for example, in the Department of Education and Training, under Labor's financial statement, facilities for excellence is promised $80 million but only $10 million has been allocated; for the building better schools — new schools program, an amount of $180 million was promised, but only $90 million has been allocated. The school replacement program was promised $20 million, but only $5 million has been funded. The government promised $30 million for the community facilities fund, but a measly $0.5 million is to be spent in the year 2003–04.

You can go then to the Department of Human Services and go through the programs one by one. Let me do this one in total: the total promised was $255.5 million; the total allocated was $112.4 million — exactly half. Look at the Department of Sustainability and Environment: $80 million was due to be spent on particular programs that are partly funded, and $52 million has been allocated. Go to table 7.4 and what do you get? You get the ones that are not funded at all.

The government went to the people of Victoria with a series of promises, and it cannot meet them. We now have a list of projects that cannot be funded, including a whole bunch of black spot programs that have been cancelled. The Minister for Transport was on the record as saying that:

> 'Black spot treatments have proven to be a highly cost-effective way of reducing casualty crashes, and I look forward to the positive results of the program.'

Excuse me? Cancelled! You can go to the community business employment program — cancelled!

Look at table 7.4 headed 'Labor's financial statement 2002 asset investment funding to be considered in future budgets' to see more cancellations. They include the whole of the classroom replacement program, $50 million, and the schoolyard blitz program, $10 million. Go to the Department of Human Services where the Royal Women's Hospital redevelopment program of $190 million and the Northern Hospital allocation of $23 million have been cancelled. Go down the list and there are more — the elective surgery centre of excellence at the Alfred hospital, $60 million; aged care facilities — Grace Mackellar, $50 million; and the community health centre upgrades, $26 million — I mentioned that earlier because $11 million of that was due for the Banyule community health centre in the electorate I have the honour to represent.

So what do we have? There is cancellation after cancellation! The Department of Sustainability and Environment's Victorian Water Trust funding, comprising the Goulburn and Broken rivers upgrading of irrigation systems allocation of $40 million has been cancelled.

Let me make the point that it is not just about the fact that these programs have vanished and are not being funded at all but that part of the waste of this government was on advertisements. We know there has been extraordinary waste in the past. Before the election the government must have spent $50 million or $60 million — an outrageous amount of funds — on all sorts of self-promoting advertisements. The other day the government took out an advertisement which criticised the federal government for not funding something. Let me point out the hypocrisy of this government. This list, which goes on for a page and a half and totals $638 million — that is, over half $1 billion — plus those that I mentioned before which are half funded or less than half funded equals $1.385 billion. Yet this government criticises the

federal government for not funding part of the Wimmera–Mallee pipeline!

I say to the government, 'You have $77 million in the forward estimates. Go and spend it! Get up in the country and save some water! The government can save 83 000 megalitres of water! Why don't you start saving some of the money now! You don't have to wait for the federal government. Why wait for the federal government? Go and spend your own money'. To its credit there is $77 million in the forward estimates, and the government should spend it. It should go and save some water. What a good idea.

I wish to make a couple of points about wages blow-outs. We know there has not been a lot to show for the money that has been spent by this government over and above its budget. This government has blown its spending every year since it came to office. In 1999–2000 it overspent by $1.1 billion. In 2000–01 it was only out by $600 million, but again it could not keep to its budget; it could not cut its costs to keep to its budget. In 2001–02, $2.132 billion was overspent and this year it is $1.544 billion over and above the budget. Part of that goes to the wages deals.

I refer to some of the wages deals that have been detailed by the Auditor-General. He identifies $23.5 million in the November 2001 Community and Public Sector Union deal, above the guidelines; $53 million for the teachers, above the guidelines; $124 million for the nurses, above the guidelines, and $73 million for Human Services, above the guidelines.

On and on it goes. During the Public Accounts and Estimates Committee meeting on 14 May the Treasurer was asked about wages growth this time around. Honourable members would know that the budget papers show a 3.6 per cent growth in wages this year. That includes all the new public servants to be hired in line with election commitments.

The Treasurer then made the point that the baseline for the wages guidelines will be 2.25 per cent and anything above that would need to be reflected in productivity growth. Honourable members know that a significant round of enterprise bargaining agreements is to come up in the next year or so. Does the government expect the people of Victoria to believe the government will be able to hold the wages line to 2.25 per cent? Wages have gone up at an annual rate of 7.3 per cent in the life of this government which is 5 per cent over and above the amount that the Treasurer says he will hold to. It gets back to the issue of where the savings are coming from.

This year $141 million of savings are expected to be found plus $130 million for the productivity dividend. If the government does not get them, then it does not have a surplus at all. Nobody I know expects the government to bring in the budget at the right level. Nobody I know thinks the government can do it: it does not have the will, the brains or the ability.

It also goes partly to the way the government spends its money. Like me I am sure some honourable members got a letter from the Minister for Small Business. Attached to it is a folder saying 'State Government of Victoria', which is very nice. Inside there is a two-page press release, a picture of the Small Business Commissioner and two postcards. It is a small example, but why did members receive this letter? If you look after the pennies, the pounds look after themselves: that was the adage we were taught, and this is a small example of waste.

The other day in this place Mr Baxter referred to the number of copies members got of the *Independent Report of the Victorian Industrial Relations Taskforce*. This government does not have the capacity to look after the little things. And what happens? It gets the big things wrong as well!

Let us look at the list which shows that $60 million was wasted on the vindictive ambulance royal commission, and at least $44 million was wasted on the Seal Rocks fiasco. As Mr Baxter and I know from the Public Accounts and Estimates Committee meeting the other day, before the last election the government got advice from two Queen's counsel who said, 'Don't go ahead with it'. The Premier refused to release the advice, but the government went ahead anyway adding to the cost because it did not want to put the fact that it owed $44 million into its forward estimates. It was just another funny-money deal.

The blow-out at Federation Square is extraordinary, and think about what happened at Saizeriya. This government has been lucky to get away with the property boom and the buoyant economic conditions primarily because of its inheritance from the Kennett government but also because of extraordinarily good management by the federal government. If you look now at what the Victorian government expects for the year ahead, the growth rate is down and Victoria is not doing as well as the other states anymore. That is demonstrated time and again. Page 181 of the budget estimates shows that the new investments facilitated and announced in 2001–02 were $2.2 billion. The target for 2003–04 is $1.4 billion, down on this year's expected outcome of $1.6 billion. What is happening? Why are people not investing here?

The other day the Treasurer made another claim about people flocking to Victoria. I got a copy of the Australian Bureau of Statistics figures on net migration into Victoria, headed 'Statistical summary Victoria: population growth and decline'. The second page shows that for the September 2002 quarter, there was net migration of 89 people into Victoria.

Hon. W. R. Baxter — If you had listened to the Treasurer at the committee you would have thought it was thousands!

Hon. BILL FORWOOD — Extraordinary, isn't it! That gets to the important issue of spin, because in the end this government is about spin. Honourable members would know that I raised the issue recently of the press release that had 'pick your figure'. There were two sets of figures, and you could pick your figure.

I want to turn briefly to land tax. As I drive to work I come down Queens Parade and George Street. Opposite George Street on Alexander Parade there is a big sign which says:

> Dear Mr Bracks,
>
> Victoria's land tax is:
>
> The highest in the world
>
> Carries a 20 per cent penalty
>
> Anti-investment
>
> Will cause a Victorian property recession
>
> Will shift retirement funds to Queensland
>
> Mr Bracks please fix your land tax disaster now

I finish on this note because it is the land tax — property taxes and stamp duty — which has kept this government in the black — just. This year if the government does not get its savings — and I believe it cannot — it will be in the red. It will not make the savings: we know it has not got the capacity to do it. So we are over taxed and highly taxed. There is no doubt that there is nothing to show for the taxes that have been spent other than a wages blow-out across the state. We are on the brink and the opposition does not see any sign of government members addressing the fundamental problems facing Victoria. It is a sad thing to say that in four years the state can be wrecked so quickly. The opposition does not like it; it does not want to see it happen. It wants to see a vision which continues Victoria's growth; it does not want it to slip backwards or find ourselves heading back in the same direction we found ourselves in during the late 1980s and the early 1990s.

The government has a responsibility to govern for all Victorians, not for sectional interests. It has a responsibility to spend the taxpayers funds wisely. It is not doing it and the people of Victoria know it. They are the ones who are saying, 'Where has all the money gone; what is there to show for it; where will it all end?'. I say to the government it is in real trouble. Now is the time for it to address the issues that face Victoria, not the time for the slick public relations stunts, or the mealy-mouthed words that come from the press statements. It is time to bite the bullet and deal properly with the issues that face Victoria. The government should not blame Kennett, or the drought, or the offshore problem. It is time for the government of the moment to face up to its responsibility to govern for all Victoria. This is a budget on the brink. How quickly it has all deteriorated!

Hon. W. R. BAXTER (North Eastern) — This is a very disappointing budget. I have heard the details of a lot of budgets in this place in the time I have been here, and this one is exceedingly disappointing. One could also say it is a predictable budget, that you would get from a Labor government just entering its second term. It is no surprise. As Mr Forwood has so well pointed out in his contribution, the people of Victoria have no faith in Labor governments being able to manage money. They are seeing in this budget their worst fears being realised again. They were prepared to give Labor another go; they saw Labor come into office with a huge surplus bequeathed to them from the outgoing government.

They desperately hoped Labor had learnt the lessons of the Cain-Kirner years, and that the new generation of Labor members and ministers would want to chart a new, fresh and responsible course and that they would not fall into the traps that the Cain and Kirner governments so disastrously fell into, with the extraordinary cost that their decisions and lack of decisions at the time imposed upon all Victorians, and which made it so difficult for their successors in government for so many years to get the economy and the state back on an even keel.

But I have moved around my electorate since this budget has been released and have found the same sorts of sentiments expressed that Mr Forwood heard at his service station. I would say to Ms Hirsh that it is not just one person saying it to Mr Forwood at the Shell service station in his electorate, it is dozens of people saying it all around the state of Victoria, and, I would think, particularly in country Victoria. I do not have much experience of what they are saying in the suburbs, but I was in Tallangatta last Thursday evening at a dinner function of some 160 people. I moved

around the tables and the overwhelming sentiment, at table after table, was, 'Well, it's happening again; here we go again; they can't manage. They simply cannot manage money. Where has it gone? What's happened to it? What happened to all that cash surplus that Kennett left to them?'.

Hon. P. R. Hall — Yes, $1.7 billion.

Hon. W. R. BAXTER — I think it was a bit more than that, Mr Hall. I think it was about $1.8 billion in fact. And people are now finding it extraordinary that this has been dissipated so quickly and that the healthy surplus somehow disappeared, and we now have a budget that this year has been propped up, as Mr Forwood illustrated to the house earlier, by receipts from property transfers that have come in some $500 million or $600 million ahead of their budget. If we had not had the fortuitous circumstance of the property boom continuing this budget would be in the red. It is a pretty sobering thought to contemplate that next year, if the property boom falters — and many of the pundits are suggesting that it may well do so — we can be plunged into the red because this budget is so predicated on this windfall gain that there are certainly no guarantees that it will continue.

People are saying, 'Where has it all gone?'. Mr Forwood asked where it has all gone. I have a bit of trouble explaining to my constituents where it has all gone. I have to listen, as other members do, and particularly those of us who are unfortunate enough to be on the Public Accounts and Estimates Committee (PAEC), to the Premier and the Treasurer engaged in the blame game. I sat there for two days last week, listening to the Premier and the Treasurer blaming the federal government: 'It is all the federal government's fault; they won't give us enough grants; it is all the Kennett government's fault'. Somehow or other, four years into its term of government Labor members are still blaming the Kennett government. 'It is all the drought's fault', they said. Droughts are a fact of life in this nation. If the paltry amount this government has spent on drought out of a $24 billion budget is to blame for having undermined the budget, and if something like the drought and the small contribution — at this stage — that the government has had to make to it is going to throw the budget off track, it shows what a very narrow path we are treading. 'Oh, it's the bushfires', they said. 'We spent $201 million on bushfires', the Treasurer said.

The committee has such a quaint method of operating that one does not actually get the chance to explore some of the claims that were made by some of the ministers who appeared before the committee, but I would have liked to ask the Treasurer how much of the $201 million was made up of expenditure in the Department of Sustainability and Environment that was going to occur anyway. We acknowledge that there was some overtime that would not have been paid except for the bushfires, but much of that $201 million is probably the wages that were going to be paid to those people anyway. Yes, they would have been doing something other than fighting fires. Nevertheless the expenditure should already have been budgeted for and accounted for in the system.

Did we get a chance to explore that? No, unfortunately on this rotational system we have on the committee we then got dorothy dixers asked by Labor members, and they even persisted in asking questions the answers to which had already been provided.

Hon. Bill Forwood — A waste of bloody time.

Hon. W. R. BAXTER — Yes, Mr Forwood, a waste of time, I agree with you.

Now we hear about rail standardisation. Before the election, even before the 1999 election, this government was going to spend $96 million on rail standardisation, but it has not happened yet.

Hon. D. K. Drum interjected.

Hon. W. R. BAXTER — I gather that, Mr Drum, and the Minister for Transport in the other house is probably going to go into the business of flogging surplus railway lines, because when the Treasurer was asked about that the other day he said, 'No, the feds will not help us, we cannot do it until the feds assist us'. I do not remember that caveat being put on Labor's promise when it made it for $96 million. It was going to go ahead regardless of the feds, but now it is saying it cannot do it because the feds are not assisting it in this nation-building project.

Hon. P. R. Hall interjected.

Hon. W. R. BAXTER — Absolutely. Then we heard about the Wimmera–Mallee pipeline. Why will the federal government not commit to the Wimmera–Mallee pipeline as the state government claims to have committed? It is very odd because on the very day that the minister was saying that, a press release was being issued under the name of Mr Truss, Dr Kemp and, lo and behold, Mr Cameron and Mr Thwaites. The press release headed '$7.77 million for the Wimmera–Mallee pipeline' states:

> 'The proposal to extend the Wimmera–Mallee pipeline system across the entire domestic water supply channels in

> the Wimmera–Mallee region represents a major infrastructure project', Mr Truss said.

Mr Truss said that the federal government:

> ... has been highly supportive of replacing the old and inefficient water supply systems in north-western Victoria, contributing over $27 million from the National Heritage Trust to piping projects.
>
> This amount includes $4 million for piping the Cannie Ridge and Patchewollock sections in the northern Mallee region, projects which are currently proceeding … well.

I challenged the Treasurer at the PAEC meeting last week as to whether the feds have put in any money. He skated all around it. He left the committee with the distinct impression that it was Steve Crabb who did this in the northern Mallee and that the feds have not put anything in. Yet on the very day he was saying that his two colleagues are issuing a press statement which gives a lie to the line the Treasurer was running at the committee.

As Mr Forwood says, I say get on with it. If you are so proud of the money you have put up, get on with it. In fact the Labor government delayed for so long signing the agreement to get on with the planning, and waiting until they could get up to Horsham to make a big song and dance about it, that it is the one that is actually delaying it. I am in no doubt that the federal government will come on board at the correct and proper time because, as I said to the Treasurer last week, even if the feds had made an allocation in their budget last week it could not be spent in this financial year because the rural water authority up there already has $15 million in the bank for this project, but it cannot spend it this year.

I move to the Calder Highway project, which is very dear to the heart of my colleague Mr Drum. We heard all about it at the committee last week. We were told the feds will not do enough in funding the Calder Highway. I used to be minister for roads — —

Hon. D. K. Drum — How much did you put in, Bill.

Hon. W. R. BAXTER — I put a fair bit in, but I also went to Canberra and got the balance. That is how the Woodend bypass was built and that is what happened with other sections of the Calder Highway. Because we had a good relationship with the federal government, we went up, knocked on its doors and negotiated a proper arrangement. It seems to me that the Minister for Transport in the other place just wants to issue critical press releases from out there in Denmark Street, Kew, to make political capital. He is not too interested in actually sitting down with the federal minister and working out a program. I challenge him to do so.

We also heard about the Mitcham–Frankston freeway. We were told, 'It is all unfair, we have had to make it a toll road because the feds will not do enough'. Yet the feds put $436 million on the table — and it is still on the table, but the government has walked away from that because it has run its affairs so poorly and so appallingly that it cannot find the money to match that amount. Now it intends to make it a tollway. As I said in a debate a week or two ago, I do not believe it will ever be built as a tollway because the government will not get a private investor to stump up the money under its proposals.

Then at the committee last week we heard about the Geelong bypass. The committee was told that the feds would not put in the money for that bypass. I remind this government that the Geelong bypass is a state responsibility — why does it not accept its responsibilities? Why does it not get on and do the job? Under the road funding regime we have in this nation, the government cannot badger the federal government about the Geelong bypass. The Victorian government has to accept the responsibility. It should get on, do the job and not try to pass the buck to the federal government.

Hon. P. R. Hall — What about the Pakenham bypass?

Hon. W. R. BAXTER — I understand, Mr Hall, that work on the Pakenham bypass has been dragging for quite some time. It clearly is also a priority.

A few minutes ago I dealt with the drought. I think we would all acknowledge that the $20 000 package that this government announced for the drought was a welcome announcement and was a good initiative. It made a lot of capital out of it. The result is that it is hardly costing it a bean, for two reasons. Firstly, it made the eligibility criteria fairly stringent. I do not necessarily complain about that, but I complain about the fact that the moment the federal government extended exceptional circumstances to any part of Victoria the state government closed the books on its assistance package and in terms of other areas you had to have it in by 7 May or you missed out.

The government must not use the drought as an excuse for the fact that its budget is going bad because it has not spent very much money on the drought in any event, certainly not compared with what the federal government will finally be commended for, allowing

for the lead time for its exceptional circumstances system to get under way. It will cost it nationwide something like $700 million or $900 million.

I also want to say something about why I think the budget is going bad. I do not accept all this blame game, or that it is not getting a fair deal from the federal government. I do not accept that the drought has undermined the budget, and I do not accept that bushfires were such an impost and had such an impact on the budget that it has been blown off course.

It is the government's own actions that have caused it to get into trouble so early in its term. I look for a moment at what has happened to the public service numbers as that is very illustrative. We all remember what happened in the Cain-Kirner years. That is how they fixed unemployment back in those days — they put everybody on the public payroll.

Hon. P. R. Hall — It was expensive.

Hon. W. R. BAXTER — Yes, it was expensive.

Hon. B. W. Bishop interjected.

Hon. W. R. BAXTER — Exactly, Mr Bishop, it becomes embedded — that fashionable word! — in the underlying budget. If we look at the PAEC report of October 2002 on the review of the Victorian public service we find that the number of full-time equivalent public service staff, but not including teachers, and nurses and police, of which we hear so much from this government, has increased by 2665 or 11.3 per cent between June 1999 and June 2002. That is a pretty substantial increase in percentage terms, but it is made even more stark and graphic by a comparison with what happened over the year to June 1999 when the previous government was in office, when there was a reduction of 853 or 3.5 per cent.

I will dwell on that for a moment. Here we have an absolute contrast of two governments and their public services. We had the former government reducing numbers because it was making use of technology. It was getting productivity gains. It was delivering services better and more cheaply, and therefore it needed less people.

What does the government do? Productivity does not seem to come into the argument at all. It says it is taking up new technology. We hear all about this innovation which the Treasurer never stops talking about. Why then do we need 2665 more people? I leave the question hanging in the air because I have not been able to get a satisfactory answer. As Mr Bishop has said, that becomes embedded in the budget year on year, and we are stuck with it forever.

One of the other reasons the budget is getting into trouble is unreasonable union demands. I will not enumerate a whole list, but I remind the house — —

Hon. D. K. Drum — The MCG!

Hon. W. R. BAXTER — Thank you, Mr Drum, fancy you thinking of that one! Around $70 million of taxpayers money was squandered for no other reason than to avoid the scrutiny of the federal employer advocate to check on what the unions were doing, to check on how much ghosting of jobs was going on down there and to check on all the sorts of rorts that we know will be happening at the Melbourne Cricket Ground. They gave in to $70 million of union demands.

Another reason the budget is getting into trouble is that the cabinet is subject to the ideological view of some of its supporters who object vehemently to anyone earning a living from public assets and public land. One only has to look at Seal Rocks. If ever there was a classic illustration of where there is ideological hatred against people being able to utilise public assets for the benefit of the community at large, they have spent, well, who knows — a $60 million judgment at the moment, add on the legal costs and add on another appeal perhaps — $100 million of taxpayers funds will be down the gurgler at Seal Rocks. That is another example of how the government is getting into trouble with its own budget.

I shall deal with priorities and how the government sets priorities, and give only two examples, but I am sure there is a range. One example is Eildon Weir. Our major dam in Victoria at Eildon absolutely underpins the economy via the food bowl in the Goulburn Valley and the tourist industry in the north-east. It needs money spent on it of the order of $30 million to bring it up to world best practice in terms of safety. That is not to say that there is anything wrong with the dam wall, but it was built 50-odd years ago and standards have increased. We are required now to have our reservoirs accommodate super floods and super rainfall events, in numbers that have never been experienced before, and unlikely to be experienced in the future, but we need to be prepared for them just in case.

Eildon Weir now because of the drought is nearly empty. What a perfect time to undertake the work that is required to strengthen the wall to bring it up to those world standards — what an absolutely perfect time to do it. Is there any money in the budget for this? No. Table 7.4 of budget paper 2 is headed '*Labor's*

Financial Statement 2002 asset investment funding to be considered in future budgets'. It is a lovely euphemism, is it not — it properly means on the never-never but, nevertheless, it might be considered later. We find that upgrading of the irrigation system of the Goulburn and Broken rivers is $40 million somewhere down the track. It might not get the chance to do it again for another 20 years if we were fortunate enough to get a good winter and a wet spring and Eildon fills. How will it do it? Or will the government say to the irrigators, 'Well, we've got to do this work next year, you can only fill Eildon to 60 per cent full'. What will it do to the economy and what sort of risk does that expose the budget to?

I am glad the Minister for Commonwealth Games is in the chamber because he and his government propose to spend $28 million building a footbridge for the purposes of linking a couple of parks here in Melbourne for the Commonwealth Games. It must be a marvellous footbridge for $28 million! Nevertheless it is an indication of the cockeyed and skewed priorities of this government that it can find $28 million for a footbridge, but cannot find $28 million to $30 million to fix one of our major infrastructure assets in this state, and by not fixing it the budget is exposed to even greater risk of being disrupted further down the track.

The other aspect I turn to in terms of priorities is changes to apprentice training. On what basis did the government decide it would attack the training of apprentices and discourage employers from taking on young people in this very time when most sensible-thinking people are very concerned about where our artisans will come from in the future. Those who go into any mechanics garage, any panel beater, any plumbing shop will see that most of the current batch of tradesmen have grey hair and are like farmers, with the average age somewhere in the fifties. Yet the government says to employers, 'We are going to make it less attractive for you to take on apprentices and we want you to put your money up front, put your money in first and yes, down the track, if this particular guy completes you might get some sort of recompense, but if for some reason he does not complete, through no fault of your own, stiff luck, you've taken him or her on in good faith but not completed, you miss out'.

This is an extraordinary decision. I gather from the budget papers it will only save about $10 million a year, yet the pressure it will put on in denying young people the opportunity to take on apprenticeships is enormous. I find it absolutely extraordinary that the government would contemplate that in the terms of its overall budgetary strategy. It makes me believe, as Mr Forwood quoted from his bible, *John Cain's Years*, it is an indication that the cabinet is becoming dysfunctional in that it cannot prioritise and that ministers are going off and doing their own thing.

Hon. P. R. Hall — Some 78 per cent of apprentices actually complete their apprenticeships.

Hon. W. R. BAXTER — Is that so, Mr Hall. It is a good percentage. Why the change? I want to discuss some of the risks that the government is facing regarding its future and its capacity to maintain the budgets that the Treasurer keeps telling us about — that is, maintaining a surplus. I have already illustrated that this year's surplus, while it is not false, is based entirely on a windfall.

The first risk is confidence. The government is at grave risk now of confidence running away for the reasons I have already alluded to. The mindset is developing in the community that this is Cain and Kirner starting all over again, and confidence is a very fragile commodity. Once confidence is lost there is no stopping it. It runs away, and we will see investment leave the state and the economy undermined. I object to the Treasurer constantly crowing about the AAA rating by Moody's and Standard and Poor's that the government has held as if that is some great achievement of his. Who lost the AAA rating in the first place? A Labor government lost the credit rating. It squandered the credit rating of the state. The former government struggled valiantly, managed well and recovered it, and this government, thankfully, still has it.

If it had already lost it, it would have been a disastrous turn of events. But as Mr Brideson rightly asks, for how long will we have it? One can already see from Moody's release of last week that it is already beginning to get a bit nervous and ask whether this will last. It is totally out of turn for Mr Brumby as Treasurer to be crowing about the AAA rating. He had nothing to do with getting it back for the state. He has a responsibility to maintain it, and the way he is going it is beginning to look shaky.

In terms of confidence in the state, the weekend's activity at the Labor Party conference will sap confidence. I have heard it jokingly referred to around the house today as a punch-up. This was much more than a punch-up — it was actually violence on the floor of a conference.

Hon. M. R. Thomson — It was not. You weren't there!

Hon. W. R. BAXTER — The minister says it was not violence. The minister has just arrived here and she has not been party to some of the other interjections and

side play that went on during Mr Forwood's remarks, but I would have thought that the evidence adduced during Mr Forwood's remarks was pretty conclusive evidence that a fair bit of violence occurred at the ALP conference over the weekend. That indicates that this party which preaches peace and anti-violence and which has carried on about doing things by consensus and negotiation cannot even manage itself. The union view is that if do you not get your way, resort to thuggery, resort to punching someone; and that is what came into play on Saturday. How ministers could sit there and witness that and believe that they were members of a responsible organisation absolutely beats me. They ought to be ashamed of themselves.

Hon. D. K. Drum — I think they are ashamed.

Hon. W. R. BAXTER — I hope they are, Mr Drum. Frankly, I am ashamed to be involved in politics if the norm on how decisions are made is whoever can hit the hardest. That will destroy the capacity of cabinets to take correct decisions and do what is right. If violence and the threat of violence and thuggery become the way we run this state then I do not want to be any part of it. I look to the government to disassociate itself from what happened on Saturday rather than trying to palm it off as some mere sideshow. It clearly was not a sideshow; it was the main game on Saturday.

I also want to examine the wage demands. Mr Forwood alluded to this, and we got it at the hearing of the Public Accounts and Estimates Committee last week when the Treasurer was talking about a 2.25 per cent a year increase in wages unless better productivity and service delivery could be proven. The usual suspects were quick to come out of their caves. Mary Bluett from the Australian Education Union said the government would face stern resistance from the state's 35 000 teachers if it went into pay negotiations offering an increase of 2.25 per cent. She said:

> 'If they tried to negotiate on 2.25 per cent as an offer then we would be involved in a major dispute with the government', Ms Bluett said.

The Community and Public Sector Union secretary, Karen Batt, said:

> Although the government was entitled to make its ambit claim —

and I daresay it knows a lot about ambit claims —

> it would be wise to offer a decent deal to public servants to avoid a costly and lengthy arbitration process.

So neither of those union leaders talked about productivity; neither showed any inclination that they are prepared to deliver better value to the taxpayers of Victoria. No, they just want to grab the money, and they are not happy with 2.25 per cent. They will go for goodness knows what — we will have to wait and see. This is another risk to the government. We saw what happened under Cain and Kirner with outrageous wage demands and we are seeing it start here. It is a risk to this budget.

The drought remains a risk also to this budget. Despite the generally good rains that have occurred in the last few days, although not generally throughout the state, the drought is not over yet. Just because the concrete is wet and the bitumen is damp, the government should not assume that the drought is over. I, for one, fervently hope it is, because I am sick of seeing and experiencing the sort of stress that I felt at Tallangatta last Thursday night at the meeting I previously referred to.

Here were people who spent 40 or 50 days fighting the bushfires. They are tired and stressed from that. They have been feeding stock now day in and day out with very expensive fodder — hay and grain. They live in an area which, by the middle of May, would normally be lush and green, and yet it is still brown and dry. Their stress levels on Thursday night were palpable. I know they got a good rain on Sunday, and I hope it continues. But unless we get very substantial rains in the catchment of Eildon in particular we will face another crisis come the spring and summer irrigation seasons. Goulburn-Murray Water, in its announcement made last Friday, said:

> Water storages are now at lowest levels ever and there is insufficient water held in storage to provide full entitlements in 2003–04. Water allocations for the 2003–04 season depend almost entirely on the coming winter and spring inflows.

That is quite unusual when we usually have sufficient carryover to underwrite the forthcoming season's allocations. It went on to say:

> In the Goulburn system there are about 7 chances in 10 of reaching 100 per cent water right by February.

Goodness knows what the opening allocation will be on 15 August. I suspect it will be somewhere around 20 per cent, and that will impose an extraordinary stress level on so many of our irrigators. I say to the government: the drought is not over yet. Be very, very careful, because it has already blamed it for undermining this budget, and it will undermine the next one much more severely if we do not get substantial rains shortly.

My sixth risk to the budget is union legislation. We have seen the uniform systems, the employment of children and the outworkers legislation before the house, all with an emphasis on coercion and blunt instruments being wielded against employers by union officials. I say that if the government is not careful industry will leave this state. If we are to see a continuation of legislation put before the house at the behest of the unions, the government will undermine our industrial base in this state.

My next risk is water security. Last week I dealt with the *Living Murray* document. This morning when I attended the United Dairyfarmers annual conference in Warrnambool along with my colleagues the Leader of the National Party, Mr Ryan, the honourable member for Rodney, Mr Maughan, and the honourable member for Shepparton, Mrs Powell from the other place, that was the issue most raised with us at the session — that is, the fact that dairy farmers in northern Victoria in particular are very worried indeed about their water security and what decisions might be taken under the Living Murray document.

Victoria traditionally has operated a very secure water supply system. The tough decisions were taken years ago. The water users in this state have their allocations well managed, well husbanded and very much reduced from what they might otherwise have been if we had conducted ourselves like New South Wales and South Australia. If we are to give in under the Living Murray document to the lowest common denominator and do something to accommodate New South Wales and South Australia, then I say we are selling our irrigators short and undermining the economy. It is clearly a very grave risk to the budget and the economy of the state of Victoria, and I put the ministers on notice that they need to take a little more interest in this than they have thus far shown.

I was very pleased that last Friday the meeting of ministers at Toowoomba took a decision which does not sideline the *Living Murray* document but certainly puts it on hold for the time being. The ministers have asked that some other work be done. I have not got time to illustrate to the house the nature of that work but I am very pleased that, following representations many of us have been making to the ministerial council, some notice has been taken.

I again express my concern about the federal leader of the Labor Party, the Leader of the Opposition, Mr Crean, for what he has been saying about the River Murray. I still do not know whether what he is saying about the River Murray is in total ignorance or he is simply playing to the gallery in Melbourne and Sydney. If what he announced in his budget reply last week was put into action on the time frame that he suggested the irrigation industries of this nation would be destroyed.

I do not believe it will come to pass, but one of the things that concerns me about all the talk we now have about sustainability — it is the fashionable word, the fad of the time — is what does it mean? Does it mean that we are going to destroy our irrigation industries because that is the political imperative of the suburbs regardless of the reality out in the countryside or what our rivers and streams really need? I have grave concerns that we might have short-term political fixes that will undermine the whole economy of the nation forever.

Let us not forget to ask, despite the sorts of articles we saw in the *Herald Sun* last week about who uses water and how much irrigators use: who is the end user of the water that irrigators put on their paddocks? It is the person who goes to the supermarket and buys the litre of milk, the pound of tomatoes or pork chops and the lettuce.

Hon. D. K. Drum interjected.

Hon. W. R. BAXTER — Yes, all of us, Mr Drum. We are the end users of the water, not the irrigators. They are simply using it as part of their production that keeps us all alive — that provides us with abundant supplies of fresh, cheap food.

In the few moments that I have left I want to also mention the other risks that this budget is exposed to. If we do get a wet winter — and I rather hope we do for our water reservoirs and other reasons — we are going to find that local government in country Victoria will have an almighty problem with its road infrastructure. We have been living in a sort of false paradise for the last seven years of below-average rain and dry winters. Our road system has not been under the pressure that a wet winter places it under; maintenance has not needed to be done to the extent that is normal. I can see that in the event of a wet winter we are going to have thousands of kilometres of roads collapse almost simultaneously, which would be well beyond the capacity of local government to accommodate, particularly taking into account the superannuation black hole it is grappling with.

In the event of a wet winter this government's budget will be exposed and the government should take that on board. It is also a risk to this government's budget that it relies on taxes and inflation to get it through. The decision to index more than 300 taxes in this state is absolutely iniquitous. The taxes are going to be jacked

up year on year. Putting them up by the consumer price index is akin to a dog chasing its tail: there is a rise in the index, you put the taxes up; that causes the index to rise, which triggers another round of increases in the tax — it goes around and around in circles. It is a very, very bad way to run any sort of system.

The other disadvantage of putting up taxes automatically is that there is never any opportunity or incentive to review taxes, to see whether they are still appropriate, to see whether they are out of line, and to see whether changed community attitudes still require a certain tax to be at that level. If a tax just goes up automatically year on year there is no opportunity to review it. That ought to be taken into account as well.

Time is going to prevent me from dealing with the fire services levy, save to say that the house well knows Victoria is the most diabolical state when it comes to fire service levies. For example, in country Victoria the taxes on commercial insurance premiums equal 88 per cent. You can compare that with the South Australian premiums of 22 per cent and those in Queensland of 19 per cent. I know a review is under way. I would implore the government, in particular the Treasurer, to grasp this prickly nettle. I am the first to acknowledge that this is an issue that has been around for more than a decade. It is a big problem, but it needs to be tackled. We cannot any longer sustain the fact that in country Victoria you are paying 88 per cent in taxes on an insurance premium.

Hon. P. R. Hall interjected.

Hon. W. R. BAXTER — Very well, Mr Hall. Yes, the National Party has made an excellent submission to the fire service levy review and it provides some alternatives, options and different ways of doing it.

Let me conclude by saying that there is a great deal of concern in the community that things are running off the rails — that capital projects that have been promised are in jeopardy. For example, the former government committed $5.8 million to build a new hospital at Beechworth. We still think we are going to get it, but not a brick has been laid yet.

Hon. Andrew Brideson — They could put a toll on the door!

Hon. W. R. BAXTER — You never know, Mr Brideson. But this is a concern. Five years have passed and the hospital is still to get under way. That is alarming people and it undermines their confidence in what governments say.

Many Victorians are waiting with bated breath to see what happens to our economy. They have seen the surplus bequeathed to this government disappear. They see this surplus that we have this year, that the Treasurer is so proud of, is based on a windfall gain that was not budgeted for and without which we would already be in the red, so they are nervous. They see the risks are high, the wages blow out, the unions' demands. They see the debt is rising again and they remember the $33 billion debt of only 12 or 13 years ago, and they do not like to see the trends that this budget exhibits of debt again creeping upwards. It could race upwards if the sort of indications that Mr Forwood talked about come to pass.

So I say the people of Victoria do not want history to repeat itself. They have put this government into office in good faith, but they are now getting mightily worried, and I think this government and its backbench as well as its cabinet should be mightily worried indeed as well.

Hon. J. G. HILTON (Western Port) — It is with great pleasure and pride that I speak today on the 2003–04 budget. The Bracks government was elected to repair the damage inflicted on Victoria by the previous Kennett government. The Kennett government worshipped at the altar of economic rationalism. It closed schools, sacked nurses, reduced police numbers and sold off public assets — and to achieve what? Is education improved if we have fewer teachers? Is health improved if we have fewer nurses? Is community safety enhanced if we have fewer police? And do we get better electricity if electricity generation is now in private hands?

The answer to these questions is, of course, no. The Bracks government was elected to undo the damage, and in the first term a significant amount of work was done: extra teachers, nurses and police were employed. At the election in 2002 the public rewarded the Bracks government with a record majority in the lower house and, for the first time, a working majority in this house. The electorate indicated loudly and clearly the type of government it wanted.

The first budget of the government's second term continues the progress that has been made. The budget is socially sensitive whilst at the same time being economically and financially responsible. The Bracks government accepts the constraint of maintaining an annual budget surplus of $100 million and the subsequent maintenance of our AAA credit rating. I am happy to repeat the often-stated comment of my honourable friend from Geelong, Mr John Eren — AAA here to stay.

This most recent budget was prepared against a backdrop of significant financial difficulty. The bushfires, the drought and the weakness of the international stock markets had a significant effect on the government's freedom of action.

However, before addressing this issue, I would like to highlight some of the contents of the budget which affect the areas in which I am particularly interested — that is, education and environment. For education, the budget allocates an investment of $285 million-plus over the next four years which will fund another 700 teachers. Additionally, there will be $137 million invested in new schools or in modernising schools.

I am pleased that my electorate will benefit directly from completion of stage 1 of the Somerville campus of the Mount Erin Secondary College and 10 general purpose classrooms and a staff work area for the West Park Primary School in Hastings. These initiatives, amongst many others, continue the Bracks government's commitment to providing improved education facilities for all our young people. Since 1999 over $2.75 billion has been invested in Victoria's education and training system. If there is a better way to spend $2.75 billion, I would like to hear it.

Secondly, the environment is precious and fragile, and I am looking forward in coming weeks to speaking on another piece of legislation which the government will be bringing forward to protect and enhance the environment for this and future generations. Initiatives in this budget include over $90 million to ensure greater protection and management of the state's water resources, a $10 million commitment to establish a weed control program, a $16 million commitment to employ 50 new park rangers, and $13 million to accelerate the take-up of energy efficiency and renewable energy resources.

I could mention other portfolio areas where significant progress has been achieved but I am sure my honourable colleagues will describe those initiatives in their contributions.

A common refrain from the opposition — and we have heard it today — is: where has the government's $1.8 billion surplus gone? I suggest it has gone into employing nurses, teachers and police, which is as good a trinity of recipients as I could imagine. But I would also like to refer to an article in the *Sunday Age* of 11 May, written by Tim Colebatch. The article is headed 'Most of the money is still there', and I quote directly from it:

> … the main reason the surplus has fallen so much is that the share market plunge added $917 million this year to the state's unfunded superannuation liability, whereas in 1999–2000 rising share values reduced the liability $505 million. That is, on notional gains and losses, a $1.4 billion slump.
>
> The bureau of statistics measure shows Victoria still heading for a surplus of $1.3 billion this year. Taxes have raised more revenue, the government has spent still more but most of the surplus has not gone — it's still there.

Whenever any budget is prepared, either at the household or state level, there is always the question of balance: how much money is available; on what should it be spent? There are no easy answers. The business of government is complex and how our revenues are allocated depends on one's philosophy. The extreme economic rationalists and government minimalists would say that government has no place in providing services, except possibly defence, and that all other services should be provided by the market.

The Bracks philosophy is different: a government provides services which improve the lives of the community and those services are provided in areas which have most impact on the day-to-day lives of the majority of people. These areas are obviously health, education, community service and jobs. I believe this budget has struck the right balance. I believe it is a good budget for all Victorians and I would like to commend it to the house.

Could I now briefly discuss the Mitcham–Frankston tollway. Personally I have absolutely no problem with the principle of user pays for major infrastructure. Why should electors in Mildura or Wodonga, ably represented in this house by honourable members of the National Party, pay for a road which they may never use, when the money could be spent on services provided by teachers or nurses, which they almost certainly will use?

Honourable members will say, 'But you made a promise', and I do not disagree. However, as I have alluded to, the conditions affecting this budget were difficult and some tough decisions had to be made. Whatever decision the government made to preserve the underlying budget surplus while still providing increased services in areas of key interest to the people of Victoria, it would be criticised. However, I believe the correct decision in relation to the tollway was made, and I support that decision.

In the last sitting week great play was made by honourable members opposite of the anger being expressed in the community. In fact, honourable members opposite worked themselves into a lather of self-righteous indignation, criticising what they called the dishonesty and hypocrisy of this government and

indicating that this was the start of the long, slippery road to the opposition benches.

Well, I beg to differ. After the policy was announced, I received one phone call to my electorate office about the tollway issue, and that was from a journalist. Again, an article in the *Sunday Age* of 11 May, headed 'Bracks rides out backflip' states:

> The Victorian government's backflip last month on the Mitcham–Frankston freeway appears to have had no impact on its soaring popularity in the electorate, according to a new poll.
>
> Despite the announcement of a toll on the Mitcham–Frankston freeway … the ALP attracted 52 per cent of the primary vote, well above the 47.9 per cent it won in last December's election. On a two-party-preferred basis, it won 62 per cent support in a Morgan poll taken after the announcement.
>
> The poll was conducted among 1046 voters and showed support for the Liberal and National parties continued to wallow below that seen in last year's election landslide.
>
> The Liberal Party scored just 30.5 per cent —
>
> **Mr Pullen** — How much?
>
> **Hon. J. G. HILTON** — It scored 30.5 per cent.
>
> The Liberal Party scored just 30.5 per cent below its primary vote of 33.9 per cent in the election, while the National Party slipped to just 2.5 per cent.
>
> Those surveyed attributed their support for Labor to Premier Steve Bracks's personal popularity and their belief that the Victorian economy was doing well under Labor while others said the Liberal Party was still in a shambles and showed no leadership.

My conclusion is that when the Premier made the announcement on the tollway the people of Victoria listened to the Premier, considered and accepted his explanation and moved on.

It also says something else: until the opposition parties develop some policies on health, education, community safety and the environment, which the electors see as relevant to their lives, the opposition will be resigned forever to wandering pitifully in the wilderness, unlistened to, unloved and unwanted.

Hon. ANDREA COOTE (Monash) — I have much pleasure in speaking on the budget papers, but I am also gravely concerned about the parlous state towards which this state is heading. I am very, very concerned about where this money has gone and what has happened to it all. The trend that is starting is also extremely concerning for all Victorians, and I believe the next budget will be a greatly embarrassing budget for the Treasurer, Mr Brumby, to bring down. He will be in a very difficult position, and Victoria will then start to really focus on what exactly is happening behind the scenes.

I will speak predominantly about four issues: one is my electorate of Monash Province, and the others are my portfolio areas of tourism, ageing and carers. First, in relation to Monash Province, the Governor spoke in his speech about how this government was going to be doing things for rural, regional and interface areas of Victoria. I welcome rural and regional development, but I remind this house that I come from an inner suburban seat, and nothing is happening in this budget for inner suburban seats. Absolutely nothing is done in this budget for Monash Province, and it is being totally neglected. As I say, I welcome the development of rural and regional Victoria, but my own seat has been badly neglected, and that is starting to become a trend.

One of the major issues in my electorate is the Alfred hospital. The Alfred is not just a major public hospital for all and a centre of excellence for the whole of Victoria, it is the local hospital for my electorate. The most worrying part of this budget is to see the Alfred on page 135 of budget paper 2 in the never-never list of things on hold, on the backburner and not to be considered.

Hon. J. A. Vogels — It will never happen under this lot.

Hon. ANDREA COOTE — As the Honourable John Vogels says, it will never happen under this lot. That is absolutely true. Look at the things that the Liberal Party did for the Alfred. Look at the burns centre and the excellence of the emergency centre. Look at all the things the Liberal Party put an enormous amount of work into. Let us have a very good look at what the Kennett government did for the gay community and for the HIV/AIDS community with Fairfield House and the old braille library. This government has done absolutely nothing for that community at all. We have a centre of excellence for all those programs that were established not by this Labor government but by the previous Kennett government.

However, as I have said, the Alfred hospital is on the never-never list on page 135 of budget paper 2. Some $60 million was supposed to be spent on the elective surgery centre of excellence at the Alfred but now that is on the never-never list, and I believe we will not see that in the life of this Parliament. In fact, it is going to be very interesting to watch as it slips off the budget papers for next year, never to be seen again.

Another issue in my electorate relates to Inner South Community Health Services, which was told it was scheduled to get four new dental chairs at a cost of $400 000. Once again, what happened? They are nowhere to be found. A promise was made, a promise was broken, and something else is not happening in our area of Monash Province.

But this budget has done a few very negative things for the people of Monash Province who are paying in the vicinity of $1900 a year a household in additional taxes, including higher car registration fees, more police fines, higher stamp duty and higher land taxes. Indeed, what is happening is an absolute scandal.

I turn to the *Herald Sun* of 8 May 2003 and the article headed 'Spotlight on fees', which deals with a number of additional fees that will affect my electorate and add to that $1900 a year. They include gaming licences, and I remind the chamber that the Crown Casino is in my electorate; brothel licences, and I have a significant number of brothels in my electorate which will be significantly affected by this; tour operator licences, which I will come back to; fishing licences; jet-ski licences; boat registration; and scuba-diving licences, to name but a few of the additional taxes we will now see.

Hon. J. A. Vogels — Three hundred in all.

Hon. ANDREA COOTE — The Honourable John Vogels reminds me 300 additional taxes will affect many of the constituents in my area.

I turn to the issue of carers. There is nothing in this budget for carers. There is absolutely nothing in this budget for the people who look after the ageing and the elderly. By contrast, in the federal budget the Minister for Ageing, Mr Kevin Andrews, gave a 7 per cent boost — I repeat, a 7 per cent boost — to national respite in the carers program. The federal government is to be commended. It is a pity the state government did not do more in this area.

In the aged care part of my shadow portfolio, the silence is absolutely deafening! What was done for the aged in this state? Absolutely nothing. The industry is seriously disappointed. It had been led to believe it was going to be well and truly looked after, but no, it received another set of broken promises.

I turn to the document entitled *Healthy Communities — Labor's Plan for Seniors and Community Health — Bracks. Listens. Acts*. Bracks listens and acts — and does absolutely nothing. There were all sorts of promises, but this is a document of myth — a fairytale document. Nothing has happened.

I turn to something the government did do. According to page 71 of budget paper 3, respite care will be stagnant for the next three years, despite what was anticipated to be a huge boost. Indeed, it is a reflection of the enormous demand there will be on respite care in this state.

Another really interesting thing is that the government made a big song and dance about giving $1.9 million over four years to encourage senior Victorians to participate in sport and recreation. That sounds very admirable until you do the numbers and have a look at the fine print, which people must do to really get a grasp of what this government is doing. For the 65 to 70-year-old age bracket, this $1.9 million over four years equates to $1.40 a person a year. How will that encourage senior Victorians to participate in sport? It could not even buy them the tram ride to get there!

I turn to another broken promise: the election promise of $70 million to redevelop 10 rural nursing homes. The government has not even allocated half of this money in this term. Only $25.5 million has been allocated at page 103 of budget paper 2. This is a disgrace to rural areas. I have been out into the rural areas, and they need a lot of support. The Minister for Aged Care himself was out in Seymour recently, and the *Seymour Telegraph* of 23 April reports that he visited Barribill House to talk about the $4.5 million redevelopment plan. But it is not surprising that when he was asked by the journalist, 'What is the starting date?', he was unwilling to name one. That is because none of the $70 million that was allocated is going to be seen by people in rural and regional nursing homes. It is a disgrace. The government builds people up to understand that they can expect these things, and then their hopes are dashed. We are dealing with people's lives here, not with figures and not with numbers. We are dealing with people's lives, and it is absolutely unjustifiable.

On the other hand I would like to mention what our colleagues in the federal Liberal government through the Minister for Ageing, Kevin Andrews, have done for the elderly in the budget which was brought down in May. He has given a 10 per cent funding boost to the government assessment teams. The home and community care program has been given an additional $58.3 million; $24.1 million will be spent on voluntary health assessments for people aged 75; and $2.3 million is available for a national falls prevention program. These are all issues our state government should have been looking at for our elderly. They are areas the government has spoken about in its pre-election promises and its documents, but none of them have seen the light of day in its budget.

The most pleasing thing about the federal budget, which is not reflected in the state budget at all or in what Mr Kevin Andrews the federal aged care minister had to say, is that for the first time the total aged and community care budget will exceed $6 billion in 2003–04, up from $5.7 billion last year. I assure the state minister that I will be watching to see how much money will be spent in this state next year. We saw nothing this year and I hope he will go out and do something next year; he should go to the cabinet and the caucus and tell them that aged care is important in this state and to get on with it.

Tourism, another of my portfolio areas, is truly difficult. We had an extraordinary press release from the Minister for Tourism saying that $40 million was allocated in the budget to address severe acute respiratory syndrome. In contrast to all other states in this country in dealing with SARS, the Victorian government and the Minister for Tourism have said absolutely nothing. You would have thought there was no SARS epidemic. You would have thought it was not affecting us or affecting Victoria in any way.

The other day I asked a question about a man who is suffering huge problems in his Chinese restaurant on Phillip Island. He wanted to know what the minister was going to do to address this issue and the minister has been totally and utterly silent. His statement is misleading: $40 million for SARS was an election promise that the Minister for Tourism came up with. He rebadged, refocused and put the spin on SARS. We have not heard him say anything about SARS since. He may not even know what it is all about, but the people in the tourism industry in this state are bleeding. They are finding it very difficult. The $40 million is not directed to the epidemic of SARS. It has been a budget line item for a considerable time and it is nothing new. It will be interesting to see what happens when the minister addresses SARS as he says he will.

An article in the *Herald Sun* of 8 May talks about what fees are on the way up. It affects people in tourism right across the state. These our ordinary Victorians enjoying things in the state. Particularly because of the SARS epidemic we want to encourage intrastate and interstate tourism in Victoria. However, with these additional taxes and pressures people feel confused and anxious as to when they can come to Victoria and enjoy some of our tourist facilities. The article states:

> Popular recreation and sporting activities are among hundreds of charges being considered for annual rises after the state government's decision to tie fees and fines to inflation.
>
> Camping and park entrance fees, licences for recreational fishing, scuba diving, jet skiing, and shooting and hunting are among an array of charges being considered for indexation.
>
> The 'fun taxes' would help raise an extra $112 million over four years, or $23 for each Victorian over that time.

That is absolutely scandalous. We are trying to encourage people to come to Victoria for tourism and to enjoy what the state has on offer.

I would like to finish my contribution today with a poem which relates to Labor today:

> Hand out the merry millions,
> That long may it be told
> How Labour marked its progress
> In milestones made of gold.
> Fling forth the glittering bullion;
> We'll squander all we get,
> And build, before we've ended,
> Our monument of debt.
>
> Shower out the merry millions,
> For this is Labour's way.
> Who dares to speak of prudence?
> The devil cares who'll pay!
> The gold the rich have hoarded,
> May some day reach its end;
> So grab and scatter freely,
> While you have strength to spend.
>
> Throw wide the merry millions,
> They won in toil and sweat.
> If millions more are needed
> We'll bleed them deeper yet.
> A fig for drought and sorrow,
> And all that croakers say;
> Who cares about tomorrow?
> We're millionaires today.

This poem was published in the *Australian* of 3 August 1912. Labor has not changed what it does, has not changed its ways. We are back to the old ways. It is entrenched in its culture and this is what it is all about. Nothing has changed. Here we have again: big spending Labor governments; governments which do not build; they just spend and spend.

We will be watching to see what happens. In another 91 years I am sure someone will be writing about how hopeless this government is too and they will head it up by saying, 'Where did the money go?'. I charge the poets to come up with the next version of this poem because nothing has changed.

Mr SOMYUREK (Eumemmerring) — It is a pleasure to have the opportunity to speak on the 2003–04 budget papers. At the last state election Victorians sent an emphatic message to the opposition parties that they were very pleased with the government's achievements and that they were not

prepared to forget the atrocities of the Kennett government with respect to the destruction of the state's key services.

Mr Forwood, Mr Baxter, and Mrs Coote have all mouthed the inane and unimaginative mantra of the Liberal Party: the 'Guilty Party' and 'Where has the money gone?'. What hypocrisy! The only guilty party is the Liberal Party — the party that decimated our key services and that continues to kill universal health care. Let us deal with the question of where the money has gone: it has gone to key services. That is a concept that is totally alien to the Liberal Party. It has gone to hospitals, education and community safety. The government has not hidden surpluses as the erstwhile Kennett government did. The message from the electorate at the last election was loud and clear: continue on the path of providing a world-class health and education system, make our communities safer and implement environmentally sustainable policies, but do all of it within the framework of financial responsibility.

This budget continues to do exactly that. It provides funding for each of the 133 recurrent spending commitments made by the government during the last election campaign. It continues to ensure that the fundamentals of the state's economy are sound as the Bracks government embarks on another term of increased service delivery to all Victorians. The prudent economic management that has been a feature of this government is the reason it can proudly boast a projected growth in the economy for this financial year of an impressive 3.75 per cent, an operating surplus of $245 million for 2003–04 and forecast surpluses averaging $391 million over the following three years.

Furthermore, the Victorian labour market continues to perform well with the unemployment rate being at a 13-year low. Confidence in the Bracks government remains strong in the business community; investment is at record high levels and is expected to be given further impetus with a reduction of payroll tax from 5.3 per cent to 5.2 per cent. All of this is despite a downturn in international markets, a costly drought, severe bushfires, public transport privatisation gone wrong and a commonwealth government that delivers nothing to Victorians and persists in cost shifting to the states.

The Bracks government continues its commitment to the health care of Victorians. The budget allocates a massive $1.4 billion to boost hospital services and health facilities over the next four years. It allocates $464 million over four years to recruit 900 more nurses and health care staff which will assist in the treatment of an additional 35 000 Victorian patients a year.

Health services in Melbourne's south east will be a major beneficiary with an allocation of $28 million for Dandenong Hospital and Monash Medical Centre's Moorabbin campus. Dandenong Hospital will undergo a $9 million redevelopment of its acute services section. It is a significant boost for the hospital and a significant boost to the health care needs of the people of Eumemmerring Province and the residents of the south-eastern suburbs generally. It is all the more important when considered in the context of a 9 per cent increase in demand at the Dandenong Hospital's emergency department, the result of a collapse in the system of bulk-billing — the federal government's disgraceful attack on Medicare is an example of its blatant cost shifting.

Residents of the south-eastern suburbs will greatly benefit from the $19 million funding allocation towards the Monash Medical Centre's radiotherapy units. The boost in health funding for the south east is part of the Bracks government's commitment over the next four years to build new hospitals and hospital services, cut hospital waiting lists and treat more patients.

The Bracks government continues its commitment to education and training. The budget allocates $82 million over four years for 450 additional teachers in secondary schools and $50 million over four years for 256 primary school student welfare officers and $37.1 million for new and replacement schools, including the construction in my electorate of Strathaird Primary School in Cranbourne North. The government has also allocated $41 million to upgrade facilities at existing schools including a $3.2 million stage 3 upgrade to Lyndhurst Secondary College and a $1.8 million investment in the Upper Yarra Secondary School. Both of those schools are in my electorate.

By allocating $300 million to community safety the government continues to demonstrate its commitment to safer communities, and $126 million of that figure is allocated to boost police numbers by 600 over the next four years. In my electorate the government has allocated $9.5 million for the Pakenham police and emergency services complex.

The budget also includes public transport initiatives totalling $171 million as part of the government's Linking the Suburbs program, and $121 million of this has been allocated for the construction of the 20-kilometre Pakenham bypass. In addition, the people of Melbourne's south-eastern suburbs will have a vital

transport link by 2008, and I speak of course of the Mitcham–Frankston freeway.

The Bracks government has provided for the biggest infrastructure spending in the state's history. Over $5 billion is expected to be invested in infrastructure over the next two years with $180 million allocated for the extension of the Rural and Regional Infrastructure Development Fund for another five years to include $70 million to extend country Victoria's gas network. The residents in the Gembrook district of my electorate will benefit greatly from this initiative.

The budget delivers on the government's commitment to protect our water resources by allocating $92.5 million to make Victoria's water supplies sustainable and to encourage Victorian's to save water.

The 2003–04 budget continues the Bracks government's commitment to building stronger suburbs and improving services and infrastructure in outer suburban Melbourne. My constituents in Eumemmerring Province and those in other outer suburban areas will benefit from new and improved roads, schools, hospitals and police stations across the suburbs.

In summary, this budget delivers responsible financial management and continues to invest in the future of all Victorians through education, health, community safety, the environment and historically high levels of infrastructure spending. I commend the bill to the house.

Hon. ANDREW BRIDESON (Waverley) — It is really quite sad to be on this side of the house listening to the members of the government who have been spun off this planet by the spin doctors. All their contributions have been nothing but reiterations of the spin the government has put on these budget papers. Most of the spending in this budget is essential and necessary spending that any state government would do. Unfortunately this type of budget is something we have become used to since the Labor Party came to power in 1999. Last year in my budget response speech I said it was a smoke-and-mirrors budget, and that is the only term that comes to mind again while perusing this year's budget papers.

I want to touch upon five or six areas in the time allocated me — schools, essentially in Waverley Province, but I want to make some comments on the closure of schools by the Bracks government — I have some figures which show that — and how the slashing of the community business employment program has affected some of my constituents; the farce of the synchrotron; the lack of police stations in my province; and the abandonment of a couple of important road projects and what needs to be done in my electorate. If I still have time I will talk about the massive tax slug that has been inflicted upon motorists.

Despite the continuing revenue that has been supplied by stamp duties, speeding fines and gambling taxes, not to mention the massive surplus the previous Kennett government left, there is a lack of substance to this budget which displays an unwillingness to see through certain election promises. Tax revenue has risen by $3.8 million since 1998–99; police fines have almost quadrupled; and an extra $512 million has been received from stamp duties. One might ask: where is the problem? As every member does at this time of year, I have looked through the budget papers to see what has been allocated to my electorate. I must say I have not been able to find very much. I put it to members of the government that if they have a concerted look through the budget papers they will find there is very little detail about the amount of spending going on in their electorates.

Hon. J. H. Eren interjected.

Hon. ANDREW BRIDESON — I know it is a problem that people on the other side have faced because when I look through the debates in the other house I noticed that the member for Mount Waverley was only able to identify one actual item in the budget for her electorate, and again that was for what I put in the category of essential and necessary spending in that $5 million has been allocated for the rebuilding of Mount Waverley Secondary College, which as we all know was destroyed by fire. I ask: is this to be applauded, or is it just to be expected? Again, it shows the spin this government puts on budget papers.

Whilst I agree with much that this government has done, when I look at schools in my province, I realise my electorate is still suffering. The percentage of primary schools in Mount Waverley that have maximum class sizes of 30 and above is 40 per cent. The percentage of prep classes in Mount Waverley that are over 21 is at 30 per cent. In the Clayton electorate, 25 per cent of primary schools have maximum class sizes of over 30. In the Mulgrave electorate, 60 per cent of schools have maximum class sizes of 30 and above, while across the entire four electorates in my province, there is a 32 per cent incidence of primary schools that have maximum class sizes of 30. Just over 20 per cent of prep classes exceed the cap of 21 pupils.

What can we believe about the budget? The previous speaker mentioned that the government is going to

provide 256 primary school welfare officers, but when you look at the budget paper, you find that only 65 will be employed in the first year of the budget, which means approximately 1 in 5 of these primary schools will have one of these officers. I went to the annual report of the Department of Education and Training for the last reportable year, and it is very enlightening to look at some of the figures.

We on this side of the house hear how draconian the Kennett government was and how many schools were closed. The Bracks government has closed 21 primary schools — and my source is page 150 of the annual report of the Department of Education and Training. Seven secondary schools have closed, but what is more alarming when one looks at these figures is the continuous drift of students from the public system into the independent and Catholic school system. If you look at the number of schools in the last five years, you see that 2 new primary schools, 25 new primary-secondary and 2 new secondary schools have opened in the independent sector.

We read a lot in the budget papers of how the Bracks government is spending millions of dollars on employing new teachers. Again, I say it is necessary and essential. If you look at enrolment figures in government schools between 1998 and 2002 you find there are 10 564 additional students. Is it any wonder that more teachers have to be employed? The figures are alarming when you look at the equivalent full-time students by school type and sector between 1998 and 2002 in the independent sector where there has been an increase of 12 802 students. So, despite its rhetoric, the government is not doing anything to hold students in the public sector, and I believe that is a cause for concern.

One of the other issues I am very concerned about in Waverley Province and which I have mentioned in previous speeches on the budget is that the Kennett government spent millions of dollars on upgrading run-down school facilities in Waverley Province, schools that the Cain and Kirner governments abandoned by putting their money into other things, shifting money around, and the schools were totally neglected. A lot of the schools the Kennett government refurbished are now due for major cyclic maintenance. There is no money allocated for the majority of these schools in the current budget, and I doubt there will be money allocated in the forthcoming years.

I turn to the community business employment program. Clayton has been treated absolutely contemptuously by the government. In an electorate that suffers from very high unemployment and significant youth and crime problems we learn that the government has again disappointed constituents by cancelling the community business employment program and slashing the community jobs program. This program was another successful Kennett government initiative established in 1994 to provide free job placement assistance to the 15 to 24-year age group and the unemployed aged 45 and above.

The cancellation obviously adversely affects the unemployed but also the service providers who had previously got $850 per placement. There are six such providers servicing the area in and around Clayton. These agencies have contacted my office in the last week complaining of the absence of any level of consultation on the part of the government regarding this decision. In fact, a month before the budget release these agencies were assured that the program would remain, but they were given only 24 hours notice prior to the budget release that this was not the case. Suddenly these organisations are faced with the reality of shedding staff and putting off hundreds of clients, the majority of whom are not eligible for any other type of assistance as their status is that of skilled migrants and they do not receive any commonwealth assistance. One particular agency has 800 clients on its books for this financial year, but it will have to get rid of three staff members as a result of the cut. The service provided by these agencies is intensive and specialised. It is not something they can get at the Commonwealth Employment Service. However, the government has not considered these points at all.

In the last 12-month period those who have been considered disadvantaged or unlikely to gain employment are being again grossly disadvantaged by the current Bracks government. Programs have been cut in half, and the budget papers indicate that the total number of people to be assisted in the program will drop from 1950 to 875. There is no excuse for such a savage cut to such a successful program. There is a particular need for youth employment services in Clayton as 34 per cent of them are unemployed.

I now turn to the synchrotron. This is an absolute farce and shows the spin the government puts on programs. On page 6 of the budget overview it says there is an additional investment of $57 million in the synchrotron. When you turn the page you note it says $57 million over three years, building on the government's commitment. When you turn to page 179 of the budget papers which deals with outputs you find that the target for this year is six meetings and four community consultation forums. No money is being spent on the synchrotron in this financial year. When you look at the chart on page 231 of the budget statement, table A10,

you find the allocation for 2003–04 is zero. It beggars belief whether the government will be in a financial situation in future years to fund the $57 million required to complete the project. It is an exciting project and is one to be applauded, but the government's financial mismanagement will not see this program come to fruition.

I now turn to police. Basic requirements like the relocation of the Clayton police station have not been realised. I have been calling for this for the 10 years I have been in this place. Unfortunately the Liberal government did not do it, but the Bracks government has still failed to do it. I have consistently repeated my concern repeatedly about the poor location of that police station. It is on busy Clayton Road and it is extremely difficult to access. There are traffic lights in front of the station, and it is in an extremely busy spot because it is directly opposite the Monash Medical Centre. I have visited the police station a couple of times, and I simply do not know how the police officers work there. The station is long overdue for replacement. In the lead-up to the last election the honourable member for Clayton in the other place promised that Springvale would receive a new police station. The promise was printed in all the literature that was distributed by the honourable member. However, it has not eventuated and is much like the federation park that was promised for South Oakleigh.

In the last couple of minutes available to me I will touch on the fact that motorists are being slugged in this budget and that that will affect every family in Victoria, particularly in my electorate where public transport is not all that good. Many of the families are two-car families and in many instances three-car families as the kids go to university and need cars for transport. There has been a $17 increase in motor registration fees. From 1 July compulsory Transport Accident Commission third-party insurance premiums will also rise. The budget estimates on pages 458 and 459 outline all the other increases that have been dumped on motorists.

I also make mention of the increased use of traffic cameras. This government claims that the use of traffic cameras has reduced the road toll. The figures I have put lie to that as last year there were 397 fatalities — 397 too many in my view. If you go back to 1992 there were 396 road fatalities; in 1994, 378; in 1997, 377; in 1998, 390; and in 1999, 384. The road fatalities in all those years were far less than they were before speed cameras were used.

I have even analysed the month-by-month road fatality figures. Last year, when there were more traffic camera fines than probably for all other years put together, there were only two months where the road toll was below 30. In the other years I have mentioned you could double, sometimes quadruple, the numbers of months where the road toll was below 30. The government needs to have a very serious look at the effects of — —

The ACTING PRESIDENT (Hon. B. W. Bishop) — Order! The honourable member's time has expired.

Ms HADDEN (Ballarat) — I rise to speak in support of the budget papers 2003–04. This is another example of the Bracks Labor government's commitment to sound financial management and ensuring Victoria has a AAA credit rating and a $100 million operating surplus in the budget.

We all know we are going through difficult times at the moment, and we have to accept the impact of the international markets, the global downturn in the equity markets, the seven-year drought — a very serious drought across the whole of the state — and the bushfires in the north-east and Gippsland which lasted for about nine weeks commencing on 1 January last. We also had the impact of public transport privatisation adding pressure to the state's finances. We have to accept that and cannot turn our minds away from it.

This government is continuing to deliver and is committed to delivering for the whole state, including country Victoria. I heard previous opposition speakers asking where the money has gone. They know jolly well where it has gone, and I will give the house some examples. In our first term in government we placed an extra 3000 teachers back into our schools. We invested $800 million to build better schools and TAFEs, including 16 new schools and 5 replacement schools. We employed 3300 nurses back into the health system and opened 12 new ambulance stations. We placed over 260 new paramedics back into jobs. We employed an extra 800 police 18 months ahead of schedule, which has made our state safer. We built 65 new police facilities across the whole of the state.

We commenced projects in our Linking Victoria strategy, which aims to revitalise our transport links, and we provided funding to deliver fast rail to our regional centres, including our other regional rail lines. We introduced the Regional Infrastructure Development Fund for capital works in rural and regional areas with initial funding of $180 million.

We also provided funding to build the Wimmera–Mallee pipeline which will see 93 000 megalitres of water saved each year. We

increased the Snowy River's flow to 6 per cent of the original flow as a first step in the agreement with the commonwealth and New South Wales governments to restore the flow to the Snowy to 28 per cent.

We established the world's first comprehensive and representative system of marine national parks and sanctuaries along the Victorian coast. That is where some of the money went, and I could go on and on, but I do not have the time and wish to go on to other areas.

Very importantly with the budget papers 2003–04 the government is continuing its commitment to grow and link regional and rural Victoria, especially with a $70 million commitment for the upgrading of the Calder Highway between Melbourne and Bendigo. As well, the very successful Regional Infrastructure Development Fund (RIDF) of our first term of government has been further committed for a further five years, allocating $180 million to improve strategic transport links across Victoria and create better opportunities for businesses and communities in rural and regional Victoria.

Specific initiatives include the commitment and promise of $70 million to extend natural gas to regional Victoria, one commitment which I am very pleased with and proud to have been instrumental in obtaining from the government with the extension of natural gas to Creswick as one of the first three towns promised by the Premier at the Creswick town hall last November to be linked to natural gas. There is a commitment of $20 million to attract investment to small towns and isolated communities to help those communities grow and provide job opportunities. Currently the government is finalising the funding guidelines for the distribution of the $70 million for the natural gas extensions to the first three towns of Creswick, Barwon Heads and Bairnsdale.

The budget shows that the government is getting on with the job of governing and strengthening all communities across the state — for example, in Ballarat Province $33.7 million was allocated for major rebuilding programs for schools in country Victoria, including Ballarat High School, as well as the Maryborough education precinct of $3.7 million. Some $18.2 million has been allocated for building improvements for schools in country Victoria, including small primary schools in small rural townships of Ballan, Creswick, Delacombe and Buninyong. The extension of the RIDF will see a major boost for jobs and social benefits to our rural communities with $70 million for the extension of natural gas to rural and regional Victoria.

The key environmental and agricultural initiatives announced in the budget include: $24 million over four years for a major new weed control program; $10 million to reduce salinity and improve water management; $16 million to increase environmental flows and undertake catchment management works around Victoria — we all know how important that is for our river systems; $52.5 million for upgrading water infrastructure, including irrigation systems and country town water treatment; $24 million for defending farms against disease; and $40 million for forests and parks.

We have also committed a further $234 million over four years to recruit 450 extra secondary college teachers and 256 student welfare officers in our schools. We have also provided $464 million to recruit a further 900 nurses and health care staff which will be used to treat an additional 35 000 public patients each year. We are certainly committed to further building our communities, rebuilding our services and delivering for the whole of the state.

Another important announcement was the $6 million capital upgrading announced for the Victorian Forensic Science Centre. This announcement includes $3.8 million to extend and refurbish the chemistry wing, and $2.2 million to replace equipment, including the acquisition of specialised DNA equipment. Justice reforms were high on the agenda, and they are certainly ones I follow with great interest having been a practising lawyer before coming into this place.

The budget papers will deliver — and show a delivery on our election commitments — over $45 million over the next four years towards justice reforms, including new courts at Moorabbin and in the Latrobe Valley. It also provides an extra $14 million over four years to boost Victoria Legal Aid (VLA) and community legal centre funding, as well as $5.2 million for the creation of a domestic violence division of the Magistrates Court to enable the justice system to better respond to family violence issues. I certainly welcome that commitment.

As well, $6.2 million is provided for the establishment of a sentencing advisory council, which is certainly welcomed. The innovative sentencing advisory council will provide information to the courts to assist with guideline judgments and stimulate a balanced public debate on sentencing issues. It is not before time.

The VLA funding is welcomed, and certainly welcomed by the Central Highlands Community Legal Centre which has been given increased funding of $11 273. The Central Highlands CLC is based in Ballarat and services the western region of the state,

and does an enormous amount of work. The workers do a tremendous job and service to the community, and I commend the Central Highlands CLC and the Attorney-General for always featuring Central Highlands CLC in his funding announcements.

The extra 800 police that have been put back onto the streets during our first term contributed to the 8.4 per cent fall in the overall rate of crime in the state. That was one of the reasons attributed by the Chief Commissioner of Police, Christine Nixon, when she said:

> A number of strategies implemented by Victoria Police, combined with the additional 800 police, are having an impact on crime rates.

There was also the announcement of the $77 million boost for disability services, which is important because there are many people in our communities who require quality and accessible services due to disability. The disability funding includes $33.5 million for the Homefirst program; $5 million for the Making a Difference program; $10 million for an Older Years and Carer Support program; $2 million over four years to establish the Metroaccess program; $13.4 million to improve individual planning and support for people with a disability; and $1.8 million to extend the current motor vehicle stamp duty exemption for people with disabilities from 1 July.

The budget also saw a boost for women. We announced the return-to-work grants to assist parents returning to the work force after caring for children full time for a minimum of two years as a major initiative. We have committed $11 million to that program. We will also see the implementation of the women's health and wellbeing strategy, the expansion of mental health services for women, and the provision of better access to breast prosthesis services. We will implement women's health initiatives which will see improvements to maternity services in rural Victoria, and an extension of Koori maternity services across the state. This government certainly does deliver.

Before the federal government delivered its budget on 13 May the Premier asked whether it would pay its half share of the cost of the Wimmera–Mallee pipeline. Well, not in this federal budget, not yet.

Will the federal government give proper support to the Commonwealth Games? The answer is: not yet. Will the federal government pay its full share of the $242 million Pakenham bypass? Well, not yet. Will it pay its half share of the Geelong bypass? Not yet. Will it pay its half share of the $140 million Calder Highway — the Kyneton to Faraday duplication, as it is called? Not yet. Will it transfer the defence land at Point Nepean National Park on the same terms as it gave to New South Wales for the Sydney Harbour National Park? Not yet.

This state and the Bracks Labor government certainly acts on its promises, and promises what is important for all Victorians, and it is a shame the federal government does not do likewise, especially with the amount of taxes and GST that we contribute from this state.

A Victorian Employers Chamber of Commerce and Industry representative in Ballarat labelled our budget as 'financially prudent'; the Ballarat Tourism executive director said there were a 'couple of positive tourism initiatives', including the $10 million allocation for regional marketing campaigns in Victoria, and $10 million for international marketing, which certainly Ballarat tourism will be able to tap into — for example, marketing Sovereign Hill and the Ballarat Wildlife Park.

The *Herald Sun* had a vote line, which asked the question: do you approve of the state budget? There were 6353 people who called into that vote line, and 75.7 per cent said that they did approve of the state budget. So I think that is a resounding victory for the budget and certainly says, 'Yes, we are getting on with the job of governing for all Victorians'. It is a fair and just budget.

Hon. P. R. HALL (Gippsland) — I do not share the previous speaker's enthusiasm for this set of budget documents that we are debating here tonight. I claim it is a far from impressive set of documents. It was delivered on Tuesday, 6 May, by the Treasurer, and in his own words in the Treasurer's speech he talks about this budget being set in:

> ... a challenging environment.

He says there is a whole range of things that have been:

> ... putting the state's finances under considerable additional pressure.

He spoke also about the 2003–04 budget being delivered against the backdrop of these demanding and challenging circumstances, and he also spoke about the Bracks government's prudent financial management, and even Ms Hadden, in her contribution, mentioned that this has been a difficult budget in difficult times, and she outlined the difficult circumstances.

Let us accept that premise to start off with. With that in mind, what do we find in the major daily newspapers, the Monday after the budget, on 12 May? We find the sort of rubbish that I have in my hand here — a big

three-quarter page advertisement stating, 'Will Victoria be the first casualty of Canberra's Medicare reforms?'.

I opened the newspaper on the next day, Tuesday, 14 May, and saw repeated the same sort of thing — a big advertisement, with a picture of the Premier in the paper saying, 'Will the federal budget penalise Victorians again this year?'. These advertisements cost the Victorian taxpayers a reported $40 000 or $50 000, and the government is paying this at a time when it tells us that times are tough! Why are we spending $40 000 or $50 000 on advertisements in the papers? I thought we were scratching for a penny in this budget, yet it seems that less than a week after the budget the Premier is prepared to waste $40 000 or $50 000 of taxpayers money on nothing. What do Victorian taxpayers get out of those advertisements? Absolutely nothing. When this government says this budget is set in a tight time frame against some difficult circumstances, I say it is blatantly wasting money, so times are obviously not so tight if the government can engage in some blatant political propaganda at the taxpayers' expense.

This goes to reinforce my own personal view that within these budget papers is one great big con trick, where the people of Victoria are being conned again to try and believe that this is a government that has as its credentials prudent financial management, when the opposite is the case. It wastes money, there is unnecessary expenditure and it is conning the people of Victoria.

I will substantiate that claim by talking about three major areas showing why the budget is a con. The first is the fact that every single tax and charge that the government collects will be increased not only this year in this budget, but in every other year to come. Every tax and charge collected by the Victorian government will be indexed. There will be legislation this year, but it will not go through next year — we will see automatic increases in taxes and charges.

How many taxes and charges will be increased? We were told that motor vehicle registration would increase by $17 — that was a pre-budget leak to soften the blow; but when the budget papers were presented on Tuesday, 6 May, we found that every single tax and charge collected by the government will increase by the CPI, and how many of them are there? There are literally hundreds of them.

They are listed in the *Herald Sun* of Thursday, 8 May. They talk about camping and parking entrance fees, licences for recreational fishing, scuba diving, jet skiing, and shooting and hunting among an array of taxes. In terms of the 'fun' taxes, they will help raise an extra $112 million over four years, or $23 for each Victorian over that time. And that is only the fun taxes — the fishing taxes, the parks. Then the *Herald Sun* article goes on to say:

> The rises reach into every corner of society, from professional and business licences, to motoring and real estate fees. Licences for taxidrivers, brothel operators, hoteliers, tour operators, gaming venues and second-hand dealers are on the possible hit list.

Possible? A definite hit list we now find out. It goes on:

> So are permits for collecting domestic firewood, burning off, having personalised numberplates, or even keeping a dingo or other 'pest' animal. A number of commercial licences for fishing and aquaculture, beekeeping, chicken hatching, mineral exploration, timber harvesting, water rights and professional licences are also on the list.

It talks about:

> Environment Protection Authority licences, freedom of information, application fees and wills are also being examined. Indexation of traffic fines, court charges, birth, marriage and death certificates, motor vehicle and boat registrations, drivers licences, business name registrations —

and the list goes on. But the most damning comment is this last one where the newspaper quotes:

> Mr Bracks said it would be some days before a full list of the rises was available. 'Obviously it's a task that requires a bit of work', he said.

What has he done then in preparing this budget? The government has not even done the preparation work before the budget is announced! It put a budget before this Parliament, but it cannot even tell us the full list of taxes and charges that will be increased. Government members do not know. They just say, 'This is what we estimate for revenue we will collect, and to hell with what you people think; this is what we will do. We have not done the work to identify the full list of all those taxes and charges'.

It is an appalling situation, and they reckon they are good financial managers! They have not even done the preparation to present a full budget for the people of Victoria to consider.

When the Kennett government was in office the Australian Labor Party was all too ready to accuse the Kennett government of being the highest taxing government in the nation. I say to the Australian Labor Party, 'Now you have won that title. You are the kings of taxation in this country. Perhaps we should change your name from the Australian Labor Party to the Australian Taxation Party; or perhaps we could call it the Australian Debt Party because that is what you are all about — taxation and debt'.

I will go to the issue of debt because that is the second con trick in this budget. We all know that in 1992 when the Kennett government won office the state debt was around $33 billion.

Mr Pullen — Who started it? Bolte. That's who!

Hon. P. R. HALL — You people did. When the Cain and Kirner governments came to office it was $12 billion. You took it up to $33 billion in eight or nine years. It was a pretty good effort for increasing debt. That is why we should be calling you the Australian Debt Party. By the time the Kennett government had finished after seven years that $33 billion figure was down to a figure of $5 billion or just under. If you look at the recurrent account during those particular years, when the Kennett government came to office, the current account was running at a deficit of $2 billion per year on a total budget of around $16 billion, which is around a 12.5 per cent loss on revenues that come in every single year. No wonder the debt was climbing! The turnaround during the Kennett years was to reverse that $2 billion recurrent account deficit to a $1.8 billion surplus.

What do we get in this budget? Despite buoyant economic times — no-one challenges the fact that we have just gone through a period of very buoyant economic times — and unprecedented increases in taxes, gambling revenues and traffic infringement fines, what is the government doing to state debt? It is starting to increase the debt again — state debt is on the way up.

The budget papers on the table tonight tell us that over the next four years state debt will again increase by $800 million. That is how this government — this Australian Taxation Party, this Australian Debt Party — handles debt and that is its financial credential: increase taxes, increase debt. That is what it is all about.

The third con trick about these budget papers is the complete lack of detail that you find — or I should say that you cannot find — in them and the delayed implementation of many of the government's promises. For example, I wanted to look at an area in education, which is a particular interest of mine. I read through and thought there was one interesting initiative, which I applaud, and that is that $82 million will be spent over four years for 450 additional teachers in secondary schools to promote specialisation within subject areas that best meet community needs. Terrific! Great program!

I wondered where I could find more detail about that. I could not find any more in the budget overview so I had to look at budget paper 2, which is the next place it is mentioned. At page 67, once again there is reference to this program but no more detail. I thought, how is that $82 million going to be spent? I had to keep trowelling through these documents until I came to page 204 of budget paper 2 to find 'Investing in teachers to support excellence'. It follows a table which shows how the $82 million is going to be spent.

Lo and behold! Of that $82 million, $4 million is going to be spent in 2003–04, $14 million the following year, $28 million in 2005–06 and $36 million in 2006–07. In this budget less than 5 per cent of that initiative is actually going to be spent. The con trick is that the government tells us of its great plans but it spends only minute amounts — fractions — in the first financial year.

I can look at a whole range of programs — in the area of justice, for example. I welcome the fact that we are going to get new police stations in areas of my electorate at Bairnsdale, Warragul and Swifts Creek and in the new justice precinct of Morwell. The table of asset investment initiatives at page 237 of budget paper 2 shows funding of $4.7 million for new police stations in 2003–04, then $20.6 million in 2004–05 and $34.4 million in 2005–06. Once again, it is a delayed implementation. The government cons us by saying that it is spending great amounts.

I turn to the Pakenham bypass because it has been mentioned before. Again I had to scour through the documents before I found mention of funding commitments. There has been a lot of play, saying that the federal government is not going to put in its full fair share towards this project and great play by the Premier, saying that he will put in our state's $121 million.

The table on page 224 of budget paper 2 indicates funding commitments of $20 million in 2003–04, $25 million in 2004–05 and then $30 million and $40 million for the following financial years. The line total appears as $121.2 million. Forgive me if my maths is correct — I was a maths teacher for 14 years before I came here — but if I add up those figures they amount to $115 million and not $121.2 million. The government is saying that its share is $121 million, but its commitment in this paper adds up to only $115 million. The government cannot even get its maths right! This is another example of why these budget papers are a con.

I would have loved to spend more time on specifics in the budget, but I am going to have time to mention only one and that is the abolition of payroll tax exemptions

for employers who take on trainees and apprentices. What a woeful initiative this is! What a great disincentive for any employer to give a young person a job as a trainee or apprentice! The government is going to save $158.6 million by doing this.

The government claims that it is going to replace the scheme with a $51.4 million subsidy called a completion bonus. The government currently spends $210 million on the scheme. By taking $51.4 million for the new initiative it will have a net saving of $158.6 million. The government is taking that amount of money away from employers. It means that hundreds of apprentices and trainees will no longer get an opportunity to start their life in the work force.

Why do we need it any way? Yesterday in a committee hearing I asked somebody from the department about completion rates. Currently the completion rate for apprentices is 77 per cent — that is, nearly four out of every five apprentices who start an apprenticeship complete it. If there is a problem in the end surely the government should be addressing that one in five who do not complete their apprenticeship. For traineeships the completion rate is 55 per cent. When I asked, 'Have you worked out what has happened to the others? Have you mapped them or tracked them in any way?'. I was told, 'No, but we believe some of them go on employment opportunities'. That means they do not complete their traineeship because a full-time job comes up. Who would not take a full-time job? The government has not tracked through the outcomes of those people who do not complete apprenticeships and traineeships. That is why I say that this is another big con trick. It is a con trick merely to save the government $158.6 million over four years at the expense of young Victorians who could well do with a chance in life by starting off a job as an apprentice or trainee.

I could talk about the Regional Infrastructure Development Fund. Aspects are positive but in a nutshell there has been reduced expenditure on the RIDF. I could talk about the broken promises contained on page 135 of budget paper 2 and the $8 million for community health at the Latrobe Regional Hospital at Traralgon that has not been delivered in this budget. Radiotherapy services for Latrobe Regional Hospital have not been developed and are not delivered in this budget. It is a con. It is a hoax.

The ACTING PRESIDENT (Hon. B. W. Bishop) — Order! The honourable member's time has expired.

Mrs CARBINES (Geelong) — I am extremely delighted to speak in the house tonight on the budget. Indeed, this budget — the fourth of the Bracks government and the first of our second term — clearly further demonstrates our commitment to growing the whole of the state to ensure that all Victorians, no matter where they live, benefit from the prosperity of our state.

The budget importantly builds on the key priorities of our first term — priorities that Victorians told us before the 1999 election they very deeply cared about. They were the services of education, health and community safety. Victorians also told us that they cared very deeply about the environment and wanted to see policies that protected it. This budget builds on the already delivered commitments and the already delivered projects to Victorians across the state, and it is all about ensuring that we are building a smarter, healthier, safer and more environmentally sustainable Victoria.

This house has heard me many times remind Victorians of the ravages of the Kennett government. It sacked teachers, nurses and police. It drastically refused funding to these critical areas across the state, and the ramifications of those draconian policies will never be forgotten by the people of Victoria. These ramifications saw themselves in huge class sizes, in hugely increased teacher workloads, in stressed hospitals, lengthy waiting lists and overworked medical staff. We saw fewer police and a higher crime rate when the former government was in power, and some of the members of that government are still in this place.

In our first term we commenced the rebuilding of Victoria, the re-establishment of services in health, education and community safety across the state. We did that by employing thousands of teachers, nurses and police to rebuild those services.

This budget — our fourth — will see further employment in these essential areas across the state. We will see an extra 450 secondary teachers employed across the state and, as a former secondary teacher who worked for nearly 20 years in the state school system, I understand the importance of these extra teachers — the extra staff — to schools across the state. They will further bring down class sizes and further reduce teacher workloads, which is very, very important.

We will see for the first time the employment of welfare teachers in primary schools. Primary schools have been advocating for a long time for the employment of welfare teachers. This budget will deliver the funding to see the employment of some

256 welfare teachers for primary schools across the state. I applaud that initiative of the Minister for Education and Training.

This budget will also see the employment of a further 900 nurses across the state, again reducing waiting lists and making sure that our hospitals are less stressed. We will see the employment of another 600 police, which is welcome news indeed, because Victorians continually tell us they care very much about community safety on our streets. Six hundred police will go a long way to further making our streets and towns across Victoria safe.

This budget will also provide funding to employ a further 219 firefighters, which is very welcome news indeed. The employment of these teachers, nurses, police and firefighters will make a real and positive difference to all Victorians and further improve those key services that we committed some four years ago to improve. The employment of these people will further improve those services and will clearly demonstrate that our government, the Bracks government, is getting on with the job of governing for all Victorians.

My own electorate of Geelong Province, a regional seat which I represent along with the Honourable John Eren in this place, has shared very much in the prosperity of our state in our first term, and this budget delivers several of our key election commitments to Geelong. It is very important to see this money come through in the first budget, and we are very keenly aware that we have been elected for four years, and the remainder of our commitments will be delivered over that time.

I am very pleased to see a number of our schools receive money in this budget for upgrades of their facilities. We have seen some $3.5 million allocated to Geelong High School.

Sitting suspended 6.30 p.m. until 8.02 p.m.

Mrs CARBINES — Before dinner I was explaining that the first budget of our second term has continued our commitment to grow the whole of the state and to deliver on important services that Victoria really cares about — education, health, community safety and also protection of the environment.

I was starting to outline the provisions in the budget that are relevant to my electorate of Geelong Province. I talked about the $3.5 million that is being allocated to upgrade Geelong High School — a much-needed allocation of money. It is in quite a bad state of disrepair. It is a very old school, and I know that money has been very warmly received by the principal, Diane Joseph, and the school council.

We also had money allocated to upgrade Lara Lake Primary School and to complete stage 2 of the Ocean Grove campus of the Bellarine Secondary College. This is particularly important to the residents of the Bellarine Peninsula. Before the 1999 election the government committed to build a new facility at Ocean Grove for Bellarine Secondary College — a facility that was just a collection of portables. The school community at Ocean Grove was very fearful that the Kennett government planned to close this facility and relocate all students to the Drysdale campus. This commitment of further funding for stage 2 will see the completion of a state-of-the-art facility at Ocean Grove.

An important issue that Geelong residents had enunciated to me throughout our first term was the need to do something to alleviate the traffic pressure and problems on Latrobe Terrace, which dissects Geelong. In its first term the government conducted a feasibility study looking at the traffic issues across Geelong and a number of options to alleviate those traffic issues.

It was determined through that feasibility study that a ring-road was needed through the western section of Geelong to alleviate the pressure on Latrobe Terrace, and our government committed $190 million as an election commitment to pay half the money that is needed to build the Geelong ring-road. This budget has seen just over $4 million allocated to the planning and the environment effects statement necessary for the Geelong ring-road.

This is welcome news indeed for Geelong and it has been very warmly received, but we in Geelong feel very, very let down by the federal government because it has refused to allocate any money to fulfil its part of the bargain to commit $190 million to the Geelong ring-road. The residents of Geelong are extremely disappointed in the member for Corangamite, Stewart McArthur, who refuses to lobby on our behalf and to see his government — the federal Liberal government — commit equal funds with the Bracks Labor government in Victoria for the completion of that road.

The budget has also delivered one of the Bracks government's key election commitments — that is, money to build the Grovedale railway station. The people who live in Highton, Belmont and Grovedale have lobbied very hard over the last few years for a railway station to be built there to service their needs and also the growing needs of residents of the Surf Coast Shire who live at Torquay and Jan Juc.

We also saw some $15 million allocated to the port of Geelong in the budget. This money is very important

and builds on money the Bracks government allocated in its first term to link key wharves at the port of Geelong to the standard gauge rail. As a result of the money allocated to the port of Geelong in the budget last year, we saw a huge investment by the private sector in our port, where significant investment has taken place.

An issue of great importance to Geelong residents has been the future of Kardinia Park and Skilled Stadium, which is the home of the mighty Cats — who are unfortunately not very mighty at the moment as they are languishing on the bottom of the ladder. We have wanted to see Kardinia Park upgraded for a long time. Kardinia Park is not just the home of the Geelong Football Club, it is also the home of our cricket club, netball teams and the Geelong Football Umpires League. The $14 million the government has allocated will complete stage 1 of a necessary upgrade to ensure that all users of Kardinia Park fully benefit from having better facilities.

The budget also furthers the government's commitment to community safety with the allocation of $5 million to build a new police station at Bannockburn.

Members of this house have heard me speak many times about the provision of natural gas to my electorate, and last week in my contribution to the address-in-reply I said how great it had been to see natural gas delivered by the Bracks government to residents in north Bellarine. This budget allocates some $70 million for the extension of natural gas to townships across the state, and the Treasurer has already announced that giving Barwon Heads in my electorate access to natural gas will be one of the key priorities for this money, which is very welcome indeed.

We have also seen funding provided in this budget to refurbish the Anglesea Recreation Camp. As a student and as a teacher I spent many happy hours and days at the Anglesea Recreation Camp and I am sure many other members of this place did too. It will be great to see that wonderful recreation camp upgraded.

I am also very, very pleased as Parliamentary Secretary for Environment to see $14 million allocated in this budget to fulfilling our commitment to end logging in the Otways. This money will be used to help with the transition, to help remove the loggers from the Otways, to invest in significant infrastructure for tourism in the Otways, to help establish a national park from Anglesea to Cape Otway, and to see the employment of extra park rangers.

All the items in the budget allocated for Geelong Province have been very happily received by members across the Geelong community. In fact we hosted a budget lunch in Geelong on the Friday after the budget was announced and the Treasurer, John Brumby, spoke to a room of about 60 people. He outlined the budget in detail to business and community representatives and it was very, very happily received. I thank the Treasurer for making the time available to come down to my electorate to speak to my community about our budget.

I commend the Treasurer for an excellent budget which further rebuilds services that Victorians have told us they care about. It rebuilds education, it rebuilds health, it rebuilds community safety and it protects the environment.

The other thing the budget does is further demonstrate the Bracks government's commitment to growing the whole of the state. That is very, very important to me as a member from regional Victoria. I know how important it is to the community I represent in this place. Our government is committed to ensuring that all Victorians, no matter where they live, receive the benefits of the prosperity of this state and that all Victorians enjoy the benefits of commitments from this government. This is in stark contrast to the former Kennett government, which was interested in prospering only those who live in metropolitan Melbourne.

I am very, very pleased to speak tonight on the budget on behalf of the government and I commend the Treasurer for bringing down an excellent budget for all Victorians.

Hon. R. DALLA-RIVA (East Yarra) — I thank honourable members for their contributions today because it has been quite enjoyable to listen to the debate on both sides. I refer firstly to the Honourable Bill Forwood who, on this side of the house, outlined initially his concerns about the budget. The overarching concern has been that over the past three and a half years this government has seen a massive increase in fees of about $3.4 billion — that is an absolute take, a money grab, or whatever you wish to call it. What that means is that every Victorian household now has to pay an extra $1900 out of its pocket because of this government's inability to manage the budget, but I will come to that later.

I noted this morning that the Minister for Finance was interjecting on a question about where the money had gone, and Mr Lenders said the money had been spent on infrastructure.

Mr Lenders — And police, and nurses, and teachers!

Hon. R. DALLA-RIVA — The minister specified infrastructure, so I thought I would hold the minister to his word and go through the budget papers, which I did. Budget paper 2 states at page 15:

> In *Growing Victoria Together* the government identified the following priority infrastructure actions —

and I will draw one dot point out of a number —

> building fast, reliable and efficient transport and communication infrastructure.

Let us look at the effectiveness of this government in terms of that statement alone. Let us talk about the very fast rail that was to go to Tullamarine airport. I seem to recall that. Let us talk about the very fast rail network to all the regional centres. Where is that? Let us talk about the standardised rail network. Where is that? I will tell you where that is: about 100 tonnes of metal that has been bought is sitting rusting because this government could not deliver. And let us talk about the big one, the Scoresby freeway. Let us talk about the efficient transport and communication infrastructure. Let us talk about the fact that the federal government through a memorandum of understanding had already agreed to submit — put on the table — $445 million. This is a government that talks about great infrastructure!

I will pick up another dot point:

> connecting more Victorians to the Internet and other new technologies.

What do we see in the *Age* today? Qantas is prepared to leave Victoria and take 50 of its staff from the information technology section into another state. That is a great representation on this budget!

I should not be talking down the budget, I know that. The government has delivered a range of successes, and it is important for *Hansard* to note the successes that have been delivered to Victorians. As honourable members know, the government had inherited a $1.8 billion surplus, which was the taxpayers' money that had resulted from hard work.

An Honourable Member — Where has the money gone?

Hon. R. DALLA-RIVA — Where has the money gone? I will get to that later.

Let us talk about the successes: tax revenue has grown $1900 a household since 1998–99; police fines — what a great success — have gone up from $99 million to a budgeted $427 million. This government relies for its surplus on people breaking the law, and that is fundamentally wrong. Let us look at another success: an extra $171 million was contributed to the budget by the taking of the dividends from the Victorian gas, water and other authorities. The other success is the stamp duty windfall for this year which alone netted the government an additional $512 million. This is what the government has delivered.

Perhaps I am being unfair, so let us talk about the number of investments. Let us look at the investments the Labor government has made. It has made a lot of investments for its labour lawyer mates — $60 million has been spent on the flawed ambulance royal commission. Where has that gone? What has it led to? Nothing!

An amount of $44 million plus has been wasted on the Seal Rocks fiasco. A total of $50 million has been wasted on pre-election spin. We saw it leading up to this budget when the government spent money on further spin. It forgot about $77 million so it could support the unions in maintaining the Melbourne Cricket Ground pickets — it did not want the $77 million from the federal government and it does not want $445 million for the Scoresby freeway. This shows that the government is not in control.

Mrs Carbines spoke about the freeway, and I think it is important to put on record that there is $445 million on the table with a signed memorandum of understanding between the Premier and the federal Treasurer in relation to this matter. We should not let the government forget that.

We should reflect on the losses, and it is important to note the spin that comes in from the Labor government in terms of this budget. The government says the losses are because of the bushfires, the drought and a number of other issues. The reality is that bushfires and drought have affected the current year's outcome but they have little effect on the budget for the year ahead. I thought I would look back at the budget of an icon. Government members like to talk about the Kennett years and the past, so I went back to when the Honourable Tony Sheehan was Treasurer in the other place. On 28 April 1992 he spoke about why the then government was about to deliver a deficit budget — which is where this government is heading. In 1992–93 the then Labor government was about to deliver a budget which was $836 million in deficit. The reason was interest rates and external factors such as globalisation and the market. Mr Sheehan said the federal government would not help. We just heard government members saying

the federal government will not help them. It sounds the same in my view.

The bottom line is that we now have a surplus of just over $200 million, and that is a shame. It is very dangerous for Victoria given that the government has been presented with many other circumstances.

The Honourable Geoff Hilton spoke about the past. It is important to reflect upon the current Treasurer's statements in his second-reading speech. I refer to page 4 where it states that:

> The government will achieve $141 million in savings in 2003–04 through greater efficiency in administration …

There was a certain other Treasurer in the other place under another Labor administration called Mr Sheehan. On 12 August 1992 he said the government would save $200 million through improvements in efficiency in government administration. That sounds exactly the same. It is spin. There were no savings by the Treasurer then; there will be no $141 million savings as the Treasurer recently outlined in his budget speech.

I would like to move to two other specific issues before my time expires. One particular issue starts to bite. When it starts to run down a budget, as the budget has been run down over the past three and a half years, the government has to start penny pinching. One of the areas affected is that of apprentices. This is very distressing to me because I toured the facilities of the Holmesglen Institute of TAFE. Some of the trades I saw were plumbing and gas fitting, carpentry and joinery, plastering, concreting, bricklaying, gardening, roofing and furniture manufacturing. It even had a specialised apprentice program for those people you see on high-rise buildings cleaning the windows. The only such apprentice course is at Holmesglen TAFE, which provided over a million student contact hours. That represents about 20 per cent of the contact hours Holmesglen TAFE delivers. This government will remove the benefits of the apprenticeship program. That will mean it will deliver savings of $30 million, then $60 million and so on. That is penny pinching.

The Minister for Industrial Relations says the government will spend $9 million for better workplaces and industrial relations reform in this budget. That is just another grab for union militancy in this state. It is $9 million that should have been invested in Victorian youth. The government does not care about the youth of Victoria or their apprenticeships. All it cares about is looking after its union mates and it is here in black and white. It is hard for government members to take that but the fact of the matter is that the youth of our society needs to have opportunities such as apprenticeships but the government has ripped them out and taken them away. That is a great shame for Victorians, and the government needs to be held to account.

The second issue — before I am finally gagged in this debate — is related to corrections. I have been through the budget on this issue and, to set the framework, we know that in Victoria under this administration the cost of keeping prisoners has grown. I have said before on the record that the commonwealth productivity commission's report on corrective services for February 2003 indicated that the cost of keeping prisoners in Victorian jails is more than double the national average.

It now costs $53 901 per annum to keep a prisoner in a Victorian jail, and I put that on the record to make it clear before I set the framework. Page 206 of budget paper 3 states:

> existing prison facilities will be expanded to meet projected growth in prison numbers …

I told the minister that that was a statement about the growth of prisons. I then went through the government's media releases on the budget to see if it is committed to improving correctional services in Victoria. I went through the budget papers and downloaded all the media releases relating to the budget. I looked a couple of times and could not see any press release from the Minister for Corrections about either his statement or indeed the development of further prisons in Victoria. There is no statement about either the development of prisons or other issues that I will not debate because they will be coming up later. There was no media release from the Minister for Corrections about building a responsive corrections system.

I then went to the web site of the Department of Justice to see if there was anything. There was a tatty old report dated July 2002 which talks about the future, but if you turn to the budget papers to see where funding is allocated for the development of prisons, there is nothing.

I also went to budget paper 3, page 233, headed 'Enforcing correctional orders', which gives a stark reminder about the inefficiency of the government. We like to talk about the previous Kennett government and the reality is that the average daily prison design capacity utilisation rate under that administration was never over 100 per cent. Yet the expected outcome for 2002–03 in this government's budget is 118 per cent to 125 per cent.

Hon. Kaye Darveniza — You sold the prisons!

Hon. R. DALLA-RIVA — It is in your budget! The reality is that the government expects that the prison system is going to operate at nearly 25 per cent above its design capacity. You can argue that the government is doing things but putting in bunk beds in prisons, as was stated in the paper, is not what I would call a responsible corrective services program. Little additional money is being provided. I will not go into further detail because a home detention bill is coming up, but items in the budget clearly expose the government in relation to that issue.

Over the short period I have had I have tried to outline that the budget is a real and scary demonstration of a government out of control. My concern is that it replicates another period about 10 or 11 years ago, and that is a great shame for all Victorians.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to make a contribution to this important debate tonight. It is interesting to hear Mr Dalla-Riva raising a whole range of issues and talking about the inheritance this government had when it first came to office. You often hear the Liberal and National parties talk about that inheritance. They ask, 'What happened to the money?'. They do not seem to understand that the money that was here as a surplus when this government came to office, and the money that this government continues to have, is not its money and it was not the opposition's money when it was in government. Certainly the Liberal and National parties believed it was their money and they still do not get it. It is not their money, and it is not the government's money: it belongs to the people of Victoria.

Hon. R. Dalla-Riva interjected.

Hon. KAYE DARVENIZA — Where has the money gone? Mr Dalla-Riva, let me tell you where the money has gone. Over the government's last term, what it did and what it continues to do in this budget — and I will go into it in some detail — is to build on what it did in its first three years of government. In the last three years the government fixed the mess inherited from the previous Liberal and National government. Let me tell you a bit about some of the mess we inherited because it was a disgraceful mess in all of those areas that the community depend on so much such as health, education and community safety. They are all issues which the community feels very strongly about and they are all areas that were significantly neglected by the previous government.

I will tell you where the money went. It went into supporting our hospitals and building them up into reasonable facilities that were able to offer a reasonable standard and quality of care, something the opposition did not care about when it was in government. This government has increased the number of nurses, opened schools and renovated schools, hospitals and community centres. It has employed teachers and built new police stations and has significantly increased the number of police.

Those are some of the areas in which this government has been spending the funds in the last three years. It is absolute rubbish for Mr Dalla-Riva to stand up and say the Labor government inherited a great pot of gold and then to ask, 'What has happened to it?'.

This money that was in surplus was money that belonged to the people of Victoria. We went to the election in 1999 with very clear-cut policies and platforms of services that we wanted to introduce and improve, and we delivered on that by spending the money and putting it back into the community, providing the services and doing what we told the people of Victoria we would do if they elected us. They elected us, and we delivered on those promises. That is what we have been spending the money on. We have been delivering on facilities that the community voted us in to improve, and we have been fixing up the neglect that was being experienced in all of those services.

Mr Dalla-Riva had the nerve to carry on about prison services. What the opposition did was to sell them off! His government privatised them and now says 'Oh, there are problems'. His government privatised the rail system and the public transport system and now it says 'Oh, they are a problem'. They were always going to be a problem because they were bad decisions, which the people of Victoria knew of in 1999 along with a whole range of other decisions that the opposition made while in government. In 2002 the Victorian people had seen what the Bracks Labor government had been able to deliver in three years of government and they allowed it the opportunity to build on those achievements.

This budget delivers again on the Bracks government's election commitments. What were they about? Our commitments were about ensuring a smarter, healthier, safer and more environmentally sustainable Victoria. Those are the sorts of commitments we made, and they are the commitments we are delivering on in this budget. What Victorians told us and made very clear to us through our last three years of government and particularly during the last election was that they wanted us to get on with the job and continue the work we had been doing over the past three years. They wanted us to provide world-class education and a world-class health system and to make communities

safer. They also wanted us to do more to protect the environment. Those are the sorts of things this budget provides.

This budget provides funding for each and every one of 133 recurrent spending commitments that were made by this government during the last election — I know that other members have mentioned this, but it is important — despite the fact that we had a whole range of challenges in putting this budget together, including the worst bushfires that we have seen in the state's history, the continuation of a drought as well as a much slower world economy. This budget will secure Victoria's finances and also lay down a foundation stone for the state's future prosperity. It is a very good budget that delivers on the things that we said we would deliver on.

I will quickly run through a couple of the areas I am particularly interested in and pleased about. It will not be a surprise to any of my colleagues in the house to know that one of those areas is health. In this budget we see $1.4 billion being spent over four years to both build new facilities and boost hospital services to cut the waiting lists. This is all about treating more patients. We see $215 million in new funding which is going to be targeted to key areas in the health system such as dental health, breast screening, early detection treatment programs and ambulance services. Another $284 million of this $1.4 billion will be invested in upgrading Victoria's hospitals and modernising medical equipment and computer systems undertaken in other health capital works.

What you see here is a government again building on what it did in the past three years, building on the improvement in our health facilities and the standard of care that we provide to Victorians. Along with the improvements to hospitals, the upgrading and modernising of medical facilities can only raise the standard and quality of care for all Victorians. Again, this is about addressing the problems that the government inherited, and there is no doubt that the health system was in a very poor state when we took over government in 1999. We have been continuing to clean up the mess that was left to us by the previous government.

I will run through a few of the initiatives. One that is particularly worth noting is the $30 million that will be spent over four years on ambulance services to establish new ambulance stations as well as providing additional professional paramedics in Bendigo and Geelong. This will upgrade five services to two-officer crews in a range of areas but particularly in rural and regional locations.

In rural and regional areas — and again the rural work force program is another area I am particularly interested in — we find that there is difficulty in attracting and retaining health professionals. We have a commitment of $6 million over four years to attract and retain health professionals in rural and regional Victoria. We will target the recruitment and retention of doctors, nurses, physiotherapists and other professionals and allied health workers. A professor of physiotherapy will be appointed in Shepparton, and extra resources have been allocated to fund the creation of that position which will provide professional support for a range of country physiotherapists. There is also additional funding to improve maternity services in rural Victoria, bush nursing hospitals and the redevelopment of hospitals such as in Nhill.

I particularly welcome the expansion of public dental services. A new dental chair is to be created. A dental clinic will be at Wyndham in my electorate as well as at Omeo and PANCH Health Service. Money is in the budget to train more dental nurses as well as to promote oral health in preschools.

On the matter of improving health services for women, one of the areas that I was particularly pleased to see was the expansion of the breast-screening program. As all of us know, breast cancer is a disease that kills many women in Victoria and right across Australia. There has been $10.5 million allocated over four years to expand the program. That will be used to increase the number of women who are being screened by 96 000 over the next four years. That means a considerable extra number of women will be able to have breast screening. These breast-screening programs help women of all ages to live healthier and more active lives in their communities and go on about their ordinary daily lives because of early detection programs and the early treatment of breast cancer.

We particularly want to promote the importance of breast screening for women in the 50 to 69-year age group as well as to promote its importance for women in the 40 to 74-year age group. This is a very important initiative.

I am pleased to say that in my electorate of Melbourne West Province a number of health areas have received increases in funding. The Western Hospital in Footscray has had an additional $7 million allocated to its mental health program. The Werribee Mercy Hospital, which I visited the other day — and it is a lovely and well-run facility — has received an additional $10 million towards improving the accident and emergency centre, which is definitely in need of an upgrade.

The other area I want to talk briefly about is one that I am particularly pleased about — multicultural affairs. As the parliamentary secretary I assist the Premier in multicultural affairs. In this budget we are building on the achievements of the last term of government. We have seen $18.6 million introduced in initiatives, $6 million to fund skilled and business migration programs, $6 million for the excellence in language initiative, which is about improving and boosting language programs in Victorian schools as well as establishing centres of excellence in language, and $5 million has been — —

The PRESIDENT — Order! The member's time has expired.

Hon. B. N. ATKINSON (Koonung) — I rise to talk about the budget and acknowledge a number of projects that have been funded in the budget for my electorate of Koonung Province and to make remarks on other aspects of the budget. I certainly welcome the allocation in this budget of $3.15 million for the redevelopment of Vermont High School. That project has been under consideration by the school community and has been supported by local members of both persuasions in that area for many years. It is pleasing to see that that project has now received funding and will proceed.

I am also encouraged that Antonio Park Primary School has received $950 000 for additional building facilities. For a long time I have worked to get improved facilities at that school, which is a remarkable success in its increasing enrolment. In the early 1990s it was suffering quite a decline in enrolments, but it now has a vibrant school community with a significant enrolment and a bright future. It is pleasing to see the facilities being provided with the government recognising, as local members in that area have recognised for quite some time, the needs of that school.

On the other side of the scale, though, I am concerned that Kent Park Primary School in Ferntree Gully and Glendal Primary School in the Glen Waverley area have both missed out on funding in this budget. The Kent Park school concerns me in particular because the honourable member for Knox in the other place in the last Parliament, Hurtle Lupton, was a strong advocate of the need for another primary school in the Rowville area. That certainly is a view I support very strongly. It is unfortunate that the government has not seen fit to provide further primary school facilities in the Rowville area or even to fund extensions to the Kent Park Primary School, which is trying to cope, as are a number of other schools in that area, with excessive numbers of students simply because the government has not responded to the needs of that community in providing an extra school facility.

There is discussion in this budget about medical facilities in Knox. I would have to say that I am concerned that there will not be a public hospital in Knox, as the Liberal Party would want to see and as local members under the Liberal banner have campaigned for over some years. Whilst the budget has talked about the possibility of some sort of medical facility in Knox, it has put those on the never-never program and there has been no real commitment to them.

An allocation of $2 million has been made to planning for a redevelopment of the Box Hill Hospital. I welcome that, but I note that that development is in a fairly long queue, which includes the Austin hospital, the Dandenong Hospital, the Werribee hospital and presumably the Royal Women's Hospital, an upgrade of which was a commitment the government gave at the last election. It is something that certainly at this stage has not eventuated as any sort of commitment in budgetary terms.

Like many people in the eastern suburbs I am most concerned that the government went to the last election suggesting it would underground Middleborough Road rather than accept what was the local council's — the Whitehorse City Council — proposal and the proposal of the Liberal Party that Springvale Road should be undergrounded in the eastern suburbs in terms of its traffic capacity and the role it plays as a north-south road in the distribution of traffic in the eastern suburbs. The government has come up with a rather unique alternative — undergrounding Middleborough Road.

I note in the budget the government has allocated $1 million to a study to find out whether that would be a good idea. Having made an election commitment that the road would be undergrounded — and I do not see much merit in it from a traffic point of view, indeed it will cause a lot of traffic problems if Middleborough Road is undergrounded without other work being done in that eastern suburbs corridor — I find it extraordinary that the government should now fund feasibility studies and try to establish whether it was a good idea to make that promise.

I am also concerned that there is no allocation for the Eastern Freeway extension or the Scoresby freeway. I note that the federal government has continued to make a budget allocation towards its fifty-fifty commitment to the Scoresby freeway construction as per an agreement struck with the state Labor government in 2001. It is a great pity that this government has walked

away from that commitment and that following the commitment it made and the memorandum of understanding it signed with the federal government it has yet to allocate funds in any budget to bring life to that particular promise.

I also note that there are no funds in the budget for a third railway line between Blackburn and Mitcham railway stations that would improve express services on the Belgrave and Lilydale railway lines. Despite the fact that it was a promise taken by the government to the 1999 election, it seems to have dropped off the edge of the agenda, because it has not been mentioned since. That is of great concern to me.

I am mindful that budgets are a tool to implement policy — they are not an end in themselves. This budget in many ways lacks vision. There are not a lot of new programs in the budget or opportunities that one could point to for Victorians into the future. I appreciate that members of the government have been talking about extensions of some services and additional employees in some areas, some of which have not been without merit, but in creating a future for Victorians this budget does very little. It does not introduce many new programs.

In the area of responsibility that I have in the Liberal Party of monitoring the small business area it is interesting to note that the Minister for Small Business could only find one thing in her press releases to cheer about regarding the budget, and that was the Streetlife program. I was fascinated by that, because the Streetlife program has been running for some time. It is not a new program. Indeed, the minister extolled the virtues of this program and the fact that it has funding of $2 million over four years.

That is an interesting thing to cheer about because that program was started by the Kennett government, but the level of budget funding for that program today is half what it was in the last year of the Kennett government. The minister has been crowing about a program that has suffered a reduction in funding and, I suggest, has had a significant change in its structure and objectives. It has now come under some degree of criticism from small business people who had previously been involved in Streetlife and understood its potential.

It is interesting to note that in terms of the Department of Innovation, Industry and Regional Development the Treasurer in talking to the budget has indicated that he is looking for further productivity cuts from government departments over a period, and certainly the small business department will not escape from those budget cuts. Given the way the budget has been structured and the way the government has gone about employing so many people — not always in the frontline areas of nursing, education, teachers and police, as it frequently points to as being a virtuous program in terms of government spending; the Liberal Party certainly supported increased numbers of people in all of those areas — it has by way of pay rises and employment of bureaucrats put people on in many more areas.

It occurs to me that the Treasurer, in looking for these productivity gains, could well have us face the bizarre situation in the not-too-distant future where imposed department productivity gains result in more bureaucrats working on less programs. The only way I can see some of these areas achieving productivity gains is by cutting out some of the initiatives to save dollars. While it is easy to cut initiatives and programs and the money that might go outside the bureaucracy to ensure that particular programs take place, it is a lot more difficult to cut public servants from the payroll. I can see a bizarre situation where we will have more public servants chasing less and less programs.

One of the real concerns I have with this budget is its reliance on certain areas of funding for its income, particularly gambling taxes. Some mention has been made of those again today in newspaper articles about the problems some people have with addiction to gambling. This is a government that was sanctimonious about its aversion to gambling and how it was going to tackle that problem. In fact the government is more reliant on gambling taxes than any government previously.

The government is certainly very reliant on taxes and charges associated with motorists, particularly with fine income from policing of motorists, speeding fines and so on. Whilst that is clothed in a sanctimonious cloth of road safety, it occurs to me that there is a much greater focus today — the police are certainly concerned about this focus — on the police becoming photo takers rather than thief takers and tax collectors rather than community protectors. That is something the Liberals and the community are concerned about. The government should be on notice in addressing those issues.

I note that the federal budget has continued an allocation for the Scoresby freeway. As an individual I have concerns, though, about one aspect of the federal government's budget, and this is a salutary lesson for all governments. I refer to the increases in the higher education contribution scheme because there is real concern with the broader social policy when you take

actions in a particular area. One of the concerns I have about that is that the young people who come out of university have significant debts as a result of their tertiary education, which means they are less likely to be able to move into the housing market at an early stage. I note some people would suggest that this will result in a much stronger and better quality university education, about which I make no remark because I would accept that this has been part of a very extensive and comprehensive review. However, given that we are an ageing society and given the impact and our concerns already about fertility rates in our community, then that sort of policy has ramifications.

What we need to understand as legislators is that every decision we take has consequences. Every one has impacts on other aspects of people's lives and on the decisions and choices people have. In that context this budget is unfortunate, because I do not think it advances opportunities for people.

I am very mindful in closing that the operating spending of the government has leapt 36 per cent, or $7 billion, in just four years. According to this budget it will rise just 10 per cent, or $2.5 billion, in the next 10 years. I am not sure that the government can hold it to that sort of level, particularly given pay rises that are already in the works and the range of other commitments which the government has funded with peanuts at this stage in this budget to make sure it gets favourable press releases but which will need significant and proper capital funding in the future if they are to be realised within the term of the government.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to make a contribution to the budget speech. We have discussed matters for the 2003–04 budget, which was delivered in the Legislative Assembly on 6 May. The government has looked carefully at what it plans to do for the coming year. We have to take the tough decisions to deliver promises to the Victorian community but at the same time keep the surplus. We are facing difficult times from the federal government. It does not support Victoria or contribute funds because Victoria has a Labor government that does not cooperate as much as the federal government would like.

Therefore we have to carry the burden. That is why we are facing a tough time. The budget is clear that we have to deliver services for country Victorians who have had to deal with the bushfire crisis and the drought occurring at the end of last year. The expectation was that we would encourage the economy and the life of our country people. We want growth in country Victoria, so we have to consider everything we can to bring everyone together.

This government serves all Victorians, no matter where they live. At the same time we want to have a AAA rating. That is the commitment of the Premier, Mr Bracks, for Victoria, and particularly for the business sector. Before the election Mr Bracks said we did not want to have a black hole again. We want to maintain a strong economy.

The budget provides services for education, because we want our young children to have the best education in the world. We want to keep them in school as long as possible, so we need to provide everything we can to help them stay in school. We are providing welfare services to help young people dealing with crises to help them stay at school. We want to prevent these crises, so we have put money into this area. A few years ago we had a problem with young people using drugs, leaving school early and becoming street kids. This causes many problems in society, and we want to prevent that.

In health we are providing a better health system — more nurses and reduced waiting lists in hospitals. Our public health sector is one of the best health systems in Australia and the world.

We also want to maintain community safety in Victoria to protect against the people who try to damage our society. At the same time we want high security to keep terrorism away from Australia. We are working closely with the federal government to tackle this issue.

We also have to deliver the Commonwealth Games in 2006, so we are providing a lot of funding for the games. Our games will be the best in the world. The Minister for Sport and Recreation and the Premier are working hard to answer all concerns about the games.

Through the budget we will continue to build new police stations for Victoria. We want our policemen and women to have the best facilities and equipment to make their jobs easier. These are difficult times in crime, and our policemen and women must be prepared for their jobs.

The government is spending a lot of money to fix Kennett's transport mistakes. It has cost us a billion dollars to fix the transport problems. The opposition does not see that problem. They are still attacking us because we are not providing the freeway from Mitcham to Frankston. If the public transport debt had not been so high, we would have had more money for such projects.

Victoria's unemployment continues to be one of the lowest rates in Australia. Victoria has had the lowest unemployment in 13 years. The Victorian business sector is very happy because of the business confidence that creates. Many people are using scare tactics to say the Labor Party is only interested in the unions, but business investment is high. People are moving to our state because of our business initiatives.

At the same time we need the federal government to support us in building roads and funding the Commonwealth Games. We expect its contribution, but it is very slow. It has to do something about that. It will not help us because we are a Labor government, and that is not fair.

Our government has many programs to help youth look for jobs. We are working with local councils to create jobs for young people. The aim is 1100 new jobs and traineeships in the coming months. That is for young people aged 16 to 24, all from rural, regional and metropolitan areas, so it is a lot of jobs for young people. They need encouragement, experience and assistance, so this scheme will help them.

The government has recognised the importance of our ethnic communities and their services also. Many of them are volunteers working long hours for their own communities because they want to help the community engage with mainstream society. The government recognises that important role and is supporting them by giving them small grants to get themselves organised. In addition festival grants have been offered over the last 12 months. Many ethnic organisations have organised their own New Year or cultural festivals. Sometimes they have had a problem with paying for the cost of hosting the event because they do not charge at the door. They have become free admission events. A lot of community ethnic festival organisers give thanks to the Bracks government for having recognised the importance of that matter.

We also encourage the community to study after hours at ethnic school. The government has approved the grant. We are helping the community — —

Hon. T. C. Theophanous — A very good report too, Sang.

Hon. S. M. NGUYEN — Yes, a very good report. I read it on the weekend. We have support. We like to encourage young students to come on Saturday or Sunday to study their native language — their mother tongue — so they can speak better English as well as their own language. We support the funding for this initiative.

The government recognises the importance of interpreters for translation services in the health and legal sectors.

This state government looks at how it can make Victoria one of the healthiest economies by helping business in the future. It has reduced payroll tax so people can afford to do business in Victoria.

In conclusion, the government has looked carefully at what it can do to ensure services are delivered to all Victorians. It is important to note that country Victoria is still on the government's list.

We want to ensure everyone is looked after in the health and education sectors, in rural matters and in export. We have created a new portfolio of manufacturing and export, thinking of exporting overseas. Our neighbours will see the value of our manufacturing in Victoria. Manufacturers need some support from government to send their goods, products and services overseas. Our neighbours are keen to receive them.

Especially in health now and on the issue of severe acute respiratory syndrome, Australia is — —

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

Hon. D. K. DRUM (North Western) — I take great pleasure in being able to rise and talk on this issue. It surprises me — I suppose it should not — how much feeling and honour is exhibited in the debate from both sides. Obviously people on one side of the house tend to think that everyone on the other side is lying; people on that side of the house must think that we are lying. It is a stark fact that people on both sides of the house totally believe in what they are saying. It is quite amazing that we can be reasonably intelligent people looking at the same sets of figures and yet arrive at different outcomes as to what those figures actually say.

Some of the issues that I would like to raise about the budget are to do with the apprenticeship and trainee schemes that have been abolished and the whole concept of payroll tax exemptions. I will touch on those later in my talk.

The Regional Infrastructure Development Fund is important in the minds of the National Party and is an area of great interest to us. It was set up by the government with the express aim of providing funds specifically for people who live in truly traditional regional areas. The initial fund, which was set up with $180 million over three years, had some great

initiatives in it and we congratulate the government on setting up this fund — —

Hon. J. M. McQuilten — Over four years!

Hon. D. K. DRUM — Over three years, thanks, Mr McQuilten. We would like to point out that there is still $47 million of that $180 million yet to be spent and that the current government has until 30 June to allocate that money.

The local councils that we spoke to last week are watching the government eagerly to see which way it moves on the remaining $47 million, because they fear that it might be spent in the interface councils and they are wary because this money was originally planned for traditional regional areas. They expect that that money will be spent, and we hope that it will be spent in truly regional areas of Victoria.

The new $180 million that was designated to be spent in the Regional Infrastructure Development Fund for this current period has been spread over five years, which mathematics will tell you is a 40 per cent reduction. A member for Geelong Province, Mrs Carbines, continually tells us that the RIDF outlines the commitment of this government to people in country Victoria.

I continue to thank her for saying that because a 40 per cent reduction for country people, in our opinion, is showing the Bracks government's commitment to country people, and if government members are continually going to rave about the Regional Infrastructure Development Fund then they should be careful about raving about something that they have just cut nearly in half.

Mrs Carbines — Rubbish.

Hon. D. K. DRUM — It is not rubbish, it is exactly the truth, and it cannot be refuted because they are your figures.

Hon. T. C. Theophanous — What about the $70 million gas extension?

Hon. D. K. DRUM — It is a fantastic part of the plan, the $70 million gas extension. You and I both know that we support that, and you and I both know, Mr Theophanous, that it is not enough — —

The DEPUTY PRESIDENT — Order! Through the Chair, Mr Drum.

Hon. D. K. DRUM — Thank you, Deputy President. We know that it is not enough. We know that the $180 million over five years has been rejigged back.

An honourable member interjected.

Hon. D. K. DRUM — We would just like to talk about this program here, and we have a $20 million allocation out of the $180 million that will be going to small towns. Again we compliment the government on that. We have $70 million for gas extensions. We compliment the government on that. But it leaves a paltry $90 million to be spread over five years. For a true Regional Infrastructure Development Fund program this government is going to spend $90 million over five years. It is just abysmal, and if it is true that it has come to $130 million over three years, then all of a sudden there is a little bit less left for everybody, and if $30 million of that has already been allocated, it could be true that there is about $10 million left to last this state in regional areas — $10 million maybe — over three years.

Hon. Kaye Darveniza interjected.

Hon. D. K. DRUM — Good luck. I hope they have a good fight over trying to get their piece of it. If you want to include the nine interface councils that have now been added to the regional areas, according to this government, then you are going to find that the actual money that is available for true regional areas will be further diminished.

I would like to refer to some figures that have been bandied around post the budget becoming public that have to do with the estimates put in place in the 1998–99 budget when the Kennett government estimated its revenue for the 2002–03 year to be in the vicinity of $21 billion. The $21 billion has since grown to $26 billion. And what effectively we know has happened is that the government had an additional $5 billion to spend and it has spent it.

But not only that, if you remember the $20 billion that the Kennett government had to spend, every time we ask questions in this house such as, 'What are you going to do about health? What are you going to do about transport? What are you going to do about law and order? What are you going to do about environment?', the answer we always get is, 'Well, we are doing more than you guys did'. The government would want to do more than the Kennett government did because it has so much more money than the former government had. If government members do not think they have more money, whose figures are they looking at?

Hon. Kaye Darveniza — What about the inheritance?

Hon. D. K. DRUM — The $1.8 billion that the government has spent has already been well and truly documented by enough members of this house, so I do not need to carry on about that as well. Government members have enough people that want to remind them about their inability to handle money, they do not need me to do it.

One of the issues the government must understand — and any reasonable person would understand — is that if it has a much larger pie to share, surely the share it gives to each of the individual departments and the areas of health, transport, whatever they be, by natural progression must be increased.

Mr Viney — They have been.

Hon. D. K. DRUM — And they have to be increased by at least 30 per cent before they actually break even with the commitment that was given by the previous government.

Mr Viney — A thousand extra coppers, 4000 — —

Hon. D. K. DRUM — We do not want to be talking about that.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! I think the member has a right to be heard without a barrage of interjections. We can have apposite interjections.

Hon. D. K. DRUM — Thank you very much, Deputy President.

The taxes that have increased under this government have been in one way or another a slug on families, and again the figures that are in the budget papers suggest it is a 39 per cent increase in taxes. A bit of silence! A 39 per cent increase in taxes equates to $3.4 billion. Fines have been increased by 93 per cent. Whilst we always support the government in its endeavours to keep the road toll down, the number of motorists that are being killed on our roads continues to rise, and we have to continue to work harder there. Motorcyclists are in fact leading the way in reducing the number of fatalities for this particular year. Their fatalities have reduced, and yet our fines have still continued to increase at an exorbitant rate.

An honourable member interjected.

Hon. D. K. DRUM — If you take it as improved policing for the motorcyclist, you have to say it is the exact opposite for motor vehicle drivers. You cannot have it both ways. But what we are saying is that, without any apparent improvement in safety issues, the government is still reaping exorbitant amounts of money, and it is using that money to balance the books the best way it possibly can. It is true, and it is a fact. We are not saying it is deliberate; we are just saying it is a fact, and it is happening.

Hon. Kaye Darveniza interjected.

Hon. D. K. DRUM — We have promises, which I am just about to touch on, thank you, Ms Darveniza.

In the Bendigo region we will have a new primary school at Kangaroo Flat which will be going up in the next year. We are very appreciative of that and support it wholeheartedly. Specimen Hill Primary School has been approved for a new development, and we applaud the government for doing that. Police stations in Bendigo and throughout the region and also an ambulance station in Kangaroo Flat are also fully supported; again we applaud the government for the work it is doing in our region. We also understand that if you are going to be supportive of regional Victoria you must also have a true understanding about what it is in regional Victoria that is needed. So many of the issues and problems and concerns — —

Mr Viney interjected.

Hon. D. K. DRUM — Mr Viney wants to keep using that term, which we find an insulting term, but if he wants to keep bringing it up I will keep letting the people know how government members refer to us in the regional areas. We would appreciate it if the government would stop using that term because I find it insulting. I would appreciate it if Mr Viney left it alone.

Mr Viney interjected.

Hon. D. K. DRUM — We often hear enough about Jeff, and we are hoping that one day this government will grow up so it can actually be responsible for its own actions. Maybe one day. Maybe one day it will stop blaming Jeff or stop blaming John Howard or stop blaming somebody else and will actually do something about taking responsibility for its own actions.

Getting back to regional Victoria and the jobs that are needed to make the Victorian regional economy grow, in this budget we have had the community jobs program cut. This program had a target whereby the government said it would reach 9400 people throughout the term of its four-year target. That target has now

been cut back to 3500 people, so almost 6000 people are going to be left out of the community jobs program, 6000 people throughout country Victoria and the rest of the state.

The community business employment program had a target of 10 000 people. This community business employment program was a pre-election promise by the government. It said there was no way that it would cut the funding of this successful business employment program. It was a pre-election promise. The funding for that program has now been cut completely. So we have 10 000 people there who are now left out in the cold and 6000 people from the community jobs program have been left out in the cold.

The hotchpotch collection of programs that has been put in place, which will total in the vicinity of $150 million, has no hope of being successful, because each of the programs is too small, too diverse, and there are not sufficient resources for any one of those programs to possibly make a difference.

The government is applauding its own programs and then putting a knife through those programs and putting in place a whole range of other programs which will cover its back but which will effectively not get the job done. Some 16 000 people throughout Victoria will miss out on opportunities because this government wants to reap in the money.

Mr Viney — Where are we putting it?

Hon. D. K. DRUM — Good luck finding out where it is going!

I want to touch on the issue of apprentices. Having been an apprentice myself, I know that the important thing about becoming an apprentice is that you need someone to give you a chance. You do not need someone to give you a bonus when you get through to the completion of your apprenticeship; you need someone to give you an opportunity to start right at day one. Once you are a year or two years into your program and have received 12 months or 24 months of employment, if things go wrong and you find yourself out in the cold you will have no problem, because there will always be someone there to take you on. Getting a start is what is crucial.

The other great thing we have in central Victoria at the moment is the fast train — spelt f-a-r-c-e! We have the farce train coming in; we have the local member for Bendigo West calling people economic vandals because we simply want this fast train to be standardised or convertible sleepers to be used. The member for Bendigo East is totally silent while the three surrounding shires and councils are screaming for the Minister for Transport to at least listen to what the people are saying they want. We wish the government all the best. Good luck!

Ms MIKAKOS (Jika Jika) — It is with great pleasure that I rise to speak in support of the Bracks government's fourth budget — a budget that is both fair and responsible. This budget has been delivered in the context of a difficult international economic climate — a climate that is more difficult than the one we have experienced in recent years.

The downturn in international markets has impacted on the state's superannuation funds, and the drought, the recent bushfires and the impact of the Kennett government's public transport privatisation have all added to pressures on the budget bottom line. Despite these pressures the Bracks government has continued to undo the damage inflicted on this state's services during the Kennett years in the key areas of health, education and community safety.

We make no apology for the fact that we are spending taxpayers money on these key areas. This is what the community wants and expects of us. Clearly the opposition has not learnt the lessons of the 1999 and 2002 state elections.

Hon. J. M. McQuilten — Some of them have, but they are not here!

Ms MIKAKOS — That is very true, Mr McQuilten. Some members of the opposition have learnt those lessons, but unfortunately they are not here now to share the benefits of those lessons with their colleagues who remain in this house.

This budget builds on the successes of the Bracks government during its first term when, for example, it put over 3000 extra teachers and staff back into our education system. This budget includes $82 million for 450 additional teachers in our secondary schools and $50 million for 256 additional student welfare officers in our primary schools.

In our first term we committed over $800 million to build better schools and technical and further education institutes, including 16 new schools and 5 replacement schools. This budget allocates $107 million for new and upgraded schools, which will benefit growth areas such as the northern metropolitan area of Melbourne.

Hon. Kaye Darveniza — And the west!

Ms MIKAKOS — And the west. In the health area during our first term the Bracks government attracted

over 3300 nurses back into our public hospital system to improve the health care of all Victorians. Labor is unashamedly committed to our public health system — unlike the Howard government, which is committed to decimating our public health care system and the universality of the Medicare system.

The Bracks government also opened 12 new ambulance stations and placed over 260 additional paramedics on the road. As part of this government's commitment to the hospital demand management strategy, this budget will provide for an additional 900 nurses and health care staff to treat an extra 35 000 patient admissions a year in public hospitals and 47 000 emergency department presentations. For example, the Austin and Repatriation Medical Centre, which is on the fringes of my electorate and services many of my constituents, will benefit from $29 million in new radiotherapy facilities.

As Parliamentary Secretary for Justice I am especially proud of the Bracks government's record on community safety and making our justice system more accessible. I want to focus my contribution on some of those initiatives that are included in this budget as they relate to both community safety and the justice system.

During our first term the Bracks government deployed an extra 800 police on our streets and funded 65 new police facilities across Victoria. This will see new police stations in Northcote and Preston, both in my electorate, and a new police station in Mr McQuilten's electorate. This budget will fund $126 million to recruit, train and deploy an additional 600 police, which will see an extra 1400 police officers deployed by 2006 and which will take the size of Victoria Police to 10 900 officers. The Bracks government is committed to fighting crime and to ensuring that Victoria remains the safest state in Australia.

This budget also includes a further $66 million for new or replacement police facilities in metropolitan Melbourne and country Victoria. This will see six new 24-hour stations at Bendigo, Brunswick, Bairnsdale, Caroline Springs, Pakenham and Warragul. In addition, new stations will replace poorly equipped police stations at Bannockburn, Edenhope, Mount Hotham, Myrtleford, Nyah, Robinvale, Tallangatta, Mitta Mitta, Swifts Creek and Woods Point. This means that by the end of this term the Bracks government will have constructed or rebuilt 135 police stations across Victoria at a cost of $280 million.

In addition to this capital funding the budget also allocates $6 million over the next two years to upgrade the Victoria Forensic Science Centre, with $3.8 million to be spent on extending and refurbishing the chemistry wing and $2.2 million to replace equipment. This budget allocation is important as it will improve the capacity of staff at the Victoria Forensic Science Centre to conduct analysis of DNA, drugs, fingerprints and audio recordings and to assist the police in solving crimes in this state.

In addition, the budget includes $2 million over four years to set up a major crimes reward fund to assist in solving the most serious of crimes committed in Victoria. In addition to this, the asset confiscation scheme will be enhanced with a $6.6 million boost over four years. This funding is particularly important because it will ensure not only that we are helping Victoria Police to solve unsolved crimes but also that convicted criminals do not profit from their crimes.

I am particularly proud of the fact that the Bracks government has included in this year's budget $400 000 over the next four years to set up a multilingual Crime Stoppers line to provide advice on issues relating to multicultural policing. I take this opportunity to congratulate the Chief Commissioner of Police, Christine Nixon, and Victoria Police on the very fine work they do in working with multicultural communities across this state and on the commitment they have to developing and maintaining a very good relationship between Victoria Police and our multicultural communities. The phone line will seek to promote and enhance these relationships and to ensure that all members of the Victorian public are able to effectively communicate with Victoria Police in their time of need.

The budget also commits $20.5 million over five years to buy up 9500 handguns. Recently we debated legislation in this house providing for changes to laws on a national basis restricting the possession of handguns and particularly removing dangerous handguns from the community. This is part of a national approach, as I have indicated, and the buyback will begin on 1 July this year. The budget commits the Victorian government to this buyback to ensure that Victorian homes and streets are safer places.

The government also had a longstanding commitment to ensuring that Victoria is ready and able to respond to a terrorist attack. In November last year, for example, the Bracks government announced $38 million as part of an antiterrorism package. This budget allocates a further $60 million towards counterterrorism initiatives in particular to enhance the ability of our different emergency services to respond to chemical, biological and radiological incidents.

The antiterrorism allocation in the budget includes enhanced security at Parliament House and Government House to provide new screening equipment for checking visitors to the buildings. I am sure members would welcome this enhancement given what some people would call the somewhat lax security we have had in this building over recent years.

The budget also allocates $9 million as part of a $60 million allocation for setting up an emergency services coordination unit and a chemical, biological and radiological planning and response unit in the Department of Human Services. It is important that the government and its different agencies are prepared to ensure that if a terrorist incident occurs our critical communications infrastructure and protective equipment are available to respond to such a crisis and that the Victorian public is protected.

I am pleased that the budget includes a boost of $30 million for state-of-the-art equipment, vehicles and other vital resources for our emergency services. For example, the budget provides $11 million over four years towards the cost of training and deploying 219 firefighters, with additional funds expected to come from local government and insurers.

As we have seen in this summer's recent bushfires it is imperative that Victoria's emergency services agencies are able to protect lives and properties in our state. I am also particularly pleased that the budget includes a commitment of $10 million over the next four years to the community safety emergency support program which provides grants to local emergency services units for new equipment and vehicles. Already Country Fire Authority and State Emergency Service units have been beneficiaries of those local grants.

The Bracks government is committed to ensuring that our justice system can be accessed by all members of our community, even our most disadvantaged Victorians. The budget includes $14 million over four years to boost funding to Victoria Legal Aid and community legal centres. It is a commitment I am particularly proud of and pleased with as it includes $1.4 million for community legal centres to provide legal services to the most vulnerable in the community. It also includes $1.6 million to enhance regional access to Victoria Legal Aid and $11 million to provide the first increase in professional fees to legal aid lawyers in 11 years.

The increase in funding to Victoria Legal Aid will mean, for example, that for the first time the City of Whittlesea will have a community legal centre available to the community. I was very pleased to announce last week that Victoria Legal Aid has now allocated $175 000 to establish a new legal centre in the City of Whittlesea which will service a growing community in the northern metropolitan area of Melbourne.

I want to contrast the Bracks Labor government's commitment to legal aid funding with the abysmal support shown by the Howard government to legal aid. I note in respect of this year's federal budget that Victoria Legal Aid will be allocated $27.75 million — the same funding allocation it had in 1998–99. That demonstrates that the Howard government is just not interested in ensuring access to justice or supporting Victorians' access to legal aid; nor is it committed to our community legal centres. We have seen in the past its attempts to forcibly merge many of the CLCs in the state.

The government has also committed $5.2 million in the budget for the establishment of a domestic violence court, and $6.2 million for funding the Sentencing Advisory Council which we recently introduced in this Parliament. An amount of $20.5 million over four years is also provided for the construction of the Moorabbin Magistrates Court and a new Latrobe Valley court and police complex. I commend the budget to the house.

Hon. J. A. VOGELS (Western) — I wish to commence my own budget reply by asking when Victorian taxpayers can expect to read government financial reports such as budget papers in plain English — that is, be able to follow the money trail and be able to compare previous and present budget reports. If I remember correctly that was one of the promises made in the Independents charter — that budget papers would be able to be followed clearly so everybody knew what was going on. That has never happened.

It is always important to see where you came from before you start looking at the bigger picture — that is, what your goals were and what you achieved as a result of setting these goals; and where you intend to be in, say, four years time in the life of a Parliament.

I do not intend to revisit the Cain and Kirner era, except to say that when they lost office the state was in debt by about $34 billion and suffering recurrent losses of $2 billion a year. Seven years later the Bracks government was sworn in with a debt reduced to $7 billion and a recurrent budget surplus of about $1.8 billion. In other words, the Liberal government reduced the debt incurred by the Cain and Kirner governments by $36 billion.

In the Bracks government's first financial document, released shortly after its election in 1999, it is

interesting to note that the surplus projected for the 2002–03 budget was $828.2 million. Since that first financial document the government has received a massive $4.5 billion in extra revenue over and above its predicted forecasts. As the shadow Treasurer pointed out in his excellent budget reply last week, you would have trouble spending a net extra $4.5 billion. But no, in true Labor style, the government achieved it easily and in fact managed to spend $5.2 billion.

Since Labor formed government in 1999 and in the three years that followed taxes and charges have increased by 27.1 per cent or $1900 a family, while spending has increased by a massive 38 per cent. The inability of Labor governments in Australia to manage money responsibly defies logic. The principle of spending more than you earn eventually leading to bankruptcy is what we try to instil into our children, and sometimes we finish up taking their credit cards away, chopping them up in their faces and throwing them away saying, 'You can't manage this responsibly. I am going to take it away from you'. This is what happens with all Labor governments.

Another aside before I spend time pointing out how the budget will, like all previous Labor budgets, force local government into another round of rate increases: I took up the invitation to attend the budget seminar kindly sponsored by the Department of Treasury and Finance over at the Park Hyatt. They pointed out some figures and it became obvious fairly early in the piece that a lot of the budget surplus was predicated on the breaking of the drought. I have two sons who are dairy farmers, so when I got back to Parliament I rang them up and said, 'Don't worry about it, the drought has broken. Treasury has told us so. Stop buying that exorbitantly priced grain. What are you buying it for? The drought has broken. The Labor Party has said there will be a surplus because the drought has broken'.

It is interesting to note that since 1999, taxes and charges under Labor have increased by the same amount as local government charges — that is, 28 per cent. Cost shifting by this government onto local government has become an art form whereby Victorian councils have been forced to meet increased financial obligations foist on them by this government.

Chapter 9 of budget paper 2 is headed 'Estimated financial statements and notes' and is the only section of the budget that the Auditor-General comments on. Local government grants will be reduced this year by $38.5 million or approximately 7.5 per cent in 2003–04, and page 189 shows that they will be reduced by a further $60 million during the forecast period.

If that is not difficult enough for councils, grant moneys are tied to the consumer price index, so with wages increasing at an average of 7.5 per cent per annum and the consumer price index going up by about half that, councils are in an enormous amount of trouble. There is no better example of this than the home and community care (HACC) budget.

Hon. Kaye Darveniza — The home and community care budget is excellent!

Hon. J. A. VOGELS — You say it is excellent, and since the election of the Bracks government in 1999 there has been a small increase in HACC funding. This year it has been increased by $12 million. If you work that out it is an average of $13 000 per council per month or $23 000 a year per provider, which is about half an equivalent full-time person per provider. That is absolutely shameful!

We also know that the Bracks government has contributed to the erosion of HACC funds through massive increases in Workcover premiums, which will become even greater when councils have to meet a complete no-lift policy for HACC workers, as well as changes to industrial conditions where staff are moving back to council award conditions.

It is also state government policy to keep people at home for as long as possible — and nobody can disagree with that — which is saving the Department of Human Services tens of millions of dollars in acute health costs. A large amount of those savings should be handed over to local government to help provide HACC services, because they are out there doing the work and that is where the money should be provided.

Cash-strapped libraries in rural and regional Victoria in particular are in a dire financial situation and may be forced to go into debt. The Glenelg and the Corangamite regional library boards, and no doubt many others across the state, have made desperate pleas for more government funding to ensure service continuity and viability. What did the 2003–04 budget project for our libraries? Not one extra cent for books and services. Over the past few years funding has dropped from a 50:50 formula to 70:30 — and the councils are paying the 70 and the state government is paying 30! The dilemma now for councils is a choice of one of two evils: cut the service or ratepayers will have to meet the funding shortfalls. Neither are good options, and neither will satisfy ratepayers. Library services are an essential educational and community asset to Victorians, and the Bracks government needs to restore 50:50 funding to enable the continuity and viability of this service.

The budget has seen the withdrawal of $240 million in black spot funding. As the federal government now provides grants directly to local governments through the Roads to Recovery program, for the first time in many years councils had an opportunity to have an impact on their road maintenance. At the first opportunity this government has withdrawn its $240 million. The hypocrisy of this is breathtaking but never surprising.

Before the last federal election we heard a never-ending tirade from the Labor Party against the Howard government for not reducing petrol taxes and how wicked indexation was. The Howard government listened and removed indexation on petrol, probably costing it tens of millions of dollars a year. The Bracks government as usual has done the complete opposite and has mercilessly targeted our motorists. It has reduced the speed tolerance limit from 10 kilometres an hour to 3 kilometres an hour and affixed speed cameras to almost every lamppost you can think of, often in heritage colours to really trick motorists, and so on. I call it the Gotcha program. The Bracks government's Gotcha campaign injected an extra $350 million in revenue from motorists last year with $450 million predicted for this year. It is merely a money-making machine and if you look at our road toll figures, sad to say they have not changed. In fact they have probably increased since 1999.

Hon. D. Koch — What about the tolls?

Hon. J. A. VOGELS — The Bracks government lied or broke an election promise to motorists about no tolls and knocked back $450 million from the federal government to fund the Mitcham–Frankston freeway, or tollway, as it should be called. Even blind Freddy can see that if the Geelong bypass is ever constructed by this lot it will be a tollway not a freeway. And while this skulduggery is going on, as well as the removal of the $450 million black spot program, there is no funding at all for our local bridges and local roads. As I said before, there is a reduction in capital grants for councils.

The Kennett government clearly published each year where the 3 cents a litre from petrol was spent. During that time we knew the break-up and that it was split between country and city. I ask the Auditor-General to look at that and see where the money is going at present because nobody seems to know. The Municipal Association of Victoria (MAV) believes its insurance broker, Jardine Lloyd Thompson, is struggling to purchase reinsurance due to exploding payouts. Councils have been warned to anticipate a 100 per cent increase in public liability insurance over the next two years — if they can even get insurance.

The Bracks government has been warned that every volunteer organisation, every committee, every sporting organisation or tourist operator, and every professional body from builders to doctors, and the MAV are all screaming out for help. We heard something about that today, but until I see the fine print I do not know whether it will have an effect or not.

The decision of the High Court of Australia to abolish the common non-feasance defence is also coming home to roost. Instead of nipping this in the bud last year the Bracks government brought in a bill which gave us temporary relief to 1 January 2005. Unless the government demonstrates some leadership on this issue that is only 18 months away, the cost to councils and ratepayers will ensure that no insurance company will take this on, because non-feasance is a huge issue for all councils. I agree fully with the sentiments of Justice James Thomas who said:

> Some of us have enjoyed playing Santa Claus, forgetting that someone has to pay for our generosity.
>
> ...
>
> We have allowed the tests for negligence to degenerate to such a trivial level that people can be successfully sued for ordinary human activity.

Last year the Bracks government introduced legislation which will increase landfill levy payments for municipal waste from $2 to $7 a tonne. That is a 300 per cent increase. By the end of this government's term, these landfill levies will have increased from $12 million to $42 million, and once again who has to wear the cost? It is local government.

Hon. T. C. Theophanous — It's recycled.

Hon. J. A. VOGELS — It's not recycled; it just goes into a hole somewhere. Surely it would be more equitable to have a system where you do not collect levies in the first place. Let councils deal with the issue or hand the levies back to councils. I think at the moment 70 per cent goes to Ecorecycle, 20 per cent goes to the Environment Protection Authority and the councils get a miserable 10 per cent of it.

Victorians are again to be slugged an extra $60 million in fire insurance bills, and once again council rates will have to blow out to cover these costs. The Metropolitan Fire Brigade and Country Fire Authority budgets are expected to rise by 20 per cent or 25 per cent next financial year, mainly due to deals struck by the government prior to the last election. The MAV has

dubbed the extra cost to householders, business and ratepayers as a de facto tax increase.

In conclusion I would like to take a script out of the Premier's advertising over the last couple of weeks before the federal budget. It went something like 'As a Victorian and on behalf of all Victorians I ask the federal government to put in so much money for all these different projects'. My answer to that would be: 'As a Victorian, on behalf of all Victorians I would ask the Premier as leader of the state: why did you further penalise Victorians in your state budget this year? Why did you on behalf of Victorians rescind $77 million of federal government funding for the Melbourne Cricket Ground development; rescind $450 million of funding for the Scoresby freeway; take $350 million from our pockets in one year for traffic infringements; rescind your government's $450 million black spot program; shamelessly spend $80 million of our money on the ambulance royal commission — —

The PRESIDENT — Order! The member's time has expired.

Mr SMITH (Chelsea) — I rise to speak in response to the budget, but I have to start by saying I am disappointed with the time allocated to me. However, I will make the best of what I have.

The PRESIDENT — Order! You won't be stopped. You will be just interrupted.

Mr SMITH — I have listened to contributions from both sides of the house on this debate. I have to say that on this side there were quality contributions and on that side the usual belligerent, whingeing and carping, except for the Honourable Damian Drum who I thought added a tad of honesty, and dare I say even a little humour. Quite clearly their contributions have stated again and again that they do not get it. They still do not understand what has happened to them politically. They still do not understand what is happening in the real world.

They whinge about the fact that we spent their $1.8 billion — money that we supposedly inherited. People out there are now voting big time for what we are doing — that is, spending their money on what they want, which is services. I know the opposition does not like it but the Nats complaining about our spending money on public servants is just too much to bear. The former Department of Natural Resources and Environment, under the previous coalition government, sacked 500 members of the Australian Workers Union who worked in the bush doing things like clearing creeks, cutting firebreaks with bulldozers or whatever. They sacked the lot of them. What happened in the bush with all that environmental impact? A disaster. What did the Nats do about it? Nothing. They did not do a damned thing, but they paid the price.

If they do not understand what I am saying they should listen. In a public poll two days ago people across the country were asked, 'What do you want — the tax cuts delivered by Mr Costello or health and education services?'. Funnily enough 78 per cent said, 'Give us health, give us education, and stick your tax cuts'.

Even Amanda Vanstone agrees. She argued the cuts would not even buy you a milkshake and a sandwich. How out of touch is she? When was the last time you could get a milkshake for less than $4? It is unbelievable. They have no idea what they are doing.

This government understands what the people of Victoria want, and we are giving it to them. This budget has demonstrated again that we are listening to the citizens of Victoria. We are spending exactly where they want the money spent. The opposition would rather not recognise that and listen to the people out there. It would rather hoard the money. It believes it is its money. We are looking at the highest-taxing government in the history of this country federally but in this place the opposition has the audacity to suggest we are over-taxing the people. Do they not understand? No, they do not, we know that — they do not understand or listen. It is clear and obvious to all that they do not understand.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! Pursuant to sessional order 10, as it is now 10 o'clock the question is that the house do now adjourn.

Budget: rural hospitals

Hon. J. A. VOGELS (Western) — I want to raise a matter for the Minister for Finance through the Minister for Sport and Recreation. When I attended a briefing from Treasury following the budget it was mentioned that there would be a sum of money added to the bottom line of the budget by shifting around certain moneys held by rural hospitals. It has since been drawn to my attention that rural hospitals have been instructed to hand over any moneys they have in trust accounts or reserves so that it can be transferred to a central account in Melbourne.

This asset-stripping from our rural health services into one account controlled by the Bracks government reminds me of the beginning of the end of many of Australia's entrepreneurs in the 1980s, all of whom went belly up, taking thousands of individuals and small businesses with them.

This money has been raised by local communities in support of their health services. This is money that has been donated to these hospitals by hardworking auxiliaries. This is money that was donated by service clubs and hardworking committees. In western Victoria, for example the Murray–Moyne marathon bike ride has raised hundreds of thousands of dollars over the years for local hospitals.

This is money that is bequeathed to local health services through people's wills, which often stipulate the hospital that the bequest must go to; if it does not go to that hospital, it is forfeited and goes somewhere else. This money raises money in itself through receiving interest on the accounts. This money is used to match minor grants which are normally fifty-fifty. This money is used to top up capital grants when a major redevelopment takes place, which is always dependent on a major local contribution. This money is used to buy much-needed hospital equipment. What action is the minister going to take to reassure rural health services that: firstly, their money is safe; secondly, it remains in their own control; thirdly, they are credited with interest; and fourthly, they are able to make their own decisions on how this money is to be spent? This is exactly what happened in the Cain-Kirner era, and we all know the disaster that finished in.

Road safety: drink-driving

Hon. C. D. HIRSH (Silvan) — I raise an issue concerning drink-driving. It is a matter I want to take up with the Minister for Transport in the other place, and I ask the Minister for Sport and Recreation to raise it with him. A recent program has been announced to tackle drink-driving, particularly in rural Victoria, with a joint Roadsafe Victoria and Vicroads sponsorship of the Worksafe Victorian Country Football League.

This is a great initiative because it addresses the road toll in country Victoria which has risen for four years with alcohol-related deaths, which are at their highest level in 10 years. A lot of this drink-driving is to do with drinking among 21-to-29-year-old men who seem to be having a problem. The program the minister has initiated particularly concerns football teams with the message being 'Good sports don't let their mates drink and drive'. It appeals especially to that younger male group that is getting killed on the roads in single-car accidents.

I would like to see such a program or a program similar to this instigated in outer metropolitan areas, particularly in the outer east where you have roads that whilst these days are classified as suburban are still rural. They are often without street lighting, are treed along the sides and are almost all in urban rural fringe areas. I would like to see a similar program initiated addressing young male drink-drivers in particular, although a range of people is involved.

It is good that the minister is addressing single-car smashes in rural Victoria. However, I would very much like to see that issue being addressed in outer suburban Melbourne with clubs such as the Bayswater, Ringwood and other football clubs becoming involved. I believe it would be a successful program, and as in country Victoria would probably assist in reducing deaths from single-car road smashes right throughout the state.

Mullauna College: work experience program

Hon. B. N. ATKINSON (Koonung) — I wish to raise a matter with the Minister for Sport and Recreation for the Minister for Education and Training in another place. I bring to her attention and to the attention of the house a concern I have about work experience programs continuing in secondary education.

I have noticed — and I particularly bring to the house tonight the experience of Mullauna College which is in Mitcham — a tendency for schools to reduce their work experience programs and to question whether or not they will continue with them. Apparently significant changes were required to be made to the program over the summer period. Many of those changes seem to have been generated in the occupational health and safety area.

The result is that employers are required to provide considerably more information to schools that are conducting these programs. Where the schools have any concerns about those reports or believe there is any possibility of injury or adverse incident to students, schools are being required to complete risk assessments. As Mullauna College indicates, in the case of a student who would be going to, for instance, a hospital to undertake work experience there are a great many potential dangers within that environment and a great many risks to be assessed. The school simply does not have the capacity to undertake those risk assessments. As a result Mullauna College is currently

reviewing the entire work experience programs it offers. It is likely that it will put to the college council at a future meeting a recommendation that its program be curtailed — not necessarily stopped but certainly severely limited.

Most members in this place and I, as an employer who has been involved in work experience programs with young people, would be most concerned if this opportunity for young people was lost simply because of rules and regulations that are beyond the necessary requirements that one would expect to ensure the reasonable safety of young people.

Will the minister look at these work experience programs and consult with schools, particularly Mullauna College in this instance, on some of the concerns the schools are raising about those programs, and look at an opportunity to address some of those concerns so that those work experience programs may continue.

Planning: Dandenong

Mr SOMYUREK (Eumemmerring) — I raise a matter for the attention of the Minister for Transport in another place concerning the vision for a transport and distribution hub in the Dandenong region.

I applaud the government's far-sighted policy of fostering and promoting the area as a major regional Victorian transport and distribution hub. Big Australian companies, including Allied Pickford, Clelands, Mannway and Regional Logistics group, as well as Australia Post, have been very active in recent investment and expansion. They are now joined by Toll Holdings Ltd which is redeveloping the old Heinz site. These companies have enormous competitive advantages in a sector rapidly being transformed by technology and the growth of e-business into a total solutions marketplace in the integrated logistics industry.

The area is now a centre of excellence in contract transport, warehousing and distribution services which improve both operational and marketing efficiencies of the client companies which are serviced so well out of the hub.

The comprehensive network of rail, road and port facilities is strategically served by the Eastern Freeway and the Hallam bypass which is to be completed by the Bracks government one year ahead of schedule. The fast rail project linking the Latrobe Valley through Dandenong to Melbourne is an indicator of the commitment by this government to the substantial transport and distribution hub transformed by this visionary government.

I request that the Minister for Transport further enhances this model infrastructure project in planning and transport initiatives with the redevelopment of the former saleyards site located next to the Dandenong railway station.

Dental services: Western Province

Hon. D. KOCH (Western) — I raise a matter of public dental surgery through the Minister for Sport and Recreation for the Minister for Health in the other place. I draw attention to Dental Health Services Victoria figures recently released which show growing waiting lists for public dental care, especially in country Victoria.

Waiting lists in major centres throughout Western Province have almost doubled over the last two years. In Horsham patients are waiting for 39 months to see a public dentist, and it is worse in Hamilton where they have to wait an average 42 months. But it gets worse. In Portland and Warrnambool patients are waiting on average 49 months — more than four years — to get public dental treatment.

This is appalling and unacceptable. Many of these patients are suffering not only from lack of timely dental treatment, but also due to limited access to dental care. Their general health and wellbeing is also suffering. Many of these people are pensioners, economically disadvantaged on low incomes, unemployed, disabled and in isolated communities. They simply cannot afford to engage a private dentist. Nearly 1500 people are waiting for fillings at the Hamilton public dental clinic alone. This is up by a third over the past two years. Victoria has the lowest per capita funding in Australia for dental health. Statewide the average number of Victorians queuing to see dentists has almost doubled since this government came to power in 1999, only over a four-year period.

The situation in Hamilton is that one dentist is employed by Dental Health Services Victoria for two and a half days per week. The vast majority of this dentist's work is limited to emergency treatment, causing people awaiting routine fillings or dentures to be forced to wait simply because there is too much work for one dentist to accomplish.

The dental clinics in Warrnambool, Portland and Horsham are experiencing similar problems. The situation is not expected to improve in the short term. Individuals and welfare agencies that have been in

constant contact with me have also expressed concern about the severe shortage of dentists in rural and regional Victoria. Clearly this government needs to boost training numbers for the long term, and in the short term it needs to put in place initiatives that will encourage more public dentists into regional areas as we have witnessed with doctors.

Will the minister provide an assurance that she will commit herself to improving public dental health throughout country Victoria, turning this present dilemma around, shrinking waiting lists and offering some hope to public dental patients?

Small business: Geelong

Hon. J. H. EREN (Geelong) — I raise a matter for the attention of the Minister for Small Business. I know that since the election the minister has been getting on with the job of delivering our election commitments to a very important part of our community, small business, and I congratulate her for that.

I would particularly like to know how these reforms will help small businesses in Geelong. I frequently visit small businesses in my electorate, businesses in Mercer Street, businesses in Yarra Street near my office, and many others. One of the questions that is asked of me is how the new retail leases legislation will affect their business. Small business operators tell me that aside from their day-to-day retail operations the item that gives them a lot of stress, apart from the GST, is the lease. It always costs a lot and they are at a disadvantage when negotiating a new lease.

This worries them. Small business has enough to worry about without more added worries. I can see how a small business owner would be a bit overawed if they tried to understand the changes in the legislation. Although I am not a lawyer I know that they do cost a lot to visit, a cost that small business can do without. I ask the minister, on behalf of small business in Geelong, whether any assistance for businesses is available when it comes to their lease, and, if so, how do they access that assistance?

Tourism: international visitors

Hon. ANDREA COOTE (Monash) — The matter I raise is for the Minister for Tourism in another place. I refer to the number of international arrivals figures for April released by the Australian Bureau of Statistics this morning. The number of international visitors that spent most of their time in Victoria is down 13.5 per cent since March 2002.

The state budget contains $40 million for tourism, which is nothing more than meeting the government's election promises made last November. This was before the outbreak of the severe acute respiratory syndrome or SARS virus and the war in Iraq. The issue was that the government was making all this noise, but is trying to turn it around and blame it on SARS.

The budget does not contain any extra money for tourism as a result of the severe downturn in international visitor numbers. Tourism is the backbone of country Victorian regions, such as Phillip Island, Ballarat and the Great Ocean Road, and relies heavily on international tourists. Accommodation houses, restaurants and suppliers will all be affected. What is the government's recovery strategy to attract international tourists back into Victoria and how much funding will tourism receive beyond those election promises?

Insurance: reform

Hon. KAYE DARVENIZA (Melbourne West) — I raise a matter for the attention of the Minister for Finance. Firstly, I congratulate the minister on his announcement today on the action that the Bracks government is taking to deal with the current insurance situation in this state. As the minister is aware, there is a range of serious concerns that the Victorian community has regarding the difficulty in obtaining insurance for themselves, their businesses or organisations.

Some of the organisations that have requested specific assistance include: fun run organisers; wildlife parks; Scots of Victoria; Russian Women's Association; Heartbeat Victoria; Bacchus Marsh Motocross Club; Maryborough Carers Support group; Gippsland Guardrail and Safety Platforms; walking clubs; Southern Hot Rod Club; Chios Brotherhood of Melbourne; Stratford Fitness Club; Cobden Angling Club; Melbourne Aboriginal Youth Sport and Recreation Cooperative; Dandenong Benevolent Society; and various community festivals.

What assistance has the minister given these organisations and what further assistance can they expect? What assistance has the minister given to other groups and organisations that have found themselves in similar circumstances to the above-mentioned organisations?

Public liability: Crown land and public halls

Hon. B. W. BISHOP (North Western) — My issue is also directed to the Minister for Finance. It is about public liability insurance, with a good example being

the Walpeup Table Tennis Club — a thriving community club in a small country town just west of Ouyen. The club is about to shut down because of the scourge of country areas — public liability insurance costs and availability. The table tennis club has 45 members, including students, and plays regularly in the Walpeup public hall where the insurance liability of the hall is carried by the Mildura Rural City Council. The council says that the table tennis players are not covered by its insurance, and the club must provide its own insurance or not use the hall. This is not a criticism of the Mildura Rural City Council, as it must work within its own contract.

The table tennis club contacted Table Tennis Victoria which said it was possible for the club to be insured, but it would need to be incorporated, and a substantial amount of documentation would need to be prepared as well as an affiliation fee. Further I am advised that the club members would be required to have a membership fee estimated to be $30 or $40 to pay for the insurance, as well as being required to undertake an accident prevention course and keep records of who played as part of a requirement for public liability cover. All of this will probably close the club down.

The huge impact public liability is having on our country communities was made glaringly obvious when Peter Walsh, the member for Swan Hill in another place, my colleague Mr Drum and I met with representatives of six councils in the township of Wycheproof recently. The issue of public liability insurance was on top of the agenda, and again we heard the impracticality of the situation where community groups using facilities such as local halls or areas such as Crown land must insure and wear the costs but at times they are unable to access insurance.

This whole issue has given rise to some ludicrous situations such as a hall that is used for a debutante ball being okay, but the same hall cannot be used for debutante training; and the insurance will not cover a football function or a private function. This issue cannot be ignored by the government any longer. It affects a huge range of events such as pony clubs, ski racing, community events of various sorts, and the list goes on and on.

Tonight I want to concentrate on one area of concern, which is public halls under council insurance policies and Crown land areas. I ask the Minister for Finance to make a start on the tangled mess that public liability insurance has become, to allow a council's cover to be applicable for all functions held in the facility covered by a council's insurance, and to work with the Department of Sustainability and Environment to achieve the same results on Crown land.

Employment: Jobs for Young People program

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter with the Minister for Employment and Youth Affairs in the other place concerning the implementation of the Jobs for Young People program which is part of Jobs for Victoria. The action I seek concerns the implementation of that policy, and I request that there is a process of consultation with the multicultural community in identifying the new opportunities for our young unemployed from the culturally and linguistically diverse sector.

I congratulate the Bracks government on its commitment to developing employment initiatives that foster employment with growth and jobs opportunities for all Victorians. In its first term the Bracks government introduced four traineeship and apprenticeship programs to improve employment and training opportunities for young people. All of these programs have reached their target with over 18 000 young people being placed in employment and training initiatives.

In continuing this emphasis of ensuring shared growth across the whole state, our new employment programs target young people, disadvantaged job seekers, migrants and retrenched workers. Jobs for Young People will increase opportunities for young people to gain employment by providing young Victorians with entry-level public sector employment opportunities; expanding opportunities for employment participation by young people, equipping them with the skills to reconnect and participate in mainstream social and economic life; and targeting young people in rural and regional areas by providing them with employment and training opportunities in their local area, with the aim of increasing the percentage of people in rural and regional Victoria engaged in education and training.

In my electorate in the outer western Melbourne region the youth unemployment rate has decreased significantly from when we first came to government. In October 1999 youth employment was at 18.5 per cent with April 2003 figures indicating it is now at 9.3 per cent — a decrease of 9.2 per cent. The Victorian unemployment rate is 5.9 per cent, which is the equal lowest rate in Australia with Western Australia and below the national unemployment rate of 6.1 per cent. Under the previous government Victoria's unemployment rate was consistently above the national average. I ask the minister to make the necessary arrangements so that this policy can be rolled out as

quickly as possible, and young people are given much needed access to the valuable local employment opportunities.

Professional indemnity: medical practitioners

Hon. D. McL. DAVIS (East Yarra) — My matter concerns the issue of medical indemnity insurance, and is directed to whichever member of the Bracks government is responsible for this. We have had a lot of discussion about whether it is the Minister for Finance, the Minister for Health, the Premier or indeed local members, whether in Ballarat, Geelong or any other area.

Hon. Kaye Darveniza — On a point of order, President, in the adjournment debate the member should direct the concern to the minister who is responsible for that particular portfolio, and not this absolute rubbish that the opposition member is going on about, saying that he is unable to identify who is the minister responsible.

Hon. D. McL. DAVIS — On the point of order, President, this is actually a very serious matter. The Bracks government has not made it clear who is responsible for these medical indemnity insurance matters. The Public Accounts and Estimates Committee last week, on Thursday morning, asked the health minister a question about medical indemnity insurance, and she said that the finance minister was responsible. In the afternoon on the same day the finance minister was asked a question about medical indemnity insurance and he said no, he was not responsible, and that it was the health minister's responsibility!

The PRESIDENT — Order! The member will not debate the point of order. He can raise it, but not debate it.

Hon. D. McL. DAVIS — Further to the point of order, President, there is some confusion within the government, and I raise the issue with whichever minister chooses to accept responsibility for it. I would appreciate a response. I will leave it to the minister at the table tonight, the Minister for Sport and Recreation, to direct it to whichever minister he believes is responsible.

The PRESIDENT — Order! I will rule on the point of order. The member raising the issue can raise the matter with the minister present, who will refer it off to the responsible minister.

Hon. D. McL. DAVIS — Thank you, President. My matter concerns the government's announcement today concerning the issue of insurance, and in particular that aspect of the government's announcement referring to medical indemnity insurance. It is very clear that the government's proposals do take a step towards a national framework, and that step is important, but it is not complete. A number of matters have been left undone by the government, and one of the most serious matters with respect to medical indemnity insurance concerns the long dithering of the Bracks government in coming to a conclusion to this issue which is striking so harshly in certain areas of country and regional Victoria — in Ballarat, in Geelong, in Shepparton, in Wodonga, and in a number of other country centres. In these places the crisis in the medical work force resulting from this issue will not be fully resolved by the government's announcement today.

It is clear that, because the Premier or whoever is responsible for this issue has left the announcement so long, a number of doctors have decided to retire in any event. This will leave holes in the regional medical work force in Ballarat, Geelong, Shepparton, Wodonga, Wangaratta and at many other country sites. I do not think members of this chamber — whether Ms Hadden or Mr McQuilten, who again is not attending tonight, or Mrs Carbines or other members — should laugh about this matter because it is very significant. There will be significant holes in the medical work force that will require the Premier — —

The PRESIDENT — Order! I know the member has a limited time of 3 minutes and has only 30 seconds to go, but I also draw the member's attention to the fact that an adjournment matter is not to be developed into a set speech or a debate. I ask the member to come to his point in the remaining 30 seconds.

Hon. D. McL. DAVIS — I thank you for your guidance, President. I get very agitated about this issue and its impact on country Victoria.

The Bracks government has delayed on this issue. Through the Minister for Sport and Recreation I seek from the minister who is responsible for this issue some assurance that the Premier or the minister who is responsible, whoever that may be, will actually step forward and fill those holes, will compensate country towns and will ensure that those towns have no medical work force issues following on from this.

The PRESIDENT — Order! The member's time has expired.

Local government: women

Hon. H. E. BUCKINGHAM (Koonung) — I raise an issue with the Minister for Local Government. On

Friday evening last, 16 May, the minister and I attended the 40th anniversary of the Australian Local Government Women's Association, Victorian branch. It was a most enjoyable evening. It gave me cause to consider this adjournment debate. It was gratifying to see a wonderfully diverse group of women — women of all ages and politically diverse backgrounds — representing their local communities in Victoria.

After the most recent local government elections, Victoria has 28 women mayors leading 79 councils. Of a total of 412 vacancies, 114 women councillors were elected. That constitutes about 27 per cent. Unfortunately this is not much of an increase since the last council elections.

Women won the right to vote in local government elections over 100 years ago this year, but it was not until 1914 that the first woman councillor was elected to stand. She was Cr Mary Rogers, who was elected in 1920.

Other significant milestones for women in local government include: the election of the first shire president, Cr Blanche Ross-Watt in 1931; the election of Cr Nellie Ibbot in 1943 as mayor of Heidelberg — she was the first female mayor; the election of Cr Leckie Ord, who served as the first woman Lord Mayor of Melbourne from 1987 to 1988; and Maureen Lyster, who became the first female Minister for Local Government.

As a former councillor who actively encouraged female participation in local government, I salute the Bracks government in achieving the quality and cost-effectiveness of service delivery to make important community services more accessible to those who need them. It is to the credit of the government that it has set about restoring local government autonomy by removing constraints such as compulsory competitive tendering and rate capping.

I ask the minister what she intends to do to support the autonomy and independence of councils and to promote women's involvement in local government. In particular, what will the government do to increase representation of women from culturally diverse backgrounds, to encourage mentoring of female councillors and candidates, and to widen the scope of policy issues and advocacy beyond what are seen as traditional women's concerns — that is, concerns of nurturing, child care, health and education and environment — to non-traditional areas such as finance, infrastructure, logistics and waste management?

Responses

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to the issue raised by the Honourable John Vogels regarding trust account funds of regional hospitals and rural health services, I will refer this to the Minister for Finance.

The Honourable Carolyn Hirsh raised the issue of drink-driving in rural areas and the 21-to-29-year-old demographic. She referred to a program in rural Victoria and asked about a program of its like for outer metropolitan areas. I will refer this to the Minister for Transport in the other place.

The Honourable Bruce Atkinson raised the issue of work experience programs in secondary colleges. I will refer this to the Minister for Education and Training in the other place.

Mr Somyurek raised the issue of a vision for a transport and distribution hub in the Dandenong area. I will draw this to the attention of the Minister for Transport in the other place.

The Honourable David Koch raised the issue of dental health services in country Victoria. I will refer this to the Minister for Health in the other place.

The Honourable John Eren raised the matter of small business reforms and the impacts on small business in accessing assistance. I will refer this to the Minister for Small Business.

The Honourable Andrea Coote raised the issue of the number of international visitors to Melbourne and attractions mechanisms associated with that. I will refer this to the Minister for Tourism in the other place.

The Honourable Kaye Darveniza raised the issue of insurance assistance for community groups. I will raise this for the attention of the Minister for Finance.

The Honourable Barry Bishop raised the issue of the Walpeup Table Tennis Club and public liability associated with the use of community facilities. I will raise this with the Minister for Finance.

The Honourable Sang Nguyen raised the issue of the role of relevant employment programs at a local level, particularly those in the Melbourne West area. I will raise this with the Minister for Employment and Youth Affairs in the other place.

The Honourable David Davis raised the matter of medical indemnity insurance issues in rural Victoria. I will raise this with the appropriate minister.

The Honourable Helen Buckingham raised the matter of women in local government and issues associated with local government, including increasing the role of women in positions of responsibility within local government. I will refer this to the Minister for Local Government.

House adjourned 10.34 p.m.

Wednesday, 21 May 2003

The PRESIDENT (Hon. M. M. Gould) took the chair at 9.32 a.m. and read the prayer.

BUSINESS OF THE HOUSE

Fire drill

The PRESIDENT — Order! I wish to remind honourable members that the Parliament will be conducting an emergency procedure fire drill later this afternoon between 5.00 p.m. and 6.00 p.m. to comply with Australian standard 3745, which relates to emergency control organisation and procedures for buildings, structures and the workplace. I ask members for their cooperation and to follow the instructions of emergency procedure staff.

PETITION

Timbarra secondary college: site

Hon. G. K. RICH-PHILLIPS (Eumemmerring) presented petition from certain citizens of Victoria requesting that the Minister for Education and Training instruct the department not to sell the vacant site located within the Timbarra development area in Berwick for the purpose of a secondary school to service the growing local community and keep the site for the future development of a secondary school as originally planned (1191 signatures).

Laid on table.

MEMBERS STATEMENTS

Country Fire Authority: Ross Creek station

Hon. J. A. VOGELS (Western) — I am seeking the support of the Minister for Police and Emergency Services in the other place in the relocation of the Ross Creek fire station. The Department of Education and Training Central Highlands-Wimmera regional office in Ballarat has recommended that the Minister for Education and Training approve the acquisition of council property for the relocation of the Woady Yallock Primary School, Ross Creek campus. This would relocate the school on a new site adjacent to the upgraded and excellent new sporting facilities recently established at this precinct.

I recently visited this site with John Dixon, director of corporate services, Golden Plains Shire Council, to view first hand what needs to be done to get the project up and running. Before the school can be relocated the Country Fire Authority fire depot needs to be moved from its present position to a proposed new site which will mean an allocation of capital funds. The CFA, the Department of Education and Training, the Department for Victorian Communities — everybody — supports this project. However, unless the fire station is moved from the site the whole project stays in limbo.

I would therefore ask if the Minister for Police and Emergency Services could speed up the movement of the CFA fire station at Ross Creek.

Iraq: war veterans

Mr SMITH (Chelsea) — I call upon the Prime Minister to act with some alacrity and respond to the written request from the Premier of this state to enable a proper homecoming parade for our troops to be held in Melbourne. The Victorian public and the Victorian service people and their families are entitled to welcome home our troops who performed yet again with professionalism, honour and dignity. We saw on many occasions in the conflict the Australian troops acting with dignity, unlike some of the other allies. We are all proud of them.

The Prime Minister clearly dislikes Victoria and Melbourne. He is Sydney-centric. He wants only Sydney to have the glory, with a little bit for Perth, but none for Victoria. He needs to get over this feeling of anti-Victorianism and respond positively to the request from the Premier, and I demand that he does so on behalf of the people of Victoria.

Warrnambool Grand Annual Racing Carnival

Hon. D. KOCH (Western) — I draw the house's attention to the highly successful Warrnambool Grand Annual Racing Carnival, held from 29 April to 1 May this year. The main attraction and feature race at 5500 metres is the steeplechase — the longest in the Southern Hemisphere — with 33 jumps. The grand annual steeplechase is recognised as racing's ultimate test of horse, trainer and rider, being the richest provincial horse race in Australia. Eleven horses participated, the winner being Sampan Man, owned and trained by Mornington's renowned Fran Houlahan and ridden by Adrian Garraway.

Betting turnover exceeded an astronomical $7 million, unequalled by other clubs in regional Victoria. Warrnambool Racing Club continues to defy the odds, showing significant gains in attendance, gate takings, and with an ever-increasing membership base now currently in excess of 2100. This membership is the

largest of any regional racing club in Australia, with members drawn from every state and territory. There were 33 269 patrons who attended this year's carnival, with a record gate taking of more than $91 000. Special guests included Katsunori Takamatsu, chief representative of the Japan Racing Association, as well as executives from Queensland and New South Wales racing.

Congratulations to racing club chairman Marg Lucas and the committee, who brilliantly promote this unique and well-managed event, which is a major feature on the state's racing calendar.

Corangamite, Port Phillip and Western Port catchment management authorities

Mrs CARBINES (Geelong) — Last week I spent two full days touring the Corangamite and Port Phillip and Western Port catchments, with their respective catchment management authorities.

On Wednesday in the Corangamite catchment my visit included the Barwon River to discuss management issues, Southern Farming Systems to see the benefits of raised bed cropping, a farm at Larpent to inspect a progressive and efficient approach to managing dairy effluent issues, and a briefing on the Moorabool River management plan at Russels Bridge.

On Thursday in the Port Phillip and Western Port catchment I visited what had been a seriously degraded property at Werribee Vale, which is now considerably regenerated through an integrated approach to land management. Later I visited Cut Hill at Rowsley, to be briefed on the Grow West project, and also on the terrific work of the serrated tussock working party. In the afternoon I travelled to Werribee to look at the scope of the Werribee Plains project.

I would like to thank Bob Carraill and Mick Lumb, the chairs of the respective catchment management authorities, for organising such stimulating itineraries for me, and also for all the work they and their catchment teams do to manage their catchments and to protect the environment on behalf of all Victorians.

Planning: Carnegie tabletop dancing venue

Hon. ANDREW BRIDESON (Waverley) — Yesterday I tabled a petition signed by 460 of my constituents who are totally opposed to a tabletop dancing venue — —

Hon. Bill Forwood — Above the Indian restaurant?

Hon. ANDREW BRIDESON — I am not sure whether it is above the Indian restaurant, but it is in a family-oriented shopping centre.

Due to the exuberance of my constituents who are opposed to this, when they were collecting their petitions quite a few of them just attached a sheet of paper to the petition and it did not have the formal header on it. So I have before me today a further 962 signatories, which takes well up to around the 1300 mark the number of people who have taken the time and effort to sign this petition totally opposed to this venue.

I might also say that a couple of weekends ago the Honourable Bruce Atkinson and I addressed a public meeting on this matter, and we saw first hand the opposition to this proposal. I need to put on the public record that the government members who operate in this area were notably absent, and I would say that they have done very little in the eyes of the public of Carnegie to state public opposition to this strip venue.

City of Moorabbin Cricket Association

Mr PULLEN (Higinbotham) — Last week I had the pleasure to attend the City of Moorabbin Cricket Association senior presentation evening at the Bentleigh Returned and Services League. It was a wonderful evening and the last function to be presided over by the outgoing president, John Park, who has had the job for 13 years.

I shall go through some of the trophy winners. George Gorozidis from the top division won the Longmuir Shield with a batting average of 136.8. He is from Brighton Union, which is my club. The bowling category was won by Simon Surridge from Bentleigh Uniting Club with an average of 9.47. Captain of the year was awarded to Tim Malane of the Omega Club. The aggregate runs award was won by Sudharsan Ramanujachari of the East Bentleigh Central Club. He plays in I grade and scored 1030 runs for the season. The aggregate wickets awarded was also taken by Simon Surridge with 53 wickets. Player of the year, sponsored by G. Knight Sportsgoods, was awarded to Craig Amoore of the Hampton Central Club along with George Gorozidis. The John Tillet Medal for the two umpires that umpired in the grand final went to Adrian Fisher and Wayne Moss.

In the B grade the winners were Mark Missen of Hampton United for batting and Marc Reid of West Bentleigh for bowling.

Government: information protocol

Hon. B. N. ATKINSON (Koonung) — I wish to raise my concern about the lack of a protocol for the provision of government information to members of Parliament. Last week I raised an issue in this place about an extension to the tramline in East Burwood to Vermont South. Having raised that issue I was asked by another member of this place why I had asked that question when there was so much information available. It turns out that the government had produced extensive information on that but had simply not made it available to Liberal or opposition members of this Parliament.

The government ought to establish a protocol. I acknowledge that it is not just this government's fault; this is an ongoing problem for all governments that play games, I suppose, by trying to keep opposition members in the dark. But it seems to me that where information is published by departments, where it is public information in particular, and where it concerns a member's electorate then there is a responsibility that all members of Parliament ought to be informed of these projects. A protocol should be in place where the government and its members are bound to provide information to opposition members. I also think in that context that more members ought to be — —

The PRESIDENT — Order! The member's time has expired.

Shepparton: salinity education initiative

Hon. KAYE DARVENIZA (Melbourne West) — I want to let the house know about an initiative that has been taken by the Department of Primary Industries, Goulburn Valley Water, Goulburn-Murray Water, the Goulburn Broken Catchment Management Authority and the Goulburn Murray Landcare Network in the Goulburn Valley and congratulate them all on their participation in this initiative.

Representatives from these organisations visited some 56 schools in the Goulburn Valley region so that the students could learn about the salinity problem in the Shepparton irrigation area. Students held experiments in their science classes, including planting seeds in salty water and also testing salinity levels from water they collected from their homes.

Salinity is perhaps one of the biggest environmental issues that this current generation faces in the Goulburn Valley, and a greater understanding of the issue can only lead to better measures for overcoming and managing the problem in the future.

This was indeed a terrific initiative by all of those authorities and the Department of Primary Industries, including the Department of Education and Training, and I take this opportunity to congratulate them all for their participation in this very important exercise.

Public liability: Ski Racing Australia

Hon. B. W. BISHOP (North Western) — My issue today is public liability insurance for Ski Racing Australia, which takes out Australia-wide cover for the sport. Victoria, which has the bulk of members, picks up its share of that responsibility to run ski river races such as those at Mildura, Robinvale and Echuca. This is fast becoming an international sport with these three races enjoying top billing in international ski river racing circles.

I am advised that Ski Racing Australia took out a $1.4 million public liability insurance policy of which it has paid $1 million, with the understanding that the $400 000 still owed would be rolled into next year's policy that would include a discount for good performance. I am further told that unless it now pays the $400 000 its policy will be cancelled and it will have to start again, which would deny it any performance discounts as it would be a new contract. Ski Racing Australia believes it can fund itself next season with a lowered premium, but it needs some assistance to get to that position.

Would the Minister for Finance take up this issue to provide assistance to get Ski Racing Australia through this process so it can proceed with confidence next season?

Parliament: sitting dates

Hon. BILL FORWOOD (Templestowe) — I wish to make a few comments about the rumour running around the place that we are not going to sit next week. It seems to me, as I said to Mr Viney a moment ago, that the government could not organise a chook raffle. Most of us have had in our diaries that the Parliament will sit next week and the week after. We subsequently now discover that because of the government's inability to organise its own legislative program, it is likely we will not sit next week. I am reliably informed by a number of members of the government that we will not be sitting next week, but I understand the jury is still marginally out and there is still a slight possibility that we might sit next week.

Frankly, I do not think it is good enough. The government ought to be able to organise its own legislative program, and it ought to be able to tell the

clerks, the catering staff and probably even the members of Parliament whether we are going to sit next week or not! That is all we ask. The government might decide to tell members of Parliament and the staff of the Parliament whether we will be back next week or not? This seems to be very simple. I understand the reason that we are in this impasse is because the government cannot organise its own legislative program. I will finish where I started: you guys could not run a chook raffle!

Honourable members interjecting.

Hon. BILL FORWOOD — I withdraw. You can run a chook raffle!

The PRESIDENT — Order! Mr Forwood!

Victoria University of Technology: Vietnamese heritage project

Hon. S. M. NGUYEN (Melbourne West) — I would like to acknowledge the work of the Victoria University of Technology (VUT). It has organised with the Vietnamese community and other groups in Victoria to set up a Vietnamese heritage project. The aim of the project is to encourage people to get involved in organising a web site. The web site is intended to provide information related to the Vietnamese community in Australia as well as the Vietnamese history around the world.

This initial project is being run by the VUT. We have about 300 000 Vietnamese people living in Australia, and we need to help them to better understand Australian history, Australian services and many of the things happening in Australia. I ask the Victorian government to get involved to assist the group to complete the project.

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

INSURANCE: REFORM

Hon. ANDREA COOTE (Monash) — I move:

> That this house condemn the government for its failure to introduce effective tort law reform that would encourage insurers to re-enter the Victorian insurance market.

Doing business here in Victoria with confidence is now a thing of the past. This is a government that operates with management by crisis, and yesterday we saw a very good example of that. We saw the government ride into town on a wave of public relations spin, backslapping, self-congratulation and media commentary. We saw the government talking about a whole range of things, but it was too little, too late — as has been all the legislation and measures it has brought in to address this serious crisis we are experiencing here in Victoria.

Victoria used to be a leader — it used to lead this country in what happened and where it went — but no longer. We are followers and we are seen to be followers, and later in my contribution I will show just how far behind Victoria continues to be. Why would you come to do business in this state when confronted with confusion, lack of discipline, lack of strategy and lack of confidence? Why would you come here?

The government may have ridden into town yesterday feeling confident and feeling very pleased with itself — we watched it and we saw it — but Victorians know that the showdown was at dawn and that the posse rode into town too late at 5 minutes to midnight. That is typical of this government's bad management by crisis. It is another example of its dealing with issues at the last minute in a crisis circumstance.

Why would businesses come here to this state with a government that has nothing to do and no strategy and without confidence that this government will back them up? Let us have a good look at how this government has neglected businesses in this state right across the insurance industry and right across small business and microbusiness. What has happened? Those businesses have no surety.

I will outline for the chamber some of the issues related to tort law reform and insurance reform in this country, and we shall see how Victoria is lagging behind in its vision and decision making. It is lagging behind everybody else, including New South Wales, Queensland and Tasmania. In March 2002 the federal minister appointed Trowbridge Consulting to assist with a ministerial meeting on public liability to be held in Canberra on 27 March 2002. We saw various states getting ready for that meeting, we saw what they were going to do and we looked at some of the public statements they made in relation to this issue. I think most members of the chamber would be fairly ashamed of Victoria's approach to this, but New South Wales was right out there.

Premier Bob Carr, effective it would seem on this issue, came out in New South Wales about this on 20 March and said that he released the public liability package to take to the meeting of commonwealth and state ministers and that New South Wales was proposing changes to tort law for personal injury cases.

He went on to list a number of innovative proposals. Victoria was nowhere to be seen. New South Wales talked about lawyers and legal costs. Keep in mind that this was in 2002 and that we had the Victorian government riding into town yesterday — a whole year too late. In 2002 New South Wales said its proposals included:

> making lawyers liable for defendants' costs in cases of speculative unmeritorious claims;
>
> reviewing contingency fee arrangements;
>
> capping legal costs for small claims to a small proportion of the claim; and
>
> introducing thresholds to preclude trivial claims.

The report went on to list the duty of care proposals. The first was to protect good Samaritans. That was an initiative of the New South Wales government, not the Victorian government. The proposals included:

> providing that warning of risk is a good defence for risky entertainment or sporting activities where there is no breach of safety regulations;
>
> providing that authorities will have a good defence if they show that they complied with standards prescribed for the particular activity …

And it goes on. Some of the other issues about damages included:

> requiring courts to increase the discount on damages for economic loss so that it is at the same level as applies to health care claims.

It went on and said:

> The insurance industry is a national industry. It sets premiums on a national basis.

It then said in March 2002:

> Uniform tort law reforms should be adopted nationally.

New South Wales was right out there ahead of the pack.

On the eve of that conference what did we see from Mr Lenders? He came out with half-baked measures — nothing as innovative as New South Wales, but just a few things that had been bandied around. In March 2002 in a ministerial statement in the other place he talks about support for the amendments. New South Wales came out with a proactive statement. Victoria came out with half-baked, vague notions: mechanisms to lessen the cash-flow burdens; in support of amendments to the Trade Practices Act; and a Victorian insurance commissioner. Not strong statements — following, not leading.

We knew there was an insurance crisis in the state well before the collapse of the HIH insurance group, even before the tragedy of 11 September. We knew there were problems on the horizon; that there were people on the ground in the micro-industries and in small businesses who were starting to feel the crunch. They were starting to find it difficult to get insurance in this state and were looking to the government for direction, but there was no direction at all.

It was the Liberal Party that recognised there was a profound problem — an issue of concern. We understood because we were out there listening to rural Victoria and we brought in a bill of our own. On 15 May 2002 my colleague the Honourable Bill Forwood brought the bill into this chamber. The Liberal Party was right up there with New South Wales. We knew what was happening because we were out there listening, but the state government was not up to scratch. It was nowhere to be found.

On 15 May in his second-reading speech the Honourable Bill Forwood said:

> There is a crisis in adventure activities and adventure tourism in Victoria; a crisis which threatens the livelihood of people, towns and regions; a crisis which has already seen previously successful businesses close, jobs lost and lives shattered.

Where was Victoria? It was nowhere; it was sitting back, hoping something would happen, hoping something would fall into its lap, but it does not work that way. You have to have a well-planned strategy; you have to do more than just sit back.

The Adventure Activities Protection Bill has now become known as the Mansfield bill and it was dealt with very successfully by a group of people in the Mansfield area which my colleague the Honourable Graeme Stoney will speak about at length. I commend the people of Mansfield for taking the initiative and looking at this problem. I also commend the Liberal Party for getting the bill together, bringing it into the chamber, and debating the issues in May 2002.

It was strongly supported here in the Legislative Council but the government did not want it debated in the Legislative Assembly; it did not want people to see that this was going to be a crisis issue that needed to be looked at and attacked. The government did absolutely nothing and in fact refused to have the bill debated at all in the Legislative Assembly. It is interesting to wonder what the government was frightened of. It is now coming out with glib public relations statements but at the very time it was needed, the government was nowhere to be found in the debate.

Eventually, on 12 September 2002, a whole six months later, the Premier introduced the Wrongs and Other Acts (Public Liability Insurance Reform) Bill. It is interesting to note what he said in his second-reading speech:

> The government's objective is to ensure insurance is available and affordable for businesses and the wider community, to protect Victoria's reputation as a good place to live and to do business.

It is all very well to put the spin on it. The Premier probably believes it — that is the tragedy of this whole process. However, he continued:

> The government has listened to the community.

How was the government listening to the people of Mansfield? It did not want to know about the Mansfield bill, so the Premier was not listening that carefully. He continued:

> We have seen the cost that instability in the public liability insurance market is imposing on Victoria's small businesses and tourism operators, our sporting and cultural activities, and our local communities.

It took the Premier a long time to cotton on to something that everybody else had known for a long time.

I will go through the bill because it addresses a number of issues. The government has mentioned those issues time and again, but I would like to remind the house of some of the intricacies of what the government did. It said, 'Ensuring that saying sorry does not represent an admission of liability'. There can be some debate about whether the government has achieved that in the bill. When it introduced the bill the government had an opportunity to have a good look at what is happening. But what clarity is there? The bill is very murky. Indeed the Australian Medical Association said quite strongly that the bill was not nearly cautious enough. We have a government that was making law in the Wrongs and Other Acts (Public Liability Insurance Reform) Bill in 2002 and yet it is still not being specific; it is leaving the matter open ended and open to interpretation. The bill does not give surety and that sort of thing makes organisations wary of doing business in this state.

The bill has reference to protecting food donors from liability when they donate food to charities in good faith. This is almost pedantic, but unless the donor or food handler explains about the food, they might be liable. I can relate that to the people at the Sacred Heart Mission in my own electorate who at lunchtime each day feed 400 people in St Kilda — and I commend them for the excellent work they do there. I would like to know how the bill relates to them. I hope the bill is not tested, but if it is I hope it comes up with the surety that those types of organisations need in order to operate effectively. However, we have seen legislation come into this place before which has been half-baked and not properly thought through and we will see ramifications of that into the future which will concern all of us.

The bill introduces a $370 000 cap for payment for pain and suffering. It will not prevent huge payouts although it provides a benchmark and the issue is still left fairly open ended. Once again the bill does not come up with anything visionary that will make Victoria a leader in this country again.

I would like to remind the house about the adventure tourism industry and what has happened with the specific issues of insurance and re-insurance in Victoria for tourism and adventure tourism operators. I quote from a Victorian Tourism Operators Association (VTOA) document on the government insurance announcement in July 2002. It is important for members to understand what the ramifications are and how far back this matter goes. The government should have been doing something a long time ago, but it has left it to the last minute. VTOA understood what was going on, as indeed did people in Mansfield.

But prior to June 2001 four insurance providers provided public liability insurance for tourism operators. They were SLE Worldwide, QBE, Triton Underwriting and Lloyds of London. In June 2001 the renewal premiums increased by 1000 per cent. The adventure tourism sector was most affected, in particular horse trail ride operators, water-based activities and indoor-outdoor rock climbing.

In June 2000 an average premium for a horse trail ride provider was $2500. In September 2001 the minimum premium was $20 000, so we have seen a huge increase from $2500 for a trail ride provider to $20 000 within a year. This is an enormous burden on a small business, especially a rural business which has flow-ons to the whole local community. Horse trail riders, for example, would affect food, accommodation for people coming up, petrol, and a whole range of services, not just the horseriding itself. So we have seen the impact of increased insurance premiums as far back as September 2001. The government was too slow in responding at that time. It pretended it was not happening and it was not addressing the situation properly.

In October 2001 SLE withdrew from the tourism market. SLE was in the tourism market for approximately seven years and provided insurance for 95 per cent of the total tourism market. I ask the house

to reflect on the impact of what was happening with tourism insurance for small operators. These are small operators.

Triton Underwriting will still provide limited cover for some tourism operators. The problem with Triton is that although it does not cover canyoning, jet ski hire, or any business with a previous insurance claim, it was previously approved by the Australian Prudential Regulation Authority. What has happened now is that Triton has taken its insurance to the Cayman Islands and it no longer attracts Australian Prudential Regulation Authority approval, which has a ramification for people trying to reinsure in the tourism industry in Australia.

Between June and December 2001, because of these insurance premium increases 33 members of the Victorian Tourism Operators Association closed. I remind the chamber that VTOA — not pronounced 'vee tee oe ay' as Mr Lenders seems to think, but 'vetoah', as we all know it — is the peak organisation for tour operators, and I suggest that Mr Lenders go back and get his terminology right. You would think that as the Minister for Finance dealing with this issue he would be able to understand exactly what was going on.

Hon. G. K. Rich-Phillips — Where is the Minister for Finance?

Hon. ANDREA COOTE — A very good question. The Minister for Finance obviously does not believe it is good enough, or perhaps he is actually thinking up some more management in crisis.

As I said, between June and December 2001, 33 members of VTOA closed their businesses as a result of these price increases. This represents 9 per cent of the total tour operator membership, 90 per cent of which operated in rural and regional Victoria, and 70 per cent of which were horse trail operators. As of 30 June 2002 the Victorian government and VTOA announced a short-term relief option — this government is very good at short-term options. At that stage there were 23 operators who were having trouble getting any insurance at all and the government, on recommendation from VTOA, increased and underwrote their insurance. That number of operators has crept up significantly to 65. These 65 people were given a bandaid solution. They were told the government would look after them until 30 June this year.

Now we come to 30 June this year, and what are we finding? 'We will extend it', the government says. Big deal! It will extend it to December, but what happens after that? Where is the government going to be after that? What is going to happen to these small operators in the tourism industry — in some instances micro-operators. Where is the surety? Where is the long-term strategic planning that this government should be doing?

I again remind the chamber that in 2001 we saw 33 tourism operators leaving Victoria. We have seen New South Wales, Queensland and Tasmania benefiting from the number of Victorian tourism operators going out of business.

We are lagging behind. Victoria is behind the other states; it is behind New South Wales, Queensland and Tasmania. Why are these people going? Because there is confusion and lack of certainty. We have seen an enormous amount of confusion even among the government ranks. We have heard confusing statements made by the Premier and his Minister for Finance, Mr Lenders. It would be nice if they could get their stories right and say the same thing at the same time. That would give a lot more certainty to the people and the businesses of Victoria. But, no, they do not seem to be able to get that right.

I return to look at tort reform. It is good to find out who thinks tort reform is important. There has been some oscillating between what is happening with the Premier and the Minister for Finance. I also turn to what New South Wales is doing.

I mentioned earlier a March 2002 press release of the New South Wales Premier, Bob Carr, on the eve of the meeting of state treasurers. He talked about the importance of tort reform. I repeat that he said:

> Uniform tort law reforms should be adopted nationally.
>
> …
>
> We must ensure that consumers benefit from these state and territory tort law reforms and that premiums are kept to fair and reasonable levels.

The Minister for Finance is right out of step with everybody else. On one hand we have the New South Wales Premier saying how important it is but on the other hand Mr Lenders, on the verge of going to the commonwealth meeting, on 26 March 2002 said in the other chamber:

> In the absence of reliable data, the Victorian government has taken the view that caution has to be exercised before tinkering with the common law.
>
> …
>
> It would be wrong for the Parliament to raise expectations that premiums will fall as a result of amendments to the law,

> unless reliable data demonstrated there were reasonable grounds for believing this to be a likely outcome of the legislature's efforts.
>
> As things stand today, the government is yet to be convinced that changes to the common-law framework in Victoria would have sufficient impact to induce insurers to reduce premiums.
>
> …
>
> Whatever happens, the government's clear view is that at present no tort law reform initiative that would be likely to be broadly supported will convince insurers to slow immediately the recent rise in premiums, or to make insurance available to those sections of the community that are currently considered uninsurable.

By September last year — that is, six months after New South Wales had been out there so strongly — the Premier finally started to realise that there may have been a problem, to start to focus and look at this looming crisis that the Liberal Party has identified, which was identified through the Mansfield bill and which other states had already looked at.

Finally in September the Premier got around to saying yes. He contradicted Mr Lenders and said:

> The government's objective is to ensure insurance is available and affordable for business and the wider community —

what took him so long —

> to protect Victoria's reputation as a good place to live and do business.

I think the Premier is believing his own spin. He further stated:

> In relation to tort reform, the government has strongly maintained that Victoria would move cautiously in the absence of reliable data …
>
> At the same time, the government reserved the right to implement further tort reform …

However, we see him then go on to do exactly that. The Premier and Mr Lenders really need to get together a little bit more frequently and come to understand what the situation actually is. There is no certainty in the state, as we have seen — they are all over the shop. Once again they are letting New South Wales take the lead. It is too little, too late. This has been the hallmark all the way through on this particular issue.

We have seen the warning signs and other states and other countries have seen warning signs, but, no, the Bracks Labor government has decided to ignore them. It is management by crisis as we saw very, very clearly yesterday. We saw the issue with medical indemnity, the issue with doctors and with insurance in this state and, as I said before, we saw this government ride into town on its spin.

The sad part about it all is that the government actually believes its own spin. That is the tragedy of the whole issue. Again we have the situation of management by crisis at the death knock or last minute. We are now in May and these people are facing insurance issues as at 30 June. It is too little, too late. This government continues to operate on this not-quite-in-time process. It is always too late.

We have said that with a whole range of issues and also with indemnity. The interesting thing to note is that yesterday the government was very excited in this place, an interesting sight, but today's newspapers do not reflect the same excitement. This morning's *Herald Sun* editorial talks about the insurance measure, and states:

> Now the Bracks government is forced to introduce radical reforms to medical indemnity and personal injury laws.
>
> …
>
> The reforms are meant to halt spiralling of insurance premiums — whether they do remains to be seen.

Whether they do remains to be seen, and Victorians will not be hoodwinked because they understand what is going on. Businesses and people understand and are watching carefully how this will operate. They cannot see any certainty and will not be encouraging other like businesses to come to Victoria.

The Honourable David Davis will have something to say on medical indemnity later. Another area is the housing industry crisis, and we will hear later in this debate from the Honourable Chris Strong, who will talk about the housing industry and the government's lack in addressing an issue until it is too little, too late.

I have touched on adventure tourism, which I will talk a little more about, but the Honourable Graeme Stoney will go into depth particularly about what is happening in the Mansfield area. There are other issues in other areas, such as plumbing. There are problems regarding accountants in rural Victoria who are saying that they are hesitant about looking into this and what will be suggested because they might be open to some sort of claim later on. What pressure will that have on a whole range of rural and regional towns in Victoria? Will the government address this issue at the last minute, as it has done with medical indemnity insurance? Will it then say a year later, 'We've got a bit of a problem here, we had better have a closer look at it'. This is the way the government operates — no certainty, no support, no strategy and no vision.

I turn to adventure tourism. I am sure many in this chamber have enjoyed a number of the activities such operators conduct in this state. I am sure many people have been whitewater rafting, rock climbing, skiing and a number of other activities. I am not sure about canyoning, or whether carpet bowls comes into it, but the Minister for Aged Care would be interested to know that this should be looked at.

Mr Gavin Jennings — I regularly partake in carpet bowls, particularly with the good residents of Yackandandah House in Bairnsdale.

Hon. ANDREA COOTE — Carpet bowls indeed! What does adventure tourism do for the state because it is an extremely important part of our economy? When participating in those activities we tend to buy petrol in the town, equipment, supplies to go camping and so on. One has to think of the ramifications and therefore the flow-on effects to the economy of the state.

I mentioned the VTOA government insurance announcement document of July 2002 which says that if the government does not look into the issue — this is going back to 2002 — then by this year there would be 300 jobs lost, and $8 billion to $10 billion lost in regional Victoria. By the end of this year between 150 and 200 operators will go out of business. The government has picked up 23 tourist operators who were not able to operate without additional support and were able to get insurance, and that has now crept up to 65.

Those people have been given a bandaid solution. They have been told that the government will look after them until December this year, but what will happen after that? Where will they go and what certainty can the government give them? The government makes grandiose statements about how it will make it so much easier for the insurance industry to come to Victoria and cure all ills. The reality is that we are talking about December this year. Maybe one or two insurers may be encouraged to come back to Victoria, but they will not come back to adventure tourism. Maybe they will come back to the doctors or some of the less risky industries where they can get good premiums. They will be looking at other areas where it will be beneficial for them.

I suggest that we will not find many in the state. The government has not done enough to address adventure tourism and insurance issues affecting that industry. The government is not helping insurance companies to return. December this year is too late. Once again, too little, too late. Yesterday there was a huge song and dance about medical indemnity, but what about this looming disaster for the adventure tourism sector? It is very concerning. I remind the house that we are talking about 300 jobs and between $8 billion and $10 billion to the state. It is there on the table and these bandaid solutions will not resolve this issue. I suspect we will be standing here again next year looking at more bandaid measures to address this issue. It is another case of management by crisis. This government is making an art form of that.

Getting a licence on Crown land for adventure tourism operators is also a significant hurdle, and is out of line and out of step with other states. Victoria is out of line and out of step with every state. We used to feel proud as a state, but we are behind the eight ball with all other states.

You have to get insurance premiums in Victoria to get a permit to operate on Crown land. Those insurance premiums have to be APRA approved. Until June last year Triton Insurance was still APRA approved. Triton Insurance now insures out of the Cayman Islands, therefore no longer is that company APRA approved.

One particular horseriding operator who operates out of Dinner Plain has a huge problem. She is in a fire-affected area and was initially insured with Triton Insurance; at the time that company was APRA approved and she could get a licence to operate on Crown land. She had to pay $14 000 to get that insurance. In November this year her insurance will expire but that company will no longer be APRA approved and she will not be able to get insurance. Her dilemma is worse because she was in the bushfire area and cannot get access to Crown land to operate her business because a risk assessment is still being undertaken. This poor woman does not have any certainty about what will happen with her business. Triton, her original insurer, is not APRA approved and she cannot get onto the land to run her business because the government will not let her, and in the interim she is paying $14 000. I wish her every good luck. Why should she stay in Victoria, why not go across the border to New South Wales and operate out of there where that state is far more accommodating and looking into these issues and is taking a proactive stance on what is happening with adventure tourism.

What is happening in other states with public land access requirements? I have a document regarding public liability insurance and the tourism industry in Victoria headed ‘The Solution’. In Queensland there is $10 million public liability insurance with no requirement for APRA-approved endorsement or a minimal financial rate in an authorised market. The Premier of New South Wales made a commitment in

February 2003 to reduce public liability requirements to $5 million for businesses accessing public land under the management of National Parks and Wildlife Service, which is the New South Wales public land manager. There is no requirement for APRA endorsement or minimal financial rating in unauthorised markets.

On public land licensing, I am unaware of any requirements over and above $10 million for public liability insurance in South Australia. In Western Australia they have a $10 million public liability insurance. It is preferred that it be APRA endorsed, however unauthorised insurance is accepted on a case-by-case basis. In the Northern Territory a $5 million minimum is required, and unauthorised markets are acceptable. In Tasmania it is $10 million public liability insurance, with no requirement for APRA endorsement or minimal financial rating in unauthorised markets.

The key point is that Victoria has the most stringent requirements in Australia for tour operators to access public land. Why would the person I spoke about at Dinner Plain continue operating out of Dinner Plain when she can go to almost any other state in the country and find they are encouraging small tour operators and microbusinesses to operate?

They are dealing with the issue of insurance. It is well and good for this government to look into the good Samaritan laws and food regulations, but it has not addressed the issues of primary concern to people — insuring businesses in the adventure tourism industry in this state.

There was one business that just could not get insurance. It tried to get it from Lloyds of London on about three occasions. This is a major problem because it is no good reducing the premiums and talking about packages to encourage them if insurers will not look at the adventure tourism area. At least 12 or 18 months ago the government should have put in place a strategy to deal with the issue.

The person I was speaking about before is Helen Packer, but another couple affected by this situation are Steve and Kath Baird, who operate a successful horseback adventure tourism business. In April this year they put out an effective press release dealing with the bushfires:

> An adventure tourism company which has been unable to operate since the horror bushfires ravaged Victoria's north-east claimed today its plight had been ignored by the state government.

The press release refers to the fine print affecting adventure tourism and to these people also having huge pressure operating on public land. The government has not done enough.

Another example of the government's inaction was evident when my colleague Phil Davis asked the Minister for Finance a question in this place concerning the Friends of Coal Creek. On 17 April he got quite an extensive answer from the minister who outlined again these same old things I have been talking about: saying they feel they have done so well, saying sorry, talking about the food, the good Samaritans — they listed them all, but nothing visionary. The minister said:

> The affordability and availability of public liability insurance are issues that the Victorian government has been aware of and tackling for some time.

But that was in April 2003 and in an answer to me in the same chamber about a month later the Minister for Finance was not able to give me any indication of who had come to this state, although they have had a significant time to do it. The minister still does not know, although he was assuring my colleague that Coal Creek would be okay.

There is another issue about people not wishing to do business here because of the exorbitant public liability insurance issues. I was recently in Omeo where I met a marvellous man named Jock and his daughter. They have a very innovative approach to adventure tourism. They are looking into the niche market of brumbies. A number of wild brumbies — the horse variety, not the Treasurer — come into the valley and they look after them. They consider there is a niche market in which people will go to Omeo and adopt a brumby — several people want to adopt one. They will start what I believe is an effective tourist operation, encouraging people to come and see how the brumbies live in the high country of Victoria.

But when I was in Omeo Jock said to me, 'We are thinking about going to New South Wales. Victoria is making it so difficult for us, we are not even contemplating staying here. The public liability insurance issues are so great that we are considering going to New South Wales'. Here is another area that would have been bringing in more to the economy of Omeo, but they are seriously considering where they will do their business. What has the government done for these people? They have not given any assurance or certainty on what they can do.

The Minister for Finance has been extremely vague in his answers on public liability insurance. Yesterday he was overjoyed with what he had achieved, but this

morning's papers do not seem to agree. I will go back and look at some of the questions and answers he has given on these issues.

On 7 May I asked him how many additional insurance agents they had attracted and he said it 'is a very difficult question to answer'. This is the minister, the person who should be involved with encouraging people to come to the state, and he did not know. Perhaps he should ask the Premier. He might have a better idea.

I also asked him on the same day how many adventure tourism operators can operate on Crown land as a result of the government's trawling exercise to get people to come here to insure adventure tourism. The minister said:

> A lot of adventure tourism operators do operate on Crown land. Some … are operating under a scheme …

We know about the scheme, but he was still extremely vague.

I asked him specifically about the 65 operators who are looking for some certainty towards the end of this year as to what will happen. He said:

> The scheme has been temporarily extended, but there will be no commitments for ongoing assistance …

What certainty will that give the operators? We are talking here about 150 to 200 people, and everything that goes with them. It was not said just in response to questions from me; the Government Whip asked a dorothy dixer. She asked what action the government was taking to assist community groups and businesses in the current insurance environment and at that time the minister said about these reforms — and this is just laughable — 'Victoria led the Australian communities'.

I have been demonstrating how far we are behind New South Wales, Queensland and Tasmania. The government is believing its own spin. It believes the media releases it puts out. There is no foresight here and no understanding of what this looming disaster is all about. While recognising that there are 65 operators in difficulty at the moment, what are they doing to actually bring people in here? Not enough.

But there are some solutions, and it is the other states we look to on insurance matters. They have the vision and the way forward and we are just the followers. For example, the New South Wales Parliament held a joint meeting of both its houses to consider this issue. What are we doing? We are operating on press or media releases. We have not had a joint sitting to look at this big issue. We have management by crisis, management by press release and management by spin. This is exactly how the government operates. New South Wales has taken the initiative and has had a joint meeting of both houses of Parliament to listen to four expert witnesses give details of exactly what the ramifications are for insurance for the long-term situation. It knew how to plan a strategy. Not here! We are limping along.

Back to the communiqué, and remembering that this was issued in 2002:

> New South Wales has restricted the content of legal advertising. It has also halved the stamp duty on insurance to 5 per cent from 1 August 2002. New South Wales has provided funding to establish a group buying and risk management facility for not-for-profit bodies.

Then we have Queensland. The communiqué states:

> Queensland has established a group insurance scheme for not-for-profit organisations. The group insurance scheme commenced operation on 1 September 2002.
>
> Queensland has announced a reduction in stamp duty on public liability insurance premiums for not-for-profit organisations.

Tasmania implemented the abolition of stamp duty on public liability insurance policies from 1 July 2002.

Let me remind the house that Victoria does not have a mortgage on adventure tourism. Adventure tourism is something of which each of the states has a huge variety. We have to keep these operators in this state, we have to encourage them to be here, and we have to address what is a looming issue. We have still not seen that.

The Victorian Tourism Operators Association came up with a very good document, which it presented to the government, *Public Liability Insurance and the Tourism Industry in Victoria — The Solution*. It came up with a number of solutions. Its executive summary states:

> It is the purpose of this paper to present the available public liability insurance (PLI) options and training needs to the Minister for Finance and the Department of Treasury and Finance to address the current uncertainty surrounding the tourism industry in Victoria created by the insurance crisis.

This peak organisation gives the government advice. I believe it should have been the other way around. But not in this state! We do not operate that way. The paper continues:

> The available options to the state government to implement an insurance solution are:
>
> reduce the level of cover required to access public land;

> assist in the creation of a panel of authorised underwriters;
>
> assist in the creation of an industry specific captive designed for tourism operators.

A model is mentioned and VTOA goes into quite a lot of detail. The recommended model is that the state government has a planned exit and tourism operators have an option that not only fulfils their insurance needs but includes training and ensures the management of standards. VTOA's argument is that if it has a pooled insurance situation it can keep premiums down, it is reflective of its industry specifically and, indeed, it can use any additional money that is there to plough back into the industry into training and resource management. It is commendable.

VTOA is waiting for an answer on this issue. Unless it receives an answer by July this year it will not be able to implement a pooled insurance operation because it will be too late and we are going to find that those 65 operators plus an additional 150 to 200 operators are not going to have the surety of operations after 31 December this year. VTOA is trying very hard to come up with a solution, but the government has not even addressed this as an issue.

What are some of the things that the government could have done? I have just spoken about what it could have done with VTOA's proposals — VTOA being the peak organisation that has looked into this issue with a great deal of understanding of the particular issues that apply — but we must also go back and look at where this government could have been proactive instead of just being a follower. This state is now a follower.

Two years ago the government should have started to talk to overseas insurers making sure that the insurers were not going to leave and understood what the real ramifications, issues and impact were going to be. The government should have spoken very carefully with the insurers to see what it is and what it would have taken for them to have remained in Australia and support these vital industries. The government should have had the insurers here — speaking to them, understanding, listening. This government prides itself on listening. It might be here, but it certainly is not listening to what the industries are saying.

There is no systematic approach, and we have seen this. It is half-hearted, piecemeal, on the hop. We have not seen anything that has shown us that there is some strategic long-term plan. We have seen half-baked, piecemeal solutions. Indeed, we have seen a following. Twelve to 18 months ago the government should have approached all of the tourism operators. A lot of the insurers in this state of the people I was speaking about before — in the housing industry, in the medical industry, the plumbers and the accountants — should have been approached. There should have been a state forum. The government should have looked at some of these issues and begun to advise these businesses and micro-businesses of their options, where they could have gone, what they could have been putting into place 12 to 18 months ago. We did not see any sign of any vision, any understanding. Absolutely nothing at all!

This is a government that is reactive — we saw a clear example yesterday. It is not proactive. There is no certainty. Government members believe their own spin. It is a tragedy. We are starting to see them believing their own media releases. And they are prepared to sit back and make bandaid solutions, congratulate themselves, and feel very important about them. The reality is that they are bandaid short-term solutions for a very concerning problem.

The government is sitting back and hoping that after December this year the adventure tourism industry is going to suddenly be saved by a raft of insurers that are going to ride into Victoria and provide decent insurance for tourism operators. I doubt it very much. This state is not welcoming for business. There is no surety, no certainty, no vision. I do not think the adventure tourism operators will be there.

The government believes in big government, not in big business. We have seen it introduce 2000 additional public servants — an emphasis has been placed on that. We have not seen the government supporting small businesses. Yet they are the people who generate wealth for this state, the people who contribute to their local community and to the wealth of this economy. We are talking about a whole range of people who have been disadvantaged by the government's approach to this insurance issue, disadvantaged by the fact that the government has not encouraged people to come to this state, and disadvantaged in relation to other states in this country.

I finish my contribution by quoting VTOA's solution document again. It states:

> The Australian insurance market has not improved over the past 12-month period. In fact it continues to restrict. In addition to this, due to the lack of tort reform, insurers are now considering opting out, or charging a premium on policies written in Victoria.

> State government requirements for accessing public land are the most onerous in Australia, thus putting Victorian tourism operators at a competitive disadvantage.
>
> …
>
> Without the endorsement of the recommendations made in this paper and the subsequent intervention of the state government, hundreds of Victorian tourism businesses will close their doors on 1 July …

I would add to that 31 December this year.

It finally says, and this is what I say to this chamber:

> Action must be taken now to ensure the future of Victoria's tourism industry.

I reiterate that we condemn this government for its lack of foresight, its lack of vision and its lack of encouragement for businesses in this state.

Mr VINEY (Chelsea) — Acting President, firstly I would like to advise the house that whilst I have no direct interest in adventure tourism, I do have family members who are involved in the adventure tourism industry and so have something of an indirect interest. In fact I think the Honourable Andrea Coote has already identified it on my behalf earlier in her contribution.

I find this motion from the opposition somewhat bewildering, suggesting that the government is acting too little, too late, because certainly the opposition's motion was too little, too late. The government has been working with insurers, businesses, community groups and organisations and the medical sector to work through what has been an extremely complex and difficult issue facing not only Victoria but all legal jurisdictions in this country.

I listened carefully to the contribution of the Honourable Andrea Coote, and I would have to say that a lot of her contribution was couched in terms of assumption that the government has not been undertaking this work. But clearly the evidence is to the contrary. There have been extensive consultations in this sector. There has been a progressive process of reform and change that has been introduced by the government. I might say that this contrasts starkly with the Kennett government's approach to Workcover reform. The Kennett government's approach to Workcover reform in the 1990s was first of all to introduce a 30 per cent threshold on the American Medical Association schedule, and then to remove common-law rights altogether.

What this government has been about has been working through the issues with the industries involved — the community sectors, the tourism industry, the medical profession and insurers — to try to, in a sensible, considered and proportionate way, resolve the problems that face the Victorian community, and indeed the Australian community.

So first of all let us clarify and correct the misleading record presented by the opposition in this debate that the government has not been listening or talking to people in this sector, because that is certainly untrue. There have been public meetings that have been attended by the Minister for Finance and Leader of the Government in this house. There have been extensive consultations undertaken with the insurance sector. There have been considerable discussions by both the Minister for Finance and the Minister for Health with the medical profession and medical insurance funds. So this is clearly a nonsense that the opposition is trying to put forward here that there has been no proper care and attention given to this issue.

The next issue that was put forward was that this government lacks vision. This government has a clear vision. It was in a document called *Growing Victoria Together*, and it was a vision about bringing the whole community together, working together collectively for the benefit of the whole community, making sure that there was a redirection of priorities towards the things that concerned Victorians, like health, education and community safety that the Kennett government ignored and in fact downgraded.

There has also been a commitment by this government and a clear vision of this government of consultation, of listening and of acting after we listen to the concerns of the community. And here is a great example of the government implementing that general philosophy and vision of the way it wants to approach government to resolve a problem that faces this community.

All members of this house can agree that the insurance problem that we have in this community is a severe one. If we were to allow the insurance crisis to continue, the net result of that would be that people's rights to be compensated properly and fairly where they have suffered an injury as a result of negligence would be diminished because there would be no insurers in the market, and the only thing that would be left for people to do would be to go after the personal assets of the person they believed was responsible. We all know in this chamber what that would lead to. It would lead to a chaotic system. It would encourage people involved in providing services to make sure they did not have assets that were accessible to legal redress, and it would be a disaster for the whole community. What the government has done here is to try and get in place, in a very complex and difficult scenario, the correct balance

of rights of people in this community — the correct balance between ensuring that people are able to be compensated where there has been a serious injury as a result of some negligence, and to ensure that that is there. But in order to do that we have had to recognise that there may be some loss of rights of access to legal redress through the courts for minor injuries, certainly in the case of compensation for general damages, or what is often known as pain and suffering.

What we have seen from this government over the last 18 months or so is a progressive implementation of reform, and I remind the house that in October 2002 the government passed legislation on this matter which placed a cap on non-economic losses of $371 380, indexed to the consumer price index. The government provided for waivers that will allow people to accept responsibility for their participation in risky activities. This was a very important part of the claims, particularly in the adventure tourism industry, to ensure that when people participate in risky activities they acknowledge that they are undertaking that risk at some of their own responsibility.

Other reforms include the creation of a cap on loss of earnings at three times average weekly earnings, setting the discount rate at 5 per cent and adjusting that from time to time to reflect actual real investment returns; protection of volunteers and good Samaritans from the risk of being sued; and ensuring that saying sorry does not represent an admission of liability. And in many cases, particularly in cases of medical error, that is in fact what the person is looking for — that they want an apology. But the medical profession has been unable to offer that apology in many instances because it was concerned that it may lead to an admission of liability.

Other reforms introduced by the government include ensuring that when someone has suffered injuries as a consequence of their own criminal activity or the taking of alcohol or drugs that is taken into account by courts; protecting food donors from liability where they have donated food to charities in good faith; enabling substantial amounts of damages to be paid in regular instalments — that is, structured settlements — instead of as a lump sum; requiring insurers to account clearly for the collection of levies and their remission to the fire authorities; and the appointment of a special insurance commissioner to the Essential Services Commission with responsibility for collecting insurance data to ensure transparency and fairness in the pricing of premiums. Those reforms were introduced in October 2002, and they started the process of reform to ensure that we got a response to the issues that were facing Victoria in relation to this insurance problem.

Then we come to yesterday's announcement by the government about the latest raft of reforms. These are the ones I referred to earlier as a more significant raft of reforms, and they have been adopted by the government with a great deal of caution and care because they involve the alteration of people's legal rights. The government has introduced a 5 per cent threshold in relation to claims for general damages using American Medical Association schedule 4. A 10 per cent threshold will be introduced in relation to psychiatric impairment. The right of people to claim medical costs and lost wages will be unaffected, but there will be exemptions to the thresholds in the cases of loss of a foetus during pregnancy, loss of a breast or sexual abuse.

There will be alterations to the statute of limitations: the period for making a personal injury claim for adults will change from six to three years from the date of discoverability, and the period for making claims for minors under 18 will be six years from the date of discoverability. In addition claims will be barred 12 years after the event which caused the injury, in accordance with the Ipp investigation; however, there will be the opportunity for persons who later discover the impact of such an injury to apply to the courts for an extension to that 12-year limit. The government will also make it mandatory for medical professionals working in the private system to report medical errors.

This general package of reforms announced by the government has been for the express purpose of ensuring that we can get insurers back into the market in Victoria. The government expects that the package will reduce the number of small claims that are made and the capacity for increases in the size of those payouts and claims. There has been extensive discussion with the insurance industry, and the government is confident that this package of reforms will encourage insurers back into the Victorian market.

The opposition raised the question of the 1 July imperative that faces us, and that is valid, but we can be confident of the return into the market of the insurance companies as a result of the discussions that have been held with the sector. The package of reforms is about encouraging the private sector market, which is a global market, back into the Victorian market.

I will pick up a point that was made by the Honourable Andrea Coote during her frequent references to the New South Wales response. The information she gave to the house really would have had more integrity if it had been made clear that the New South Wales problem is far bigger than the Victorian problem. Each insurance market in Australia operates in a different

legal setting in each state, and New South Wales has had much larger payouts and a much bigger problem, and it has required a different response from that required in Victoria.

The response of the Victorian government has been made after extensive consultation and discussion, and we are already seeing some of the benefits of that in Ballarat. The opposition seized on this issue yesterday in question time when it was jumping around and talking about the problems in Ballarat, but today's Ballarat *Courier* has the headline, 'Leading Ballarat obstetrician to continue'! So one day after the announcement of this package of reforms we have medical practitioners immediately coming back and saying, 'This is the correct range of settings that will encourage insurers back into the market and enable medical practitioners to continue their important work in our community'.

The package of reforms will also provide opportunities for adventure tourism operators, other people in the tourism sector and other private sector businesses to get the level of insurance they need to continue operating. The government also believes that as the market forces come back into the Victorian insurance market, they will put some stabilising if not downward pressure on premiums.

These reforms will ensure that people in Victoria who have had a significant injury will continue to have the right to seek compensation — unlike what the Kennett government did under Workcover, when it simply removed people's common-law rights. That was a disproportionate response, and one sometimes wonders what the purpose of that response was and whether it was some kind of cash grab to make Workcover a cash cow. If there were to be no common-law claims and the premiums were to continue, then that was the only conclusion one could draw from that disproportionate, arrogant and out-of-touch response on Workcover.

What a contrast it is to see this government — with its commitment to growing the whole of Victoria and its commitment to consulting, listening and then acting — putting in place a set of reforms that are proportionate with and respond to the problem, that are sensible, and that have industry and community support. What a contrast it is to see the effective work done by this government to try to ensure that people continue to have the right to proper compensation when they are seriously injured.

It is true that some people in the community and certainly some in the legal profession have raised concerns about the loss of some rights of people who have minor injuries. Those rights continue in relation to economic loss, but in relation to general damages for pain and suffering there is a threshold under the AMA guidelines of 5 per cent, and 10 per cent in the case of psychiatric claims. That is, if you like, the minimum level to ensure that we can encourage insurers back into the market.

No government enters lightly into a process of diminution of people's rights, and this government has done so with a great deal of care and concern and with a great deal of caution. It is important that in making sure that members of the greater community maintain their rights we do not end up with chaos, with people suing and pursuing other people's personal assets. We need to ensure there is insurance in the system, that people can undertake activities, go to a medical professional and participate in community activities, events and festivals with the confidence that if they get a serious injury their rights are maintained, and if they get a minor injury they are still entitled to compensation for medical expenses and economic loss. The government has put together a proportionate response. It is appropriate. We are assured that it will deliver what we all know we need in Victoria and we are confident that can happen.

The government will monitor the process and ensure those goals of making sure our community is covered through the process of insurance and that we do not end up with the chaos that would occur if there was a lack of insurance in the community with people pursuing personal assets and others trying to hide their personal assets to avoid losing them. They are the goals of the government as well as trying to get a balanced, sensible response to a problem that is driven from a range of external and international pressures; and ensuring that what occurs in the future will be balanced, proportionate and responsive to the issues and concerns raised by the sectors involved — insurers, the legal profession, the tourism industry, community groups and local government.

There has been extensive consultation and the bill is responsive to the needs expressed to the government. It is proportionate to the concerns raised and I reject absolutely the nonsense of the opposition's motion that suggests the government is acting in anything other than a sensible, proportionate and responsible manner.

Hon. P. R. HALL (Gippsland) — I welcome the opportunity to speak about insurance this morning because insurance in its various forms has been a difficult subject over the past few years. The collapse of HIH Insurance, one of our major insurance companies, and the events of 11 September and the huge financial

impost that event imposed on insurance companies has exacerbated the difficulties that insurance companies have experienced worldwide. Those difficulties have manifested themselves into some very harsh premium increases for a whole range of insurance services, but particularly in areas such as public liability insurance, medical indemnity insurance and the like. It has also led to other insurance companies ceasing to operate and to offer policies for organisations, individuals, businesses and people wishing that sort of protection. Insurance has been a critical issue for some years.

The debate this morning is also timely because it gives members of the government an opportunity to expand on the comments made yesterday by the Premier and the Minister for Finance on a new package of insurance reforms that the government wishes to put before the Parliament this session. It is a timely debate in both those senses.

Over the past few years we have had a number of debates on insurance, particularly public liability insurance, in this Parliament. It is interesting to note that the people who have raised this matter for debate have always been members of the Liberal or National parties. Government members have not put up the topic of public liability insurance for debate in their time in government. We have had a couple of private members bills before the Parliament moved by members of both the Liberal Party and the National Party on this subject and we have had a couple of notices of motion providing an opportunity to discuss this issue.

I acknowledge that members from both sides of the house have frequently raised in the Parliament particular issues concerning clubs, organisations or businesses in their respective electorates and the difficulties their constituents have with public liability insurance. Yesterday, for example, I raised a question without notice to the minister on this very issue and later in the day my colleague the Honourable Barry Bishop raised in the adjournment debate another aspect of public liability insurance. Again today Mr Bishop made a statement which concerns an impact of public liability insurance on a group in his electorate — such is the frequency of members raising this matter. It is important that we have the debate and it is particularly important to debate the announcements made by the government yesterday.

I would like to comment too about the office of the Minister for Finance. In his answer to a question from the Honourable Bob Smith yesterday the Minister for Finance mentioned that his office had personally dealt with something like 400 community groups or organisations. I would like to compliment the office of the Minister for Finance and the people within his department who have followed up on those individual approaches. I have referred quite a number of organisations and individuals to the minister's office and invariably somebody from the minister's office or his department has rung back and spoken to those people and tried to help them in some way or another. Whether they have succeeded in helping them or not I am not 100 per cent sure of, but the fact that the minister's office has authorised somebody to ring those people back and talk to them is commendable. I want to say, 'Well done'. That is the sort of efficiency that should be displayed in a government department or a minister's office. In this case the minister should be acknowledged for the excellent work that he and his staff have done in following up individual complaints on this matter.

I need to respond to a couple of comments from Mr Viney. One of the main thrusts of Mr Viney's contribution was that he contrasted the approach by the Kennett government on Workcover reform with the Bracks government approach to reform in public liability insurance.

He was very critical that the Kennett government's reform took away all common-law rights under Workcover. The legislation announced yesterday also takes away common-law rights; it is the same principle. The essential difference is the threshold levels that have been applied in both systems. The Kennett government reforms under Workcover provided for a 30 per cent body impairment threshold. The public liability insurance measures announced yesterday include two threshold levels: 5 per cent and also 10 per cent for psychological impairment. But they are still threshold levels.

As I said, the Kennett government reforms under Workcover took away common-law rights. I felt uncomfortable about that and expressed that view at the time, but these proposed changes also take away common-law rights. The essential difference is the threshold at which those common-law rights have been taken away, but the principle is exactly the same. Mr Viney's argument in condemning the Kennett government because it took away common-law rights needs to be counteracted by saying that these proposed changes also take away common-law rights. That is why today's paper says that the labour lawyers are once again not pleased with these amendments.

During the course of today we will debate the effectiveness of the government's response to the insurance crisis and there will be varying views; we have already had some. One of the things that is

indisputable is the criticism of the timing of reforms and the government's tardiness in responding to some of those issues. I say tardiness because although announcements were made yesterday — and we will argue about whether the proposals will be effective — 30 June is D-day for a lot of organisations, groups and individuals. Unless some drastic changes emanate from this legislation, 30 June will be difficult for some organisations.

There are still no guarantees on them being able to arrange re-insurance after that date. It would have been helpful to have had the insurance package which was announced yesterday before this Parliament two months ago. At least we would know whether new insurance companies are going to enter the market and whether premiums will be set at an affordable level for groups and organisations. We would have had some knowledge of how the package announced yesterday would impact on the insurance market. But we do not know that and with only five or six weeks before 30 June one wonders whether these reforms are going to have an impact in that short time. It is a valid criticism to argue that the government has been tardy in responding to the urgent needs in this area. They have not just arisen in the last 3, 6 or 12 months; the matter has been on the agenda for some time.

I looked back through the records at what the National Party has been saying about public liability insurance in the last two years. The Honourable Andrea Coote outlined what the Liberal Party has been saying and doing. I want to mention some of the things the National Party has been doing, because it has tried to work closely with the government to resolve some of the public liability insurance issues. I am sure the Minister for Finance, who is now in the chamber, will acknowledge that the National Party has been genuine in its efforts to address the growing crisis in public liability insurance.

On a two-year timetable, back on 29 July 2001 the National Party called on the Labor government to convene a forum among key stakeholders to tackle a growing problem in country Victoria caused by increasing public liability insurance premiums. On 29 August 2001 the National Party announced that it would host a public forum on 24 September to tackle the problem of premiums. The National Party was genuine in its efforts to bring the players together to seek some resolution.

That prompted the Labor government to announce on 5 September 2001 a public liability insurance forum. On 10 September the government announced that 21 September would be the date for its forum.

Consequently the National Party, because it had planned its forum for four days after that and realising that it would be a duplication of efforts, cancelled its forum with the assurance that it would be able to participate in the government's forum. The Leader of the National Party went to that forum, actively participated and made a strong contribution.

On 11 October 2001 the National Party called on the Minister for Sport and Recreation to get involved in helping local sports clubs to find a solution to increasing public liability insurance premiums. That problem still goes on today and many sports clubs are facing great difficulties. In his adjournment contribution last night, the Honourable Barry Bishop cited just one example of a country sporting club facing great difficulties.

Once again, to show the National Party's determination on this issue, on 30 October 2001 the Leader of the National Party in the other house gave notice of motion which stated:

> That this house notes with grave concern the spiralling cost of public liability insurance premiums and the consequent devastating impact upon a vast array of activities, organisations and individuals in country Victoria and calls upon the Victorian government to:
>
> (a) establish a central register of those in country Victoria who are so affected;
>
> (b) coordinate available mechanisms to address the issue with those who are so affected; and
>
> (c) investigate every possible option for resolution of this issue in a manner which best advantages those so affected.

Because of the system in the other place, when one gives notice of motion it is at the whim of the government whether it is brought on for debate and consequently that notice of motion was never debated. More is the pity because it was once again a genuine attempt to bring this issue to the forefront, to get Parliament talking about it and to find a resolution.

On 25 January 2002 the government announced a $100 000 assistance program for adventure tourism operators. Both the opposition and the National Party welcomed that but we also pointed out that not only adventure tourism operators were in trouble. So on 29 January 2002 the National Party released a proposal for changes to meet the crisis in public liability insurance availability and cost, and that was actually the first attempt by any political party to put a solution on the table. It has taken the government almost 18 months to respond in a similar way by putting forward packages to help address the problem.

Part of the National Party package was to include an exemption for volunteers and community groups from civil negligence actions. It proposed the introduction of a $36 000 threshold and a $4.5 million cap in relation to damages payments, among other things in that proposal.

I will not go through the whole list but we had a series of government actions. The next important part was on 19 March when the Insurance Council of Australia, through Mr Raymond Jones, came out backing the National Party's public liability insurance proposals, saying they had merit and would go a long way towards finding a solution. Then on 26 March we had a ministerial statement on public liability insurance in the state Parliament, and as the Honourable Andrea Coote said in her opening remarks in this debate, the sentiment expressed in that ministerial statement was one of caution: do nothing; no tort law reforms were necessary at that time. Now, 12 months later, there is a complete reversal on that position. If the government had had the foresight 12 months ago and had been doing something to try to address this problem we would not be in the crisis we are in today. Since then there have been meetings of government ministers from all states and the commonwealth to try to address some of these issues, and actions by the Liberal Party with its private members bill on 15 May 2002 which has been talked about.

On 30 May 2002 the state government announced it would introduce legislation to exempt volunteers from civil negligence action. When? We still have not seen that. We have seen some protection to Country Fire Authority volunteers, but we have not seen any protection extended to other volunteers across the community. So on 12 June 2002 the National Party introduced and second read the Volunteer Protection Bill in the upper house of Parliament and I had the honour of moving that private members bill on behalf of the National Party. We actually had that debate and voted upon it, and I thank the Liberal Party for its support.

In the meantime temporary insurance was arranged to cover organisations like volunteer pony clubs. Insurance was found until 30 June 2003, and a little later on some cover for community-based organisations was assisted through the Municipal Association of Victoria, and that was welcomed. But once again that cover expires on 30 June this year — in five or six weeks time — and there is still no guarantee that a scheme is in place to replace it.

So there has been a fair bit going on over those two years, but most of it has been prompted by the opposition and National Party calling on the government for some action. As has been mentioned in debate, the government passed the Wrongs and Other Acts (Public Liability Insurance) Reform Bill on 16 October 2002, and Mr Viney commented upon that today. On my assessment it has made no great impact at all and that is why we have had to have this legislation announced yesterday to try to improve the situation. I give that time frame to point out the fact that this is not something that has just come to the notice of the government. We have been pushing this issue very strongly for at least the last two years, and indeed there should have been more timely action taken to prevent the crisis which will occur in five or six weeks time when that 30 June deadline comes about.

I will quickly mention the government's solution compared with what the National Party proposed in its private members bill which was never debated. As I said before, there is a difference in principle in the approach to the two. Both incorporated a threshold; the National Party proposed to establish a threshold of $36 000 after which people could sue for negligence. The government threshold is 5 per cent in the case of a physical impairment, or 10 per cent in the case of a psychological impairment.

We have a fundamental problem with establishing a percentage body impairment as a threshold level. Think about what happens in Workcover, when you look at the 30 per cent impairment level, and the great fuss and bureaucratic nonsense we go through with medical panels, appeals and subjective assessments as to the level of impairment. I do not know how many cases I have had to deal with through my electorate office where people feel their assessment by the medical panel has been inappropriate, where they have had to continually go back to doctors to get a certificate, and where there have been appeals and objections and conciliation meetings. It just seems that having a threshold which is a percentage of body impairment creates a legal nightmare — or a feast for some of the people in the legal fraternity for matters like these.

It appears to the National Party that it would be a far more sensible system to set a threshold at a monetary level whereby if the legal representatives of a particular person felt that threshold could be reached they would take it to court and let the court decide whether they should qualify for compensation for pain and suffering beyond the threshold level. We believe strongly that would have been a far neater and more efficient way to bring about changes that would bring down the cost of public liability insurance. That was the essential difference between what was proposed by the National Party and what was proposed by the government. Both

actually set thresholds, but whereas the National Party has argued for a dollar threshold the government is proposing a percentage body impairment threshold. We will see how that evolves when legislation comes before the Parliament. We can have a close look at it and I am sure a lot more will be said about it.

The last point I make is that whether we are talking about public liability insurance for adventure tourism operators, pony clubs, community festivals or a number of community-based organisations or about medical liability insurance or builders warranty insurance — which has been another big issue and I know that in my electorate building surveyors liability insurance is a big issue and we cannot get building inspectors in some parts of country Victoria because of the cost of their liability insurance — the one thing that still certainly plagues my mind and probably everybody else's minds is the fact that nobody can give any assurances that the measures proposed by the government are going to be effective.

I note that even in the government's press release of yesterday — —

Mr Lenders interjected.

Hon. P. R. HALL — If you read the *Age* today you will see a report of a midwife who says she will not be going back into private practice. I am saying there are differences of opinion, Mr Lenders.

We do not know what the impact has been but had there been a more timely introduction of the legislation — that is, had it been before us three months ago — we might have been able to assess the impact. Then people would have known whether new insurance companies will enter the market or existing insurance companies will reduce premiums. We do not know that; we just have to hope it will occur by 30 June.

Even the Premier in his statement issued yesterday said:

> We anticipate these changes, with the government's other insurance reform measures, will encourage new participants to Victorian insurance markets and stabilise the cost of premiums.

It is an anticipation of what will happen but there is no guarantee. That is why I say that the timing of this is not good. It would have been far better to have had it well and truly on the table before now. The only way you can guarantee new participants in the market or a reduction in premiums is to look at the establishment of a state insurance office so that the state government will actually be involved. I considered it quite valid for the Honourable Ron Bowden to ask that question yesterday about what measures had the government actually considered, including the establishment again of a state insurance office to actually address this. It is worthy of consideration. I would have hoped that would be one option the government would examine.

I know that many members of the National Party consider the reintroduction of a state insurance office would be an appropriate step. It would at least guarantee some competitiveness within the insurance market. I hope the government will assess the impact of these changes and perhaps in the future consider other alternatives as well.

I conclude by saying that the National Party welcomes the debate from the government, the opposition and us about what we think will be the effectiveness of the changes proposed yesterday by the government. We welcome that debate but we are very firmly of the view that it is at any rate at least too late — and whether it is too little will be told — and the government should have responded in a far more timely fashion so that the people facing the crisis on 30 June would have had more time to assess the impact or could have had more time to help resolve the significant issues they currently face.

We are prepared to support this motion moved by the Honourable Andrea Coote. At the same time we cautiously welcome the government's move announced yesterday and hope it improves the insurance situation for many of those we represent.

Hon. E. G. STONEY (Central Highlands) — Despite the government announcement yesterday, which we welcome — as Mr Hall also welcomes it — because the Liberal Party welcomes any move to assist adventure operators especially and all people looking for public liability insurance, it is also important to say that the adventure tourism industry in Victoria is still facing oblivion. Mr Viney said that the Honourable Andrea Coote made some assumptions that were false, and he actually called them nonsense. So I will give the house some facts about the position as of today.

Since the passage of the government's 2002 legislation the industry is still facing extreme hardship. In Victoria some 150 adventure tourism operators have ceased trading and many more are considering their options as at 30 June when their insurance has to be renewed. They are not sure if they will be able to get insurance. I totally agree with Mr Hall that it is far too late to assess whether the bill in the other house will have any effect on next year's premiums.

The number of distressed accounts underwritten by the Victorian government has risen from 25 in June 2002 to 65 today. There is confusion among operators as to whether the amendments to the goods legislation apply to corporations. There is also confusion about the level of protection afforded by the Trade Practices Act. Operators in Victoria believe that the New South Wales legislation offers them far more protection than does the Victorian legislation; therefore, New South Wales operators have an unfair advantage.

Mr Hall listed concisely the goings-on about this issue during the past two years, but I believe the government still has not got it right. The basic problem facing the adventure tourism industry in Victoria today is that premiums are far too high and insurance premiums are too high as a percentage of the gross income of businesses. That means that unless a way is found to dramatically reduce premiums almost all smaller family-type adventure tourism operators will be forced to cease operations — and to an extent this has already happened.

I have said before, and the Minister for Small Business said it again yesterday, that this is not the government's fault. Everybody agrees that this is not the government's fault, but where the government is at fault is through its slowness to respond with strong measures to lift the morale of operators and to encourage insurance companies to come back into the industry. As Mr Hall listed, last year the Liberal Party and the National Party made several serious attempts to assist in that process.

The Mansfield public liability task force prepared legislation. We called it the Adventure Activities Protection Bill, but as Mrs Coote said, it is commonly known as the Mansfield bill, which is a compliment to the people of Mansfield who are well known for their proactive work not only in public liability insurance but also in many things including shire devolution.

The problem has been that the government's wrongs and public liability legislation avoided the central problem — that is, that small claims make up the bulk of the claims. I will briefly talk about Mansfield and in a minute I will return to what we have been talking about.

Last spring the Mansfield operators asked the Minister for Finance to look at reducing the $10 million public liability requirement for operators who work on public land. It reminds me of the proactive stand that Mansfield people always take on such matters. The operators put a succinct case that it would assist them if the liability on public land requirement were reduced to $5 million because premiums would reduce and the government would face hardly any extra exposure.

The minister said, 'I am going to leave this meeting and investigate the potential to reduce the $10 million government requirement and get back to tour operators'. Unfortunately, he did not get back to the operators. The first we really heard of his answer was when he did — and I admit he did, and I thank him for it — give a full answer in the house recently on that issue. It is interesting to note that once the election was over the government walked away from the operators on an issue on which it could have assisted them.

A year ago the government was ducking the hard decisions while the Liberal Party and National Party were attempting — on a bipartisan basis, I might add — to find a solution.

Hon. J. H. Eren — That's rare.

Hon. E. G. STONEY — It is rare; it is politics, but in this case it is genuine. Everybody agreed that we needed to find a bipartisan way through it. Had you been here, Mr Eren, you would have seen how heartening it was to see us try, but unfortunately the government rejected our overtures on that occasion.

The Adventure Activities Protection Bill — the Mansfield bill — had a basic premise. I quote from its second-reading speech:

> The bill is built around the principle that people voluntarily undertaking inherently risky activities should not be able to sue for damages if something 'minor' goes wrong —

such as the government's slips and tricks, I should say —

> but should have unfettered rights in cases of serious injury.
>
> … Actuarial advice received by the task force is that operators could look forward to substantial premium relief if insurers were not at risk for minor claims.

Unfortunately the government rejected that premise. It even said that the Liberals had not done anything; in fact, it constantly said that the Liberals had not done anything, which I now reject. Its attitude is contained in a reply by Mr Lenders to a question from me:

> Unfortunately, the Mansfield legislation would not fix the problem. You cannot legislate for private insurers to come into the market and offer insurance.

I point out that the government can create a climate, and that is what the Mansfield bill did. It is up to governments to create a climate that will encourage the insurance industry to come in. They have that power. Even two months ago the government was adamant it

would not do that. The minister said in the same answer:

> If it was such an easy panacea to cut insurance by 40 per cent, this government would have seized and embraced it and run and claimed it very early on. If the member believes in nirvana, if he believes in the tooth fairy, then he should perhaps be in another place.

That is exactly what the minister is hoping to achieve with the bill, except that the 5 per cent threshold in the opinion of the industry will not go anywhere near it.

Ms Mikakos when speaking on the Adventure Activities Protection Bill in the May 2002 said:

> The public policy issue that needs to be grappled with is whether, as a community, we think it is acceptable that we remove people's rights to seek compensation under common-law rights that they currently have …

For 12 months the government has fiddled. The Wrongs and Other Acts (Public Liability Insurance Reform) Bill ducked the central issue. The government has been forced to act, and with Mr Hall I hope it works, but it is far too little. Yesterday the government issued a media release but we have not yet seen the bill. The media release states:

> Mr Bracks said small personal injury claims would be subject to a threshold for general damages under the reforms …
>
> …
>
> Over and above those claims, general damages for pain and suffering will be awarded where an injury is assessed at greater than 5 per cent impairment.
>
> …
>
> In some cases, insurance is not available at all because insurance companies are refusing to write policies where they believe the risk is too great. We have a responsibility to strike the right balance between protecting people's rights and ensuring a viable insurance industry.

Then the Premier went on to say that legislation would be introduced to implement a 5 per cent threshold, and the media release then states:

> The thresholds represent a fair and reasonable balance between the legitimate needs of people injured through negligence, and the needs of responsibly managed businesses, individuals and community groups to have access to affordable insurance.
>
> The introduction of a threshold for general damages in personal injury claims will reduce the number and total cost of claims, particularly smaller claims.

I have laboured on the press release on purpose because this is like a deja vu experience of a year ago in this chamber, when the opposition attempted here and in another place to discuss and promote principles outlined in this media release. I assume the bill to be introduced will contain the same principles. It has taken a year of fiddling by the government to come to the point that we suggested on a bipartisan basis a year ago.

A year ago that Mansfield bill contained everything in the principles outlined in the press release. The government's answer was the Wrongs and Other Acts (Public Liability Insurance Reform) Bill introduced in the spring sitting. It is clear that that bill did not address the number of small claims and the principle that people take responsibility for some of their own actions while being covered for serious injury, certainly being covered by any neglect if it results in a serious injury. The bill did not address the basic fact that those who make a decision to partake in adventure tourism have control in their own hands. They do not have to go on such tours, and therefore they should take some responsibility for making that decision.

Today's *Herald Sun* reports that the Insurance Council of Australia was very keen on the principle announced yesterday, as it was, I add, to the Mansfield bill. The article says:

> … Insurance Council of Australia southern group manager Peter Jamvold said the reform was the only way to improve access to affordable insurance.

The next comment is interesting:

> But neither the council, nor individual insurers, would indicate whether the move would lead to a drop in premiums.

Why? Because 5 per cent is not enough to reduce premiums anywhere to an extent that they will be meaningful. It has only been a few hours since the announcement, but it will emerge that 5 per cent is not enough. I understand that the Mansfield task force calculated that up to a 20 per cent to 30 per cent threshold will achieve a significant drop in premiums.

I am very concerned about the fate of the last-resort insurance program that the government, quite rightly, introduced. The government is covering up to 65 operators, as I mentioned earlier. It has been extended to December. I am concerned, and the signs are ominous. In answer to a question from me on a related subject the Minister for Finance expanded by saying:

> As I have mentioned in this house before, with any action we take on insurance — where the government steps in and acts — we require an exit strategy because from the Victorian taxpayer's view it is not our role to use taxpayer money to subsidise commercial operations.

The minister is talking about an exit strategy, so the danger signals for the industry are well and truly clear. My bet is that when the bill is introduced the

government will eventually dump insurance of last resort, which is of concern.

I take issue with a statement the minister made in answer to a question on 26 March this year where he said:

> As I talked through the issues of insurance with some of the members of the Mansfield community, it was clear that part of the reason that insurance premiums were so high was because some areas had shocking claims records, and insurers are not going to invest their dollars where there are shocking claims records.

I dispute that there were many shocking claims records as the result of neglect. There were many claims, but I point out strongly, as I have before, that it is insurance company policy that anything under $20 000 is not tested. They get a letter of demand from someone who falls off a horse, for instance, and they pay and then that goes on the record. There are many stories of clients having minor falls, knowing that companies pay out. They send in a letter of demand and the next thing a cheque arrives in the mail.

I conclude by quoting from Sandy Tod, past chair of the Mansfield public liability task force, who said:

> The package as outlined represents an infinitesimally small step in the right direction.

That is a fair and balanced assessment. He goes on to explain that we need two or three years lead time to assess whether premiums will reduce, and states:

> The public liability issue is as relevant today as it was a 18 months ago, premiums have not been reduced. The adventure tourism industry will collapse if this is the most powerful measure the government can offer.
>
> A knockout punch is needed. This is not even a body blow.

The government has failed to introduce meaningful reform. It has made a token gesture of 5 per cent. It is a pitiful amount, and unfortunately the government is incapable of taking the steps it needs to reform the industry.

Mr SMITH (Chelsea) — I rise to speak in opposition to the motion because it is a dud. This motion was clearly planned weeks ago. It was only yesterday that the government announced that it had set in train a number of decisions that it hopes will alleviate the problem. Yesterday opposition members were not quick enough on their feet to think of something more constructive to raise during opposition business and decided to go with this motion. Once again they have laid themselves open to serious attack, if you like — —

Hon. E. G. Stoney — Let's have the attack, Bob!

Honourable members interjecting.

Mr SMITH — These interjections are overwhelming me. The Bracks government has clearly moved to ensure that all citizens in this state are able to procure the appropriate insurance necessary to address the serious problems that have existed now for approximately 18 months.

It has been a very difficult issue for the government to deal with. It is no secret that we have upset some supporters within the labour movement in doing what we have done, and it has created, internally, some friction. And for one simple reason: we are taking away, to a small degree, people's rights. We are not comfortable with that. We never have been. Unlike members of the opposition who have no qualms about taking away people's rights — and they have demonstrated that in government — we had great difficulty in doing this. It is anathema to many people on this side of the house to remove people's rights in any way, shape, or form. But at the end of the day and in the final analysis we understand that, putting it all together, there was no option, and this was the necessary decision in terms of doing what is right for all of Victoria.

We have demonstrated a capacity, once again, to do the right thing by all Victorians, even though we have copped criticism in the media from people who are part of the labour movement, and we have had to wear that. This decision is clearly in the best interests of Victorians. The reality of the situation is that in the last 18 months we had a potential capital strike. By that I mean the insurance industry was threatening to withdraw capital in Victoria, and we know what sort of disaster that would have been for all of us — not just the medical fraternity or business, but indeed for every part of our society, whether it be social clubs, golf, football, cricket or pony clubs, as well as adventure businesses, tourism and so on. They would all have been significantly impacted on if this issue had not been addressed, and we have done it.

Enormous pressure was applied on government by obstetricians in particular. All of us would have had visits in one way or another from either obstetricians or pregnant women, coming in to put pressure on and raise concerns about the impact it would have on them if their obstetrician was not able to assist them in their delivery.

It was clear to us that the issue had to be dealt with. I read today in the Ballarat *Courier* that Dr Judith Fleming would no longer stay in Victoria; the pressures were too great and she would take up an option made

available to her in Dubai. I wish her well. I am sure she will do a fantastic job there as she has done in Ballarat; but again it demonstrates to us how difficult and dangerous the situation was developing to pregnant women in particular.

We have made the hard decisions and brought in what we believe is an appropriate bill to deal with this particular matter. It is almost laughable that the opposition brings this on as opposition business to criticise us for not having done enough on the very day we announced that we were going to do something. I have not heard one contribution yet from the opposition as to what it would do if it were on this side of the house. None. Just whingeing, carping and complaining, and hardly dealing with what we have done.

Last year the government capped the amounts that can be claimed in general damages and loss of earnings as a precursor, and in an attempt to rein in the costs that were escalating in the insurance industry. The costs have escalated, in my view, as a direct result of 11 September. Since that time there have been massive payouts incurred by the industry and companies are trying to recoup their costs.

As was explained to me once by supposedly an expert in the industry, the global insurance market sees Australia as basically a little blimp in terms of its industry and it was clearly not prepared to continue to service us unless there was a significant return on its investments. And with the threat of a capital strike we had no real option. What the government has done in the final analysis is to come up with a quite acceptable bill to address these issues. To be accused of not having done enough or having been wrong after all of the discussions, communications, consultations and so on that we have gone through is a bit much.

In addition to what I am saying as to why the opposition has it wrong and we are right, I will refer to today's *Herald Sun*. People have mentioned some articles in the newspaper in their contributions and I will read another. The editorial headed 'Collateral damages' states:

> It had to happen: opportunistic lawyers, who racked up often obscene damages payments for clients and fat fees, wrecked the system.
>
> Now the Bracks government is forced to introduce radical reforms to medical indemnity and personal injury laws.
>
> The changes, centring on defining pain and suffering, will save millions of dollars in grossly inflated damages payouts.
>
> The reforms are meant to halt spiralling of insurance premiums — whether they do remains to be seen.
>
> The government had to preserve the right to sue for loss of income and medical expenses. But under the new plan a 5 per cent impairment threshold must be reached before they can sue for pain and suffering from physical injury.
>
> The degree of impairment will be assessed using criteria already applied by the TAC and Workcover and which now face heavy criticism.
>
> Personal injury claims by adults must be made within three years (six for children) of a problem being discovered but no more than 12 years after the event that caused the injury.
>
> This will remove the threat, particularly for obstetricians, of the resurrection of long-forgotten events.
>
> The government, sensibly, will empower the courts to allow extensions where the problem would not reasonably have been detected within the time limit.
>
> Reactions were predictable: lawyers, unions and civil libertarians slammed the reforms; doctors welcomed them — with reservations.
>
> But the real test will be how they affect ordinary Victorians.

Again we have demonstrated that despite the opposition from our supporters, we are capable of making the hard decisions that are in the best interests of this state. The editorial in the *Herald Sun* agrees with what we are doing. It is a pity the opposition did not take any notice of it.

There is another article that refers to a Dr Tony Krins, who is an obstetrician, and rather than reading verbatim I will paraphrase it. It refers to the fact that hundreds of pregnant Victorian women have now been given hope that they will actually have access to their obstetricians as a result of what we have done.

It is hard for people of my gender to imagine what it must be like to be getting close to delivery time not knowing whether you will have your obstetrician available. I imagine it would place enormous pressure on women, their partners and families. We certainly hope that what we have done will alleviate that problem.

The other issue Dr Krins has is that while this goes a long way to fixing his concerns the other matter, in terms of long-term damages potential, has to be addressed by the federal government. Let us hope that the federal government deals with that with the same degree of concern that we have. I somehow suspect Dr Krins might be waiting a while.

The Honourable Andrea Coote mentioned in her contribution that the New South Wales system was so much better than ours.

Hon. E. G. Stoney — That was me.

Mr SMITH — It was her as well. You may not have been here, Mr Stoney — or you were probably hibernating over there somewhere, as you usually do.

The Honourable Andrea Coote mentioned that the New South Wales system was better. Well, au contraire, it is different. The reason it is different is to address actual differences that exist in that state — that is, it is a different legal state, with many, many more claims and many, many higher payments than in Victoria. I do not criticise the New South Wales government for what it has done. It has done what it believes is right and in the best interests of New South Wales. What we are doing is what we believe is right — —

Hon. Andrew Brideson — What's your personal opinion?

Hon. Andrea Coote — Say what you really think. You can share it with us.

Mr SMITH — They are asking what do I really think. Their ears must be painted on. Can they not hear what I am saying? I am telling them exactly what I believe, and I have a record in this place of speaking the truth, unlike some others I will not name.

The reality is: horses for courses. New South Wales has designed a system that in its view addresses its problems. We looked at that system very closely, as we did at those of other states such as Queensland but they did not fit the needs of this state. We designed one that was much more appropriate for us.

One thing I can guarantee the opposition is that the government will continue to monitor the outcomes of this bill and see what is happening in the industry. We will finetune wherever necessary.

Hon. Andrea Coote — We'll bring this up again in the future.

Mr SMITH — That is what we are here for — to listen to you whingeing and carping about all and sundry. I have to say you are pretty good at it!

Given time is of the essence and I have run out of all the good stuff, once again I have to say that this motion is irrelevant and I oppose it.

Hon. C. A. STRONG (Higinbotham) — Today's motion deals with the question of tort law reform and the tardy nature of the government's dealing with this issue. Tort law moves straight into the issues of public liability, personal liability and professional liability insurance. This has clearly been a very significant problem for 12 to 18 months to date during which the government has failed up until this time to do anything significant to deal with it.

To give members a feeling for the scale of the problem, let me quote from a survey conducted by the Institution of Engineers Australia. It had an extraordinarily high level of response — some 90 to 95 per cent — and showed that the average professional insurance premium increase was 265 per cent, with increases of up to 1000 per cent experienced by some firms. That is just the insurance premium. On top of that, excesses increased by an average of 250 per cent to a maximum of 1200 per cent. These are massive increases.

Even more important than that, the insurance arrangements resulted in firms being excluded from, on average, 43 per cent of the work that they normally do. As well as necessarily having these huge increases in premiums and excesses the firms could not carry out the work they had traditionally done. Some of this work is enormously important to the community. Areas that were excluded were, for instance, environmental services, asbestos removal, the cleaning of cooling towers — and all things that feed through very significantly to how the community needs to be protected.

Not just professional indemnity is covered by the question of tort law. We have, as Mr Stoney has dealt with, all the various tourism operators who are being driven out of business by the failure of the government to act. We have the medical insurance area, which members have spoken about at some length. The Victorian branch of the Australian Medical Association wrote to the government in November last year highlighting how the actions that the government had taken to date were totally inadequate to deal with the problems and saying something needed to be done. Here we are in May and the government is finally getting around to doing something in an area where the deadline for action is 30 June.

The question of tort law also covers professional indemnity insurance. For instance, in the accounting profession, auditing for small businesses is a particular area for which it is very hard to get insurance cover.

I have talked about the engineering profession. We have the architects. Legal practitioners are also having trouble getting reasonable professional indemnity insurance. It cuts across the whole gamut of community activities. If you want to run a school fete or any sort of fundraising at the local level to raise funds for your local school, for the local scouts, or whatever, you just simply cannot get insurance to run those functions.

What the members of the government have not told us, for instance, is that, because of the government's negligence in acting, Victoria has been adversely affected in this area. This is an area which covers not just Victoria, as other speakers have alluded to, but other jurisdictions in Australia as well. There are groups in other parts of Australia. For instance, Community Care Underwriting Agency has been formed by the insurers Allianz Australia, National Roads and Motorists Association Insurance and QBE Australia, to underwrite insurance for community groups in the area of local fetes and so on where fundraising activities are undertaken, and this is one of the areas that is most severely and savagely affected by the government's inability to act.

For some time now the Community Care Underwriting Agency has been operating particularly in New South Wales because it has put in place tort law reform that offers a degree of security. The group refuses to operate in Victoria simply because this government has failed to take the action — and if you look across all the Australian jurisdictions Victoria is the last area that has had the courage to act.

It needs to be said that a certain amount of courage is needed to act because this is a fraught area. By its very nature, tort law reform tends to take away individual rights. You need to do that, of course, because some of the aggressive law firms have been overly aggressive in abusing the rights of people to sue for damages for pain and suffering. Because they have really abused those rights, unfortunately the government has to move in and take away those rights. It has to do that if the hundreds and thousands of individuals, organisations, and bodies are to be covered by insurance. At the moment the government simply is not doing what it has to do, so action is required.

The tragedy is that this action has taken so long. Many of the policies and arrangements that are in place with doctors and many others expire on 30 June and these people just simply do not know what is next. Will they get cover at all? At what price will that cover come? So the government has been, as I said, enormously tardy, acting at the last minute. Will what the government has done be sufficient to make a difference? Nobody knows.

The insurance companies have been left with virtually no time to make an assessment of whether the arrangements that the government is talking about will make a difference. They have been left with very little time to work out what areas they want to cover or exclude and what excesses they want to put in place. It is all so late that it will all be so rushed. There is absolutely no doubt that the insurance companies will put their interests first and will not rush to provide insurance in Victoria because the government has taken so long to make up its mind. They will say, 'Well, if the government had wanted us to have this information so we could structure proper insurance packages, it would have put these reforms in place months ago'. Because they are not going to be in place until the end of this month, which is basically the time when the legislation will pass, there are barely weeks for the insurance companies to put in place their premiums and conditions, and they are not going to rush simply to help out this government that has been so tardy, so lazy, so ineffective, so happy to blame everybody else — whether it be the federal government or whoever it be — for swinging the lead.

It is most unfortunate that we find ourselves in this position. As I said, we have heard a lot about the medical profession today. Let me talk about the accounting profession which, for instance, has a huge impact on how commerce is carried out throughout this state. In a media release on 4 March, CPA Australia referred to responses from 1200 public practice members to a survey on professional indemnity (PI) insurance. It states:

> The survey was conducted in mid-February to address CPA Australia's current regulation of members in respect of PI insurance.

According to the survey, some 26.6 per cent of those respondents had withdrawn or were intending to withdraw certain services in high-risk areas such as audit of financial planning over the next 12 months. So it is not just a question, as some members of the opposition have tried to highlight, that this is feeding money to rapacious international insurance companies. The bottom line is that professionals throughout Australia, whether they be engineers, architects, doctors or accountants, are in fact withdrawing their services from the public simply because they are not prepared to take the risk when they cannot get cover.

The media release states that the CPA survey showed also that:

> … 12 per cent of respondents specifically identified the withdrawal and winding down of audit services.

It quotes some comments from the respondents to the survey:

> I am a very small sole practice providing audit services to self-managed super funds and small associations. Some of this work is rejected by the larger firms as not being profitable so if small practices like mine are forced out of the business because of insurance difficulties, then the community will suffer.

We all know that little clubs or groups, whatever they are, all require their accounts to be audited. Simply because of insurance difficulties, auditors are moving out of that area.

Another area which I want to touch on very quickly, on which we await with a certain amount of interest to see what is in the bill the government is introducing, is the question of proportional liability. In essence, most professional indemnities now have a joint and several liability — in other words, for all the organisations involved. If we take a building for instance, we might have an architect, an engineer, another engineer that does heating and ventilating, acoustics people, painters — there are all sorts of people in a building. They are jointly and severally liable. In other words, if something happens — let us take as an example that through some structural failing the building collapsed — and if the painting consultant was the last man standing with the biggest insurance policy, he would have to pay the full cost of any damages.

Proportional liability really means that you are liable for the damage in proportion to your part of a particular project, but what the government is proposing is proportional liability only in dealing with the economic loss — in other words, the cost of replacing the building. If you go to the example that I have just given, if there is an injury with general damages and pain and suffering, then proportional liability does not apply. Again it is the painting contractor, who had no part whatsoever in the structural design of the building which has collapsed and caused some personal injury and pain and suffering, or that person's insurance company that stands to pick up the whole cost of that claim. It seems absolutely nonsensical — it certainly will not help insurance cover — if proportional liability is applied only to economic loss.

We on this side look at the measures the government is putting in place and ask, 'Is it too little, too late?'. We simply do not know whether it is too little; it is certainly too late, and one of the reasons it is too late is that the industry and everybody else is not able to make an assessment of whether it is too little. If it is too little, if this scale of premium increase continues and if this scale of people withdrawing from the market continues with professionals — whether they be architects, engineers or doctors — withdrawing their services, then Victoria will suffer compared with the other states. Remember that other states have dealt with this issue, so professionals — whoever they are — will leave Victoria. Tourist operators and all these other people will leave Victoria, set up across the border and run their businesses out of New South Wales or South Australia. That surely cannot be good for the economy of this state.

This state government has been totally negligent in trying to blame everybody else for the problem. It is its problem, and it should accept responsibility and accountability for it.

Hon. J. H. EREN (Geelong) — I rise to speak in opposition to the motion. Members in this chamber would be well aware of the difficulties experienced within the insurance market over the past 18 months. It has been a problem our entire community has had to face.

Hon. Andrea Coote — Did Theo write this for you?

Hon. J. H. EREN — No, he did not, Mrs Coote.

It is a problem the Bracks Labor government has not taken lightly and has not shirked in its responsibility to solve. The reforms this government proposes will bring stability back to the insurance market here in Victoria. It has been a rocky road for all of us because insurance is such an emotive issue. I am sure honourable members have all seen the media reports on this issue with pictures of little kids who their lawyers claim will have to suffer because the nasty Bracks government has taken their rights away. That could not be further from the truth. Not one single member of this government would vote in favour of an issue if they truly believed it would take away from Victorians the right to claim for economic loss for any injury.

We in this government fought against the former government's attack on workers' common-law rights, and we are not about to make an about-turn and do the same thing on this issue while we are in government, especially on an issue such as Workcover which affects people's lives and their quality of life.

As it is such an emotive issue there has been much media coverage of it, and accordingly much misinformation has been put out about it. One thing I can say is that this government is not legislating against people's rights to claim for economic loss for any injury. These reforms will not remove a person's right to claim economic loss or damages for any injury. The government has structured these reforms to benefit all Victorians. It recognises that some injuries causing under 5 per cent impairment, using the American Medical Association guidelines, are not worthy of compensation — for example, bruising your knee or getting a small scar on your hand. I was interested to hear Mr Stoney saying the 5 per cent threshold was not enough.

Hon. D. McL. Davis — That is not what he said.

Hon. J. H. EREN — That is exactly what he said. You were not in the chamber, Mr Davis. He said the 5 per cent threshold is not enough, and in saying that he obviously believes the amputation of a little finger is not enough to justify compensation. The government does not go to that extreme. What it has said in all fairness to both the insurance industry and the wider Victorian community is that the 5 per cent threshold is fair and equitable for all concerned.

I refer to the fourth edition of the American Medical Association guidelines. I will not go to the 5 per cent impairment examples, but I will refer to examples of over 10 per cent impairment: 11 per cent impairment includes mild symptoms of distress; 12 per cent impairment includes soft tissue injury of back with occasional constipation due to pain-killers and soft tissue injury to shoulder resulting in mild to moderate loss of motion; and 15 per cent impairment includes use of an ankle brace.

The government's policy of having a 5 per cent threshold will obviously affect a lot of those minor claims that people make from time to time, but it is also fair and equitable for those people who are injured. Previously people could sue for these minor injuries, but they were clogging up the system and going some way towards contributing to the insurance companies' need to increase their premiums.

Under these new reforms the government says there has to be a limit to what you can sue for. At the end of the day the suffering felt by the community organisations that are going to the wall because they cannot pay public liability insurance is probably much worse than the suffering felt by somebody who has had a bit of a paper cut.

I believe many of us fear that Australia is going down the path of the American legal system and culture, where you cannot look twice at someone walking down the street as they could possibly sue you for distress of some sort. That statement may be a bit off the track, but these reforms we are discussing today will surely prevent that from happening in Australia.

The reforms balance the rights of people to have access to the courts to sue for personal injuries with their need for affordable insurance. That is what this is all about because, let's face it, insurance premiums are going through the roof, which is causing real hardship for our community — for instance, many not-for-profit community groups in my electorate are having trouble operating because they cannot afford the public liability insurance. It is a sad day when sporting clubs can no longer just have raffles to buy new equipment because they need to raise large sums of money for insurance purposes. These reforms are aimed at small claims only, and they will not prevent a person from recovering lost income or medical expenses.

This is not just open slather for the insurance companies either, as the government will make sure they pass on the savings to the consumer. The Premier, Steve Bracks, has already contacted the Australian Competition and Consumer Commission and its chairman, Allan Fels, to make sure they keep a keen eye on this issue and ensure that consumers benefit from it.

I will outline some of the major points about these reforms that people should realise when discussing the issue: a 5 per cent threshold will be introduced in relation to claims for general damages; a 10 per cent threshold will be introduced in relation to psychiatric impairment; people's right to claim medical costs and lost wages will be unaffected; there will be exemptions to the thresholds in cases of loss of a foetus during pregnancy, loss of a breast or sexual abuse; the courts will retain judicial discretion to extend these limits in the interests of justice; the government will make it mandatory for medical professionals working in the private system to report medical errors; and in the spring sitting the government will introduce legislation to define more precisely the circumstances in which a person has been negligent in the exercise of their professional or trade skills.

It is appropriate that people are also aware that these reforms are in line with those of other states in terms of toughness. However, unlike other states, Victoria has chosen an impairment threshold for general damages which will not be eroded by inflation. The government believes consumers will benefit from these reforms. The government anticipates these reforms will encourage new participants in Victoria's insurance market and stabilise the cost of premiums. As a result all Victorians will prosper.

Hon. D. McL. DAVIS (East Yarra) — I am very pleased to rise and contribute to the debate on this motion that comments on insurance issues generally. I want to place on the record that across its term of government the Bracks government has not handled these issues well. Any changes in this area that have been necessitated by community events have not been thought through well by the Bracks government and there has been a series of delays which have caused real difficulties for Victorian communities.

At the outset I wish to say that some of the comments by Mr Eren, made either wittingly or unwittingly, misrepresented the comments of Mr Stoney with respect to adventure tourism. Adventure tourism is a specific aspect of the liability issues discussed by this motion, but it is only one aspect and it is what Mr Stoney chose to make his major contribution on in this debate. He discussed thresholds related to the beliefs and views of the adventure tourism industry. Those matters are quite properly the concern of that industry which obviously faces specific situations which are somewhat different from the issues related to either medical indemnity insurance or other general public liability insurances. In adventure tourism issues — —

Hon. J. H. Eren interjected.

Hon. D. McL. DAVIS — There are some specific issues. Let me explain so that Mr Eren understands. The difference between adventure tourism and other areas of public liability is that it involves risks that people willingly take on. If you take on a high-risk horseriding activity, mountaineering, parachuting or some other activity like that — we can all add colourfully to the list — it is widely recognised in the community that those activities — —

Hon. J. H. Eren — Bungee jumping?

Hon. D. McL. DAVIS — Yes, Mr Eren that might fall into that category. Without being an expert on bungee jumping — I think that might fall into the category that I am discussing.

Hon. J. H. Eren — You should try it. It is very exhilarating.

Hon. D. McL. DAVIS — I accept your contribution, Mr Eren, that bungee jumping is exhilarating. Not having tried it myself I have to defer to your experience in this matter, but we are deviating a little in our colourful discussion of adventure tourism.

My point is that people assume those risks knowingly and there may well be a case to be made for relevant waivers to apply in those areas where people knowingly assume unusual risks. The public liability risks of someone walking into a hall or going to a community fete are not in any way equivalent to the risks that apply in those unusual sports associated with adventure tourism.

The adventure tourism industry confronted specific problems and Mr Stoney played a key role in trying to help resolve those problems and show some leadership — something the Bracks government conspicuously failed to do with respect to adventure tourism. I welcome the contribution he made in his community with respect to adventure tourism.

I am not an expert on the thresholds required in that area, but I note the comments made by Mr Stoney about what the industry says. It is relevant that those industry comments are placed on the public record in this chamber today. Frankly, I am guided by what a knowledgeable industry says rather than by what Mr Eren had to say on the matter.

I return to my main contribution to the debate, which is on medical indemnity insurance. I have spoken on this matter on the adjournment debate and at other times in this chamber, so members would understand that I have been very concerned about the impact of the medical indemnity insurance crisis on the provision of medical services in both the country and the city. At my local hospital, Box Hill Hospital, the provision of obstetric services has been placed at risk by the decision of all obstetricians in the area to cease practice on 30 June and by the additional load transferred to the public system by that decision.

I was particularly concerned to receive a series of calls in my office which indicated that women were not able to book in for obstetric services at the Birralee Maternity Service at Box Hill Hospital. It is not clear to me what expectant mothers are able to do in the situation where a public hospital in their local area appears to have difficulty providing critical services.

In both the country and the city there was a very clear indication that many other experienced specialists would retire from practice. I have had a very strong case put to me by many of those individuals about the impact in the loss of expertise and skill of those doctors, often in the most knowledgeable period of their lives. Those doctors have a key role in conveying skills to specialists coming through the system. As I moved around the state consulting people about the growing medical indemnity insurance crisis I was made very aware of the tremendous impact it would have.

Talking to rural doctors and specialists in cities like Ballarat and Geelong, it became very clear that the impact of this crisis was going to be deep and profound. In Ballarat three of the four obstetricians indicated that they would cease private practice. As Mr Smith said earlier this morning, one indicated that she would take up an offer to work in the Middle East. In Geelong five of the nine obstetricians indicated that they would cease private practice on 30 June.

Many of the doctors, obstetricians, proceduralists and others who had indicated that they would cease practice were close to the end of their working life, but that is not invariably the case. Many women in part-time practice confronting high premiums and the risk of insurance issues after 30 June were making the decision not to stay in practice. That will deny some regional cities proper services.

One needs to be very clear that the government has acted at 2 minutes to midnight on this issue. Many of the doctors are required by their medical defence organisations to notify them of a change of insurance status by the end of May, giving one month's notice as they are required to do under the constitution of many medical defence organisations. That means that time is extremely short. Not only does the legislation have to be discussed by the government and move through the Parliament, but the doctors need to understand it, the medical defence organisations need to deal with it and we need to get some response.

From the article Mr Smith read from the *Age* earlier, it is clear that at least one doctor will not reverse her decision to leave obstetric practice. That is the sort of thing that we are going to confront. The Bracks government has allowed the crisis to go on for so long that it cannot be fully undone. Certainly the situation can be ameliorated, but it cannot be fully undone. It will impact on services both in the country and the city, but particularly in rural and regional Victoria.

In rural and regional Victoria retirements will occur in areas of specialty and doctors have already made those decisions. Some have advised their patients that they will be retiring and some have started to make arrangements to sell equipment and such matters. That cannot in any way be unwound by the government's late package. The Bracks government will have to provide some compensation for those regional cities that have lost specialty services due to the Premier's dithering and delays on this issue. If the Premier and the government had made the decisions last year at the time when Premier Beattie and Premier Carr and their governments made decisions to move on some of these issues, it may have been a different story. I am not advocating that precisely the same packages used in New South Wales or Queensland are relevant to Victoria. We require a practical Victorian solution that grapples with the issues based on listening to what the doctors, the patients and the insurance companies have to say.

When the bill has its second reading this afternoon in the lower house, we will see whether the Premier has managed to craft a practical Victorian solution to this problem. I remain to be convinced about some aspects of it, but we are required to examine the package and consult with the community on a number of aspects of the bill.

There is no doubt about the urgency of the issue and there is no doubt that much of the damage, particularly to rural and regional services, has been caused by the government's delay. If some of the decisions had been made 6 to 12 months ago it could have been a very different story. The Premier will have to take responsibility for that delay and for the issues that have been put on country Victoria by his delay. It is my strong view that there will have to be a package to assist country Victoria with proper services to make sure that no holes are left by this crisis and that there are proper medical skills in those towns and cities and those services are available to all Victorians.

I want to make one other comment about the delay. The opposition has called for the government to do something for a long time and the government's tardiness in responding has been a real problem. The failure of any specific minister in the government to take responsibility, whether it be the Minister for Finance, the Minister for Health or indeed the Premier, has been one aspect of the government's failure to grapple properly with this issue.

The towns of Shepparton, Wodonga and Bendigo will need assistance to make sure that they are not left without the full spread of specialist medical skills that are there now and that no retirements impact on those services. The impact on areas further out like Terang and Timboon are significant. The impact of the delays on the private hospital system will be significant — for example, I am aware of a number of private hospitals that may face losing their obstetric capacity as obstetricians decide to retire at an earlier point and the hospital will not therefore have obstetricians with admitting rights. There are real issues there.

Yesterday's Warrnambool *Standard* states:

> Terang and Mortlake Health Services chief executive officer Mark Johnson could not guarantee Terang residents would be able to give birth at their local hospital after 30 June.

As the bill comes before the house it will be a matter of balancing patient rights and the rights of people to proper compensation where the wrong medical procedures are done to them, but it is also a matter of balancing the services that have to be delivered to the community.

It is important that those services are not cut but are maintained. We will see what balance has been struck

by the Bracks government and whether they have found a workable Victorian solution to the medical indemnity insurance crisis. In that context I have been very pleased to speak on this motion.

Mr SCHEFFER (Monash) — This opposition resolution is important because it goes to the capacity of the government to administer an extraordinarily complex matter. The government's success or shortcomings in an area which has global implications and causes cannot really be assessed unless we understand the context. I want to say four things about that.

Firstly, I will consider briefly what Labor needs to balance in delivering a good outcome in the area of public liability insurance. The first is that it needs to have a responsibility to the public to make sure that public liability insurance is more accessible to community and sporting groups, adventure tourism operators — which the opposition has mentioned at some length — and small business.

The second item is that the government needs to protect individual rights on the one hand and on the other to make sure that injured people are taken care of and that the public interest is protected. The government also needs to make sure that professionals can be insured at an affordable and fair rate, and it needs to do all this in the context of a sound legal framework.

I want to speak about a few things that need to be recognised about the context in which all this operates. It has a long history, of course, coloured and impacted upon by recent great and dramatic events. The first of those is the HIH collapse, which cost Australia some $5 billion. This hit Australia very hard two years ago. Members may have seen on the federal parliamentary web site *Current Issues Brief* which quotes David Kehl's article entitled 'Liability insurance premium increases', in which he picks up the issue of HIH and the impacts of its collapse.

The C*urrent Issues Brief* also refers to the Reserve Bank of Australia briefing which says that with the HIH practice no longer operating in the market premiums have increased dramatically, that the demise of HIH removed capital and supply of insurance from the industry, and that the contraction of supply combined with stable demand caused costs to rise. This is an important matter that impacts on the discussion we are having in the house today.

The second impact is, of course, the events of 11 September in New York. These, as everybody understands from even a cursory consideration, are incalculable: airliners, the twin towers themselves and the huge impact on adjacent buildings of their collapsing, the effect on infrastructure, the huge injuries to people, and the pain and suffering — not to mention loss of life and its implications. The impact is absolutely vast and cannot be overestimated.

The brief also quotes another source:

> Insurance industry leaders have described the events of September 11 as inconceivable, unrealistic and beyond the limits of most people's thinking. If the industry learned one thing from September 11, it was that it was not well prepared for the terrorist attacks in New York and Washington, D. C.
>
> …
>
> All of a sudden, you had a risk emerge that never in the United States did we ever collect a dollar worth of premium to pay for or ever contemplated from an underwriting standpoint.

As I said, the events of 11 September in the United States had a huge global impact.

I also see from other sources that insurance claims in Australia are second only to levels in California. That makes Australia not an attractive prospect for insurance investment. We have a reputation for excessive litigation.

There are also the matters of the increasing number of claims lodged and the increasing variety of matters taken to court and the increasing size of liability payouts that members have referred to. The 'long tail' that has been mentioned as well has a serious impact on the industry and on Victoria, it being a small market place.

I refer again to the very interesting briefing paper which states that:

> The Australian general insurance industry made underwriting losses throughout the 1990s. For every dollar it received in claims, it paid out more than a dollar in claims and expenses. Australian general insurers, like the rest of the world insurance industry, offset underwriting losses with investment income.

The industry itself essentially is in crisis and unable to pay its way through insurance. With this background and taking up the opposition's challenge in its question, I find the ministerial statement by the Minister for Finance, Mr John Lenders, referred to by previous speakers, a cogent and coherent statement of the situation that Victoria finds itself in. In setting out the context and identifying the government's purpose, the minister says in his statement:

> In recent decades, we have taken the availability of affordable insurance cover for granted. For the foreseeable future, that assumption is under significant challenge. The purpose of this

> statement is to set out the government's program to manage the distress that so many organisations and individuals are experiencing.

He goes on to set out the government's approach, which is:

> Ever since it became obvious that our economy and social fabric were threatened by an insurance crisis, the Victorian government has taken a rational approach to solving the problem. Many of the knee-jerk solutions promoted by individuals and groups say more about the economic interests of those parties than about public liability insurance.

So there has been a coherence in the government approach from the outset, and we should remember that this statement was made on 26 March 2002, only six months after the events of 11 September in New York.

In its ministerial statement the government also sets out the organisations it consulted with. They include the Insurance Council of Australia, the HIH liquidator, the commonwealth government, the Australian Plaintiff Lawyers Association and so forth. It sets out a clear list of the actions the government had taken to date. The list goes to more than 10, and as time is pressing I will not go right through them — only to say that some of the more important ones are that the government had already at that time announced that the community group insurance scheme, developed in conjunction with the Municipal Association of Victoria and Our Community Pty Ltd, was undertaken.

We provided $330 000 from the Community Support Fund to the MAV to develop a range of activities. There is a whole set of items that are worth looking at. The ministerial statement concludes with a list of the 50 organisations that the government had consulted in developing its plan. Then, six months later — which I think is a relatively rapid time frame considering the enormity of the issues that the government was dealing with — we moved to the second-reading speech of the Wrongs and Other Acts (Public Liability Insurance Reform) Bill that the Premier spoke to. The main issues laid out in the ministerial statement were followed through. The focus of the government at that point was primarily on prudent and short-term interventions to help the most severely disadvantaged. In his speech the Premier set out some five key measures that the government was pursuing.

That brings me to today and to the Premier's announcement yesterday about some very important measures, but other members have gone into them in detail. Therefore I will conclude on that point. I reject absolutely the terms of the opposition motion.

Hon. ANDREA COOTE (Monash) — I have great pleasure in summing up debate on this motion. I thank all the members who have contributed to the debate. I was particularly interested in what Mr Smith had to say, acknowledging in this chamber that the Labor Party has a huge problem with medical indemnity and how the ramifications have flowed all the way through his party. Mr Eren also spoke of the huge problems within the Labor Party. I was particularly interested in hearing that, and I am sure Victorians, too, will be interested.

However, it was fascinating to see that not once during the whole debate was the Minister for Finance in the chamber, yet he is the minister responsible for it. He was not present to hear how important this issue is and how vital it is for the industry. He was probably out writing another media release that he could probably get the spin from and come to believe it himself. That is disgraceful. It is an indictment, and it shows exactly what the government thinks about this particular issue. It was left to people like Mr Viney, Mr Eren and Mr Smith — members who are not across these issues and who do not understand what the issues are all about — to sum up.

I acknowledge the huge contribution made by the Honourables Graeme Stoney, Chris Strong and David Davis, who proved exactly what the motion says — that is, that the government should be condemned. It has not brought any insurance industry into the state. The government is negligent, tardy and reactive. Victoria is lagging behind New South Wales. It is not being proactive. This has been another example of management by crisis. On the death knock we see another insurance issue being addressed. It is again management by crisis, and it is not good enough. The government has no vision, is behind the times and is behind all the other states. It is simply not good enough. The epitaph for the delivery of insurance by this particular Bracks government on this issue is going to be 'Too little, too late'. Shame on it!

House divided on motion:

Ayes, 19

Atkinson, Mr (*Teller*)	Forwood, Mr (*Teller*)
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

Noes, 23

Argondizzo, Ms	Madden, Mr

Broad, Ms	Mikakos, Ms
Buckingham, Ms	Mitchell, Mr
Carbines, Mrs	Nguyen, Mr (*Teller*)
Darveniza, Ms	Pullen, Mr
Eren, Mr	Romanes, Ms
Hadden, Ms	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Theophanous, Mr
Jennings, Mr	Thomson, Ms
Lenders, Mr	Viney, Mr (*Teller*)
McQuilten, Mr	

Motion negatived.

Sitting suspended 12.56 p.m. until 2.02 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Professional indemnity: medical practitioners

Hon. D. McL. DAVIS (East Yarra) — My question is directed to the Minister for Finance. Noting yesterday's announcement that the government will belatedly respond to the ongoing crisis facing health care practitioners and their patients, will the minister guarantee that no medical services in rural and regional Victoria will be disadvantaged under the government's proposals and that all current health services will be maintained without any reduction in services?

Mr LENDERS (Minister for Finance) — I am certainly happy to answer the parts of the question that Mr David Davis raised in regard to insurance generally. The specific ones regarding health services in regional Victoria are particular ones that he should raise for the attention of the Minister for Health.

On the general issue of the package that was announced yesterday, as Mr Davis and the house would be aware, the announcement yesterday on public liability insurance and medical indemnity insurance was designed to make insurance more affordable and accessible. That obviously is something that will apply to regional health services in Victoria, as it applies to many other areas of our economy and community.

This morning Ms Dianne Hadden showed me a copy of the Ballarat *Courier* which indicated that one of the immediate responses to the government's announcement yesterday was that one of the obstetricians who has been on the record in Ballarat for a period of time saying that he would withdraw his services because of uncertainty in insurance arrangements in Victoria has announced that he will be continuing to practise after 1 July this year. This is exactly the reason why the government acted.

The second point is that Mr David Davis implied that the government's decision was tardy, slow or belated, or some other negative term. I remind Mr Davis and the house that the government has acted but acted after it had considered action, acted after it had consulted with the Victorian community and acted after it had investigated what the consequences would be of its action. It has not charged in like a bull in a china shop with anecdotal or rapid solutions trying to find instant solutions. It will not go in like Jeff Kennett like a bull in a china shop thinking it has instant solutions.

Medical indemnity public liability insurance issues that relate to human rights in the state are ones that the government will not lightly, carelessly or recklessly deal with. We will deal with them in a measured and responsible way, and that is why the government came up yesterday with its package on insurance to deal with the issues for the entire state, to carefully weigh the issues involved — they are very sensitive and difficult issues — so that we have a package that suits the needs of our community and deals with the affordability and availability of insurance in a balanced way. It deals with all sectors of our community — with sporting clubs and community groups — and all those issues.

I gladly answer the sections of the question that deal with the general aspects of my portfolio, but I suggest to Mr David Davis that on specific health services matters he raise his question with the Minister for Health.

Supplementary question

Hon. D. McL. DAVIS (East Yarra) — It is interesting that the minister again dodges these questions. At the Public Accounts and Estimates Committee hearing the other day the Minister for Health said that it was this minister's responsibility, now he says that it is her responsibility. I place that on the record.

Honourable members interjecting.

The PRESIDENT — Order! I suggest honourable members and the minister would like to hear the member's supplementary question, and Hansard would like to take it down as well. I ask members on both sides of the house to desist.

Hon. D. McL. DAVIS — The government's package has been late. I am not sure if the minister is suggesting that the premiers of New South Wales and Queensland acted in a tawdry manner by acting swiftly and promptly to guarantee services. The reality is that a number of services have begun to decline. While some practitioners may make a different decision and reverse

their earlier decision to step away from practice, I am very concerned that with the medical indemnity insurance issue some practitioners have already decided to leave. What action will the minister take to stop this process proceeding?

Mr LENDERS (Minister for Finance) — The last part of Mr David Davis's question was what action will the government take to deal with the availability and affordability of insurance and practitioners being available in Victoria. I suggest to Mr Davis that the answer is absolutely obvious — it is the package of measures announced by the Premier yesterday.

Federal budget: housing

Mrs CARBINES (Geelong) — I refer my question to the Minister for Housing. Can the minister advise the house how the federal government budget released last week impacts on the provision of public housing in Victoria and how it compares with the recent state budget?

Ms BROAD (Minister for Housing) — I thank the member for the question and her continuing interest in and commitment to public housing. The Bracks government is concerned that yet again the federal government has brought down a budget that does absolutely nothing to improve the state of public housing in Australia and, in particular, Victoria.

The commonwealth budget does not reflect a commitment to address the fundamental issues facing all tiers of government in relation to housing. Principal among these is the need for a national policy to address affordable housing. Such action would represent an opportunity for the state and the commonwealth to work together on this issue, which is vitally important for people on low incomes.

The Howard-Costello budget contained no new initiatives and no new spending to address the thousands of Australians who are on public housing waiting lists. In contrast, the Bracks government is getting on with the job of delivering affordable housing, committing $88.8 million over — —

Honourable members interjecting.

The PRESIDENT — Order! I ask members again to desist from interjecting. The minister is on her feet responding to a question, and I am sure that members on my right want to hear the minister's response. I ask the house to come to order.

Ms BROAD — In contrast the Bracks government is getting on with the job of delivering affordable housing, committing some $88.8 million over and above the commonwealth-state housing agreement, over four years, in the budget. That demonstrates that the Bracks government is continuing to place a high priority on improving public housing in this state, in stark contrast to the attitude of the federal government.

Now is the time to move forward and develop new models, encourage new partnership arrangements for expanding public housing in Australia. The commonwealth holds all of the major economic levers, impacting directly on the provision of affordable housing, and it is disappointing to note that the commonwealth budget contains not only no new initiatives, but it demonstrates a reluctance on the part of the commonwealth to show leadership on wider affordable housing issues.

In addition to no new initiatives and no new spending on housing in the commonwealth budget, the commonwealth has refused to continue GST compensation for housing. The Prime Minister, John Howard, has now confirmed in a letter to the Premier of Western Australia, Dr Geoff Gallop, that the commonwealth will no longer provide GST compensation for housing to states and territories. That means $75 million less funding for public housing in Victoria alone. This action by the Prime Minister again demonstrates a stark contrast with the Bracks government, which is getting on with the job of building more affordable housing for the future.

Insurance: reform

Hon. A. P. OLEXANDER (Silvan) — I direct my question to the Minister for Consumer Affairs. Fair Trading Bill amendments will allow the minister to exempt businesses from the need to ask consumers for written permission to waive their rights under the Goods Act. These rights include the requirement for due care and skill on the part of a trader and that products and equipment be fit for the purpose intended. I ask the minister: will he outline for the house which industries will be exempted under the act, and how this will impact on Victorian consumers?

Mr LENDERS (Minister for Consumer Affairs) — I thank Mr Olexander for his question. I was hoping and anticipating a question on ethanol, and let me assure Mr Olexander the letter from Dr Kemp has not come yet — he has diverted it to Townsville!

He raises an issue on waivers under the act, and that will be debated in the Legislative Assembly today and in this place hopefully tonight or tomorrow. Clearly it goes back to the general insurance issues of the waivers

that we committed ourselves to as part of our insurance legislation last year. The general waivers came into effect on 1 May this year. They were specifically put in place to deal with some of the issues in the adventure tourism industry that Mr Stoney raises often in this place.

One of the issues was that waivers were such a critical aspect of that industry moving forward, and the state of Victoria, as part of a commitment nationally when the commonwealth government amended the Trade Practices Act, agreed to make amendments to the Goods Act to deal with the issue of waivers for adventure tourism. Since the regulations commenced on 1 May it has become quite obvious to the ski industry — and that is the only industry that is contemplated here with waivers — that the time line between the 1 May regulations coming out and the start of the ski season was an incredibly complex issue, particularly with tens if not hundreds of thousands of consumers queuing up for ski lifts and the like.

The message I would have for the ski industry is: assuming the legislation is passed by the Parliament, the only waivers contemplated would be for the ski industry, and for one season only. This is because there are legitimate concerns — whether it be ticketing windows, volumes or a whole range of issues — that they cannot be met by the time of this ski season, but those concerns will not go beyond one season. I would expect that industry, in all the circumstances of what is happening, to have a waiver for a single season only, and certainly not to go into a second season.

Supplementary question

Hon. A. P. OLEXANDER (Silvan) — I thank the minister for his answer to that question. I understand his answer to be that it is envisaged that the ski industry will be granted an exemption for one season only. My supplementary question then is: will waiving the rights of consumers in this way and granting the ministerial exemption help to reduce the government's exposure to fund public liability insurance in the adventure tourism industry?

Mr LENDERS (Minister for Consumer Affairs) — I am trying to assist Mr Olexander here. If he is alluding to the number of ski lifts on government land, I would imagine that this is a neutral thing so far as the government is concerned. This is designed to assist an industry which is struggling to comply with written waiver forms being signed, with such volumes of people at very short notice, to change systems. That is the intent of it. Any consequences on government exposure are not intended. It is not seen as anything to do with the government's financial situation; it is solely being designed to assist a key industry to deal with changed circumstances which were not foreseen and which it needed to work on. I think that answers the question, and the changes to government are negligible.

Budget: seniors

Hon. S. M. NGUYEN (Melbourne West) — Can the Minister for Aged Care advise the house of the impact of the federal government's budget on older Victorians and how it compares to the recent state budget?

Mr GAVIN JENNINGS (Minister for Aged Care) — I thank the member for the question and his interest in the wellbeing of senior Victorians. In fact many older members of the Victorian community may not have known that the commonwealth government released the budget last week because it had very minimal impact on them. In fact the only issue which led them to believe there was a budget was when Senator Vanstone, the Minister for Family and Community Services, drew attention to the fact that the $4 a week tax reduction will give families a milkshake and a hamburger!

For older members of the community there is not $1, let alone $4, in terms of improved income security for older Victorians, and indeed the only program that was in the forward estimates for seniors right across the nation was a minor $2.5 million program for aged care assessment teams. On average we would expect only about one-quarter of that amount coming to Victoria. There are more than 800 000 senior Victorians over the age of 60 in Victoria, and on average they receive through this program about 75 cents over the course of a year! It is such a tawdry, incomplete and totally inappropriate response that Senator Vanstone, in her critique of the budget, was not even drawn on this issue.

But it did draw out a response from the community sector and those in our community concerned with the wellbeing of senior Victorians. Greg Mundy, the chief executive officer of Aged and Community Services Australia, issued a press release on that day, 13 May, where he said:

> This is a steady as she goes budget for aged care when the industry is facing a funding crisis.
>
> …
>
> Budgets are about choices and priorities. Clearly this year tax cuts and a huge surplus are seen as more important than the care of older people.

This is not an approach that we find acceptable in the state of Victoria, and in our budget that was released a

week earlier we announced an increase of $96.4 million for aged care programs, which included a $69 million commitment over the life of this government to improve home and community care. It included $1.9 million for additional support for encouraging older members of the community to get healthy through a Health and Active Living program.

The government actually made a $25.5 million commitment to underpin residential development. That impacts upon rural and regional communities right across this state and has been well received by the Victorian community, reinvesting in a system that was sorely neglected during the Kennett era. In the last term of the Kennett government it invested $38 million in residential care. In our first term we invested $112 million and $70 million in this term.

The aged care sector knows that the federal budget is totally unsatisfactory. Brian Shakes, the chief executive officer of the Over 50s Association, wrote a letter to the *Australian Financial Review*, which appeared on 15 May. He said:

> … the budget … does none of the groundwork to meet the challenges an ageing population will bring to this nation in a few years time.

It has been an absolute disgrace in terms of the neglect and shame!

That view was shared by Rod Young, the chief executive officer of the Australian Nursing Homes and Extended Care Association. His organisation gave the budget 3 out of 10, as it delivers nothing to assist residential care providers to look after the elderly in our society. He said:

> Aged care providers are simply sick and tired of the government expecting them to do more and more with less and less …

And that is a view that the Victorian government shares. That is a view that we on this side of the chamber in this Parliament share. To use a phrase often used by my colleagues, in stark contrast — —

The PRESIDENT — Order! The minister's time has expired.

Local government: rate valuations

Hon. B. W. BISHOP (North Western) — My question is directed to the Minister for Local Government. During a recent meeting with representatives of six councils the issue of heavy costs due to the frequency of council property valuations was raised. Would the minister be prepared to discuss with these councils a means of alleviating or spreading these costs?

Ms BROAD (Minister for Local Government) — The honourable member is correct that this question of the administrative costs associated with the frequency of rate valuations has been raised. It has been raised through the sector by a range of councils. That is a matter which I have indicated the government is willing to examine. As to the costs associated with that and who bears those costs, that is clearly a responsibility carried by local government. The frequency is a matter which I have indicated is a matter the government is willing to consider if formal approaches are made along those lines.

Supplementary question

Hon. B. W. BISHOP (North Western) — Would the minister consider staggering these valuations to allow a better use of valuers across the state and therefore reduce cost pressures brought about by these valuations presently being undertaken simultaneously?

Ms BROAD (Minister for Local Government) — The supplementary question is essentially a matter of further detail as to the timing of how valuations are carried out and it goes to the question of the availability and number of rate valuers to do this task. I regard that as part of the consideration of the administrative arrangements, including timing, which I have indicated the government is willing to consider if formal and particular proposals are put to the government.

Small business: Streetlife program

Ms ROMANES (Melbourne) — Can the Minister for Small Business advise the Legislative Council how the government is getting on with the job of growing small businesses?

Hon. M. R. THOMSON (Minister for Small Business) — I thank the honourable member for her question. The significance of small business to Victoria's ongoing prosperity is recognised in the 2003–04 state budget, in stark contrast to the federal government, which provided no significant funding to new programs in the federal budget and has shown disregard for small business in its response to the Dawson review. Small business counted in the submission that the Victorian government did make to the Dawson review and small business organisations have been highly critical of the federal government's response to it.

One of the programs to help build Victoria's small businesses is the $2 million budget allocation to the

Streetlife program, which was started by the Honourable Mark Birrell when he was a minister in this place. At that time the program focused on employment. Under the Bracks government we transferred Streetlife into a small business program and broadened its focus to small businesses that otherwise would not have had access to it.

Streetlife complements other programs offered by the government to encourage new businesses to develop and grow. Streetlife is an important part of our approach to support the growth of small business by working in partnership with local business networks and communities. The program provides matched funding, resources, professional development and project assistance to encourage enterprising initiatives aimed at small business development. New ideas and new clusters can help grow the state and Streetlife is proving to be a very important part of that process. Participants in Streetlife get practical advice and hands-on assistance with the support of a project officer.

A good example of the Streetlife program is Lucid, the project running out of the member's own electorate through the cities of Yarra and Melbourne. The Lucid network has received $30 000, which is matched over two years, and this has resulted in the formation of a cluster based around the fashion sector.

The significance of this program to the participants can be seen in the introduction to the Lucid web site. It says:

> In inner city municipalities such as Yarra and Melbourne small businesses comprise an important component of the employment base and contribute significantly to community wellbeing.

The group has appointed a part-time fashion cluster coordinator who has helped identify some of the emerging new small businesses in the fashion accessory industry — one that is growing in this state and producing export opportunities. Not only that, but it has resulted in a network and database and the development of an intensive training program that suits home-based and non-retail businesses.

You can see from this that in the same way that Streetlife has helped cutting-edge designers through Lucid to showcase their designs and grow their businesses, it will also now continue to give them the opportunity to grow their businesses right around Victoria.

Hon. B. N. Atkinson — With half the budget it had in the Kennett years.

Hon. M. R. THOMSON — No, it is not.

Hon. B. N. Atkinson — Absolute fact.

Hon. M. R. THOMSON — That is rubbish.

The PRESIDENT — Order!

Budget: rural hospitals

Hon. D. McL. DAVIS (East Yarra) — My question is to the Minister for Finance. Is it true that rural health services have been instructed to hand over any moneys they have in trust accounts or reserves to a central account managed by the Bracks government?

Mr Viney — On a point of order, President, I refer to rule 1.05 of *Standing Orders and Rules of Practice of the Legislative Council*:

> Questions cannot anticipate discussion upon an order of the day or other matter on the notice paper.

I draw your attention, President, to a motion that was incomplete in this chamber in relation to funding associated with the health system. It has been clearly a strategy of the opposition to leave motions such as motion no. 2, orders of the day, on the Victorian health system on the books. I draw your attention to the fact that this is an incomplete motion, and I ask that you rule the question out of order.

Hon. D. McL. DAVIS — On the point of order, President, the matter of rural health services and the moneys they have been asked to hand over may well relate to a more recent program than when that went onto the notice paper. In a temporal sense they are not connected.

Hon. Bill Forwood — Further on the point of order, President, the motion before the house that is being referred to by the honourable member talks about funding crises, serious financial deterioration, the production of unreliable waiting lists, the increases in the number of patients and blaming other agencies and factors. It does not in any sense mention the specific matter raised by Mr David Davis, which is whether the government has recently decided that it will raid the bank accounts of country hospitals and put them into a central account. I put it to you that there is absolutely no way in the world that the sessional or standing orders of this place can be used in the way that is being tried by Mr Viney.

The PRESIDENT — Order! The member has referred to standing orders and anticipating discussion of orders of the day. I have a reference here from page 485 of *House of Representatives Practice* in

respect to anticipation. It states in part that regard must be had to the matter anticipated being brought before the house within a reasonable time in determining whether a matter is out of order on the ground of anticipation. When the member refers to the motion on the notice paper, because it is not government business, orders of the day, it is not expected that that would come before the house in a reasonable time and the anticipation rule would therefore not apply. On that basis I do not uphold the point of order.

Mr LENDERS (Minister for Finance) — As country hospitals come under the portfolio of the Minister for Health, I will take the question on notice for the Minister for Health.

Hon. D. McL. Davis — On a point of order, President, the minister is the Minister for Finance and he has responsibility for a wide range of different matters relating to the management of trust accounts and other accounts of the government. The program which I am informed is being put into operation actually applies across the Department of Education and Training as well, so it is clearly a broader matter than simply rural hospitals to which I have referred. It is a matter which goes across government.

The PRESIDENT — Order! On previous rulings dating back to 1991 a minister is not obliged to answer, and the minister has indicated that he will refer it to the responsible minister. That is the minister's response. He has answered it accordingly, so I do not uphold the point of order.

Hon. Bill Forwood — He wants to reword his question.

The PRESIDENT — Order! The minister has answered it.

Hon. Bill Forwood — No, he wants to reword his question.

The PRESIDENT — Order! Mr Davis gets a supplementary question.

Supplementary question

Hon. D. McL. DAVIS (East Yarra) — My supplementary question to the Minister for Finance relates simply to the fact that the government clearly does have a program across a number of departments, including rural hospitals, where the government is starting to strip money out of those hospitals — to clean out the hollow logs is the clear plan — and it also applies to schools as well in country Victoria. So my question is: is there a government program that aims to strip dollars from country hospitals to plug holes in the Bracks government's budget?

Mr LENDERS (Minister for Finance) — President, I have answered the question.

Gas: Vichub interconnector

Ms ARGONDIZZO (Templestowe) — I refer my question to the Minister for Energy Industries, the Honourable Theo Theophanous. Can the minister inform the house about the benefits of the new Vichub gas interconnector, particularly in relation to the security of Victoria's gas supplies?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — The Vichub is an exciting development for Victoria. It is part of the Bracks government's aim of providing a secure, reliable and affordable energy supply for this state.

The Bracks government has actively promoted in Victoria investment in a whole range of onshore and offshore gas exploration, production and pipeline projects. It has brought hundreds of millions of dollars of investment and hundreds of jobs into regional Victoria in constructing these pipelines.

The investment community has taken account of the investment climate in this state, including the state's AAA rating, and has invested heavily in facilities and infrastructure in Victoria. When we came to power in 1999 the Esso processing facility at Longford was the only point of supply into the Victorian gas system, and we saw what happened as a result of its being the only point of supply when the supply of gas to Victoria was cut off as a result of the accident at Longford.

Since then we have seen a range of developments take place under the Labor government. They include the eastern gas pipeline which links Victoria to New South Wales; the new undersea pipeline which links Victoria to Tasmania; and the SEA Gas pipeline, now under construction, linking Victoria and South Australia, due for completion in 2004. Last week I had the pleasure of launching Duke Energy International's Vichub gas interconnector at Longford, which enables gas to flow freely between Victoria, New South Wales and Tasmania, and ultimately will also allow gas to flow through the SEA Gas link into South Australia. So it is going to link all of those states together. I am pleased to say that the Honourable Philip Davis and the Leader of the National Party in the other place, Peter Ryan, were present at the launch of Vichub. I saw their attendance as a vote of confidence by the opposition in the way this government is developing a national gas market

centred in Victoria, and I thank them for their attendance.

But what a difference to our predecessors, President. We had, when we came to power, a fragmented system which was dependent on one provider for gas, and now we have an interconnected, national system with its centre in Victoria, assisting the entire south-east Australian region by providing choice, diversity and security of gas supply for Victoria. It will also provide greater flexibility and security in supply of gas from the Patricia Baleen field, which will also be flowing into the pipeline system. I want to congratulate Duke Energy and its managing director, Julie Dill, for their significant investment in Victoria in developing pipelines, and now with Vichub, as I said at the opening last week, all roads might lead to Mecca, but all pipelines now lead to Victoria's own Vichub.

Schools: funding

Hon. C. A. STRONG (Higinbotham) — I direct my question to the Minister for Finance. We heard the Honourable David Davis talking about how the government is raiding the trust accounts and reserves of various public hospitals across the state, and my question to the minister as the minister responsible for the proper accounting and probity of the finances of this state is: will he rule out implementing for Victoria's public schools this same cash-stripping scheme which the Honourable David Davis has pointed out is being implemented in our country hospitals and which the minister has ducked the question on?

Mr LENDERS (Minister for Finance) — I would be delighted at any time, as would be appropriate, to answer any questions that apply to my direct ministerial responsibilities under the Financial Management Act, and I will respond to some of what Mr Strong said as it applies to my general responsibilities under that act.

Clearly if, as was put, there were any proposals to strip funds out of an organisation, which by definition would be an illegal or an inappropriate act, I as Minister for Finance would be more than willing to respond — I would be obliged to respond and to act accordingly. However, if the situation is, as it is here, that people are questioning the appropriateness of other ministers' exercising authority under acts of Parliament administered by them to deal with financial arrangements of organisations — whether that be in a hypothetical sense in relation to country hospitals, schools or whatever else — then my responsibilities as a minister go only to financial regulations, financial directions and various other responsibilities under the Financial Management Act.

Policy decisions about whether there are more efficient or better means of using government resources or dealing with funds go across a whole range of ministers' portfolios, including those of the Treasurer and a number of others. I will certainly answer in this place and in the community for my direct financial management and financial directions responsibilities, but policy decisions on the best ways to deal with resources are the responsibility of individual ministers.

I totally and completely refute the assertions and the cheap political points being made by both Mr David Davis and Mr Strong opposite that by leaving a question unanswered it is saying that something inappropriate has been happening.

Governments need to look at their resource allocations and make decisions, as they prudently and properly do, and if there are any specific areas about how governments use resources or make policy decisions on those resources in specific ministers' areas, then the questions should be directed to the appropriate ministers. In this case they would be the Treasurer, the Minister for Education and Training and the Minister for Health in the other place.

Supplementary question

Hon. C. A. STRONG (Higinbotham) — In answering the question, for which I thank him very much, is the minister confirming that there is a central account being set up in Treasury into which these various trust accounts, reserves and so on which are currently held by various hospitals, schools and so on across the state will be pooled?

Mr LENDERS (Minister for Finance) — What I said in answer to Mr Strong was that if there were any improper actions in other government areas, as he and one of the other questioners was implying, I would be accountable only for my responsibilities as minister under the Financial Management Act for financial determinations and other issues. In relation to whether or not other ministers are proposing to efficiently utilise funds or make directions to bodies under their areas of responsibility or the like, I have already answered that question on general policy terms. I repeat that if Mr Strong has specific questions of other ministers, they should be asked of those ministers.

Auctions: vendor bidding

Ms HADDEN (Ballarat) — I refer my question to the Minister for Consumer Affairs. Will the minister advise the house if he is aware of the context of an advertisement by Keatings Real Estate of Woodend

about its auction practices which appeared in last Saturday's *Age*?

Mr LENDERS (Minister for Consumer Affairs) — I thank Ms Hadden for her question, her ongoing interest in these areas and her vigilant attention to the newspapers in her electorate and anything that affects her electorate. As I mentioned before, Ms Hadden drew my attention to the front page of the Ballarat *Courier* this morning; I am always delighted when she presents things to me.

The advertisement she has referred to was not from a paper published in her electorate but from page 44 in the 'Domain' real estate section of the *Age* of 17 May — something I do not normally look in, as I am very happily settled in my house with my family. In the context of the Estate Agents Act and the Sale of Land Act, I have certainly been paying a lot more attention to real estate sections of newspapers than I did prior to my days as Minister for Consumer Affairs.

The advertisement contains a very good picture, and I will not attempt to incorporate it in *Hansard* because I have not done the right thing, but I will describe it — a picture is worth a thousand words. The picture shows a very happy bunch of real estate agents lined up in a garden, and above it there is the heading 'Estate Agents and Sale of Land Acts (Amendment) Bill 2003', so my antenna went up straightaway and I wondered, 'What is this about?'.

The advertisement starts off saying:

> We fully support the new state government legislation to ban dummy bidders at auctions and require all vendor bids to be fully disclosed.

Keatings Real Estate of High Street, Woodend, makes a very powerful statement.

For most Victorians, buying a home is the largest and most significant financial commitment they will make. Home buyers and investors deserve to approach the purchasing of property with confidence, particularly at auction. As you are aware, President, the government is committed to ensuring that the auction system is fair and transparent and that consumers are protected from the undesirable practices of dummy and undisclosed vendor bidding.

It was pleasing to see the Keatings Real Estate advertisement in the *Age* because Keatings obviously shares the view of the government and the vast majority of Victorians that there is a real need for improvement in the auction system.

Keatings said in its advertisement that it fully supported the new state government legislation, and it went on to say:

> A transparent auction system will deliver for purchasers, vendors, valuers, financiers, solicitors, the REIV, government, consumer groups and all other stakeholders.

Hon. A. P. Olexander interjected.

Mr LENDERS — It went on further to say:

> The new legislation will work and it will be enforceable.

Enforceable, Mr Olexander! Keatings Real Estate says that to us.

As we know, the government has worked extensively with the real estate industry, stakeholders and consumer representatives to make sure that the auction process in Victoria is transparent and fair for all involved. Both the seller and the buyer will be protected by the government's legislation, which also promotes ethical real estate practices.

I get out and about — I do not just read the advertisements in the paper — and on Monday night I went to the headquarters of the Real Estate Institute of Victoria and had dinner with the board members. We discussed a lot of the issues in the Estate Agents Act, and the board and the REIV are absolutely committed to stamping out bad practices in Victoria. They are determined to stamp out bad practices.

It is good to see that a real estate agency such as Keatings, which classifies itself as a specialist in the Macedon Ranges, shares the view that improvements to the auctioning system will benefit the community as a whole.

Hon. B. N. Atkinson — Did they ask about stamp duty?

Mr LENDERS — Indeed. It believes Victoria will take a further leap forward as the auction capital of the world.

I am delighted that we are addressing the issues of transparency in the real estate industry, and it is not just Keatings that supports this. Since the government introduced the dummy bidding legislation I have received hundreds of emails supporting the government and encouraging it for its action. I will not pretend this is an auction, but we have received enormous community support for long overdue legislation. Transparency is required — —

The PRESIDENT — Order! The time for questions has expired.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 178, 341 and 384–6.

Hon. B. N. ATKINSON (Koonung) — Last week I raised the point that I had a large number of questions on notice outstanding, and at the time the Leader of the Government advised me that ministers responsible for those questions would follow them up with ministers in another house and that I could expect answers at an early date.

Yesterday I received an answer to one further question. A large number are out of date, and I ask for some firmer assurance from the Leader of the Government about when I might expect answers to my questions, because I am not keen to go through the formal process of imposing a sanction on the government for failing to answer the questions in line with the rules of this house.

Hon. E. G. STONEY (Central Highlands) — Following Mr Atkinson, I also have a great many questions on notice. I have received answers to four of them. I have a great many outstanding.

Mr LENDERS (Minister for Finance) — I thank Mr Atkinson and Mr Stoney for their comments. The government is committed to the process of questions on notice. If we were not we would certainly have exercised the opportunity when sessional orders where reviewed to remove it. As I undertook last week, I will endeavour to get prompt answers from ministers and their offices to these questions and will continue to bring answers to questions on notice into this house at an increasing rate.

MELBOURNE AIRPORT ENVIRONS STRATEGY PLAN

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

> That pursuant to section 46U(2) of the Planning and Environment Act 1987, the Melbourne Airport Environs Strategy Plan 2003 be approved.

The Melbourne Airport environs strategy plan is a land-use strategy prepared by the government to provide a framework for planning controls and initiatives to manage the interests of both Melbourne Airport and the significant airport environs.

The Melbourne Airport Environs Strategy Plan will result in a series of amendments and other actions by the state government to facilitate the economic and competitive operation of Melbourne's international airport while maintaining and ensuring the amenity of those who live in the neighbourhoods surrounding the airport.

Melbourne 2030 addresses the need to ensure that Melbourne Airport, a major infrastructure facility, continues to operate effectively. The strategy plan is consistent with that intent. Given its importance to the state and its economy, Melbourne Airport and the need to carefully manage land use in its vicinity, were recognised by specific provisions in the Planning and Environment Act. The Labor Party, when in opposition, supported those provisions being introduced. The strategy plan establishes principles and directions relating to land use controls in the vicinity of Melbourne Airport. It helps differentiate Melbourne's international airport and its land use controls from other smaller airports in Victoria.

The strategy foreshadows a series of specific changes to the relevant planning schemes which are within the Melbourne Airport environs area. It sets a program for change and lists areas for further investigation. The major elements of the Melbourne Airport Environs Strategy Plan include, firstly, provisions specific to Melbourne Airport which will clarify and more accurately identify affected properties than the current airport environs overlay (AEO) provisions; secondly, continued support for the curfew-free status advantage of Melbourne Airport; thirdly, a requirement for more accurate overlay boundaries for affected areas to be mapped, resulting in an overall reduction in the number or proportion of properties included in the overlay; fourthly, provisions to formally establish the most current Australian noise exposure forecasts (ANEF) as the appropriate measure on which to base all planning overlay controls; fifthly, support for the introduction of a new overlay in the Victoria planning provisions, the Melbourne Airport environs overlay (MAEO), which provides appropriate land-use and building controls to protect noise-exposed properties in the vicinity of Melbourne Airport; and sixthly, the strategy plan will commit the government to the preparation of a series of amendments to the Brimbank, Hume, Moonee Valley and Melton planning schemes.

The controls will replace existing AEO controls for those properties affected by Melbourne Airport. The amendments will not apply controls to any new

properties on those currently affected by the AEO until the Melbourne Airport 2003 master plan process is complete. Finally, the plan includes the further investigation of procedures for notification to the public and property owners of aircraft noise and awareness issues for those within 15 kilometres of Melbourne Airport.

What process did the plan go through? The Melbourne Airport Environs Strategy Plan was developed in consultation with representatives of the local communities and municipalities in the vicinity of the airport — Brimbank, Hume, Moonee Valley and Melton; the Melbourne Airport operators, Australian Pacific Airports, Melbourne, Pty Ltd (APAM); the Federal Department of Transport and Regional Services; the local member for Tullamarine, Liz Beattie, who chaired the steering committee; and representatives of the Department of Infrastructure and the Department of Sustainability and Environment.

After careful assessment of the issues and detailed discussions the steering committee prepared a report on a proposed strategy plan which discussed issues of concern and made recommendations. The steering committee submitted its final report in 2002. The committee has been focused and deliberate in its consideration of the issues and on proposed changes to planning controls to address the anomaly between the current controls, the airport environs area and the noise contours. The comments and recommendations of the steering committee have been considered and a position formed that is detailed within the final Melbourne Airport Environs Strategy Plan 2003.

On behalf of the Minister for Planning I take this opportunity to thank all of those involved in the process of the development of the strategy, particularly the chair of the committee, Mrs Liz Beattie. On behalf of the Minister for Planning I also thank the local government representatives, Cr Gary Jungwirth of Hume City Council, Cr Trevor Sinclair of Mooney Valley City Council, Cr Charlie Watson from the Shire of Melton, Cr Charlie Apap of Brimbank City Council and their officer representatives.

I also acknowledge the contribution of the community representatives on the committee, and on behalf of the Minister for Planning and the government I thank them for their time and efforts. The staff and management of APAM have also been great contributors to the process and discussions. In many ways Melbourne Airport has become a world leader. Chris Barlow and his staff are to be congratulated on maintaining the excellence.

It was pleasing to note the involvement of state and commonwealth officials in providing advice to the committee. This plan is important. The Melbourne Airport Environs Strategy Plan establishes a considered government position with respect to the Melbourne Airport environs area.

Hon. D. McL. DAVIS (East Yarra) — I want to comment on the motion that, pursuant to section 46U(2) of the Planning and Environment Act, the Melbourne Airport Environs Strategy Plan 2003 be approved. The 2003 strategy plan had significant work behind it, including that done by the responsible committee. As the minister said, there was wide consultation not just with municipal authorities around the area, including the Hume, Brimbank, Moonee Valley and Melton municipalities, but also with the federal government.

Aviation is an important matter for Victoria and Australia, and Melbourne Airport is a particularly important airport for Australia generally. It is significant to Victoria because of its access to the world, for tourism and for the movement of freight. We are fortunate to have an airport that is unique in the country in terms of its growth in movements. It has the unusual luxury for an airport close to a major city these days of having 24-hour access. That is a significant advantage for our airport over comparable airports, in particular in Sydney.

The Victorian Liberal Party strongly supported the privatisation of Melbourne Airport. It has been one of the great success stories of the recent period in its ability to free that facility to compete and build the capacity and usage of the terminal in every sense. It has been a significant boon to the Victorian economy and part of building Victoria as a significant hub of transport infrastructure. It has been one of the most important initiatives in recent years.

The security with which the airport operates is dependent on planning approvals at both federal and state levels, and those approvals are always complex and require the input of many individuals, departments and the community. The process this committee has gone through has been a significant one. I note that the slight narrowing of the contours in the Australian noise exposure forecast model flows out of the issues that surround the changes in aviation over recent times. Planes have become quieter, and despite there being more movements at the airport, there has been a reduction in the impact of sound on the broader community. Hence I note a reduction in the distance covered by these contours from the earlier plan of 1988. That is significant for people in and around the airport.

A balance needs to be struck between ensuring that people near an airport, at whatever point they may have moved into the area, are able to have a good quality of life while at the same time preserving the ability of the airport to function as an effective unit that is not unreasonably impeded.

I want to quote from the *Melbourne Airport Environs Strategy Plan 2003*. In the introduction on page 4 I note the discussion of the competitive advantages of the 24-hour curfew-free operation and the activities of the committee itself. Turning to page 7, the plan states:

> It was accepted that the ANEF contours represent a composite of worst-case scenarios up to the ultimate four-runway capacity of Melbourne Airport, with 371 000 aircraft movements. This compares to the 181 000 aircraft movements in 2000–01 with two runways. Importantly, the ANEF contours were endorsed by Air Services Australia for technical accuracy.
>
> The ANEF contours are required by the Commonwealth Airports Act 1996 to be reviewed every five years …

Hence the review at this point, and this has been sitting for some time. The plan continues:

> Future changes to the ANEF contours may require revision of the airport environs overlay. The historical trend has been for areas subject to aircraft noise to contract. Combining this trend with conservative noise modelling, the report indicates that the forecast provides a conservative basis for airport environs planning.

It is important that it is done on that conservative basis. The document continues:

> The report questions the basis of the current AEO boundaries, which originate from recommendations by the Melbourne Airport Land Use Study Committee in 1992. The Melbourne Airport environs areas 1 and 2 do not accurately reflect the 20 and 25 ANEF contours.

Hence the need for review.

> Rather, the boundaries included a tolerance, equivalent to half an ANEF contour interval.

It goes on to say:

> … the AEO boundaries conform to the 1998 ANEF contours within rural areas. In residential zones the AEO boundaries should extend to the nearest cadastral boundary.

To quote further, the report says:

> Adopting this change will significantly reduce the area and the number of dwellings covered by the existing overlays.

In the discussion section on page 8 of the report it makes the point that:

> It is in the interests of the state and Melbourne Airport to have the Melbourne Airport environs strategy approved before the master plan 2003 is exhibited.

It is my understanding that the master plan is now in process — but I stand to be corrected by the minister — and is actually being commented on at the moment. Is that correct?

Hon. J. M. Madden — Yes.

Hon. D. McL. DAVIS — Yes, I think that is the case. Either way the strategy plan recommends an important step.

I want to place on the record the support of the opposition for the work of Melbourne Airport and our congratulations on the success of the airport under its chief executive officer, Chris Barlow, and his team, as the minister has referred to, for the work they have done in increasing services. It is absolutely critical to Melbourne that those services continue to grow and that the number of incoming seats, in effect the capacity, continues to grow. That is not easy in a competitive aviation market with the challenges that international aviation is confronting at the moment.

I have long been a supporter of a very pro-Melbourne position with respect to tourism and matters connected with it, such as aviation. One of the great achievements of the previous Kennett government and in particular the Honourable Mark Birrell, a former colleague in East Yarra Province, was to very successfully target a number of new countries to establish direct flights to from Melbourne. This was an absolutely critical thing that needed to be done and we need to keep the work going in that respect, not just from the level of Melbourne Airport but also from the state government level. I certainly implore the Minister for Tourism and the ministers who have responsibility for these things within the Bracks government to keep this as one of their primary focuses.

There are international challenges with aviation at the moment with the outbreak of the severe acute respiratory syndrome virus and the occurrences in the Middle East and Bali. That will be challenging in terms of incoming international passengers, but Melbourne Airport also has an ability to act in a more significant way domestically. There is the frustration that all Victorians feel — and I am sure the minister will agree — when they fly through Sydney to somewhere overseas. We always question that necessity. A strong airport that is prepared to advocate on its own behalf, in effect for Victorians, is a significant boon in the quest for a stronger freight and tourism sector in Victoria.

Hon. P. R. HALL (Gippsland) — We are undertaking a fairly interesting process this afternoon because it is not usual that this Parliament is asked to pass a planning scheme or indeed an amendment to a planning scheme or a strategy plan such as this. What is usual is that we have the opportunity as a Parliament to disallow an amendment to a planning scheme or a planning scheme itself. I must admit I have had a go at that mechanism a few times myself, trying to disallow an amendment to a planning scheme, the most recent being an amendment to the Wellington Planning Scheme, to disallow the use of pylons for the Basslink project.

So we have had a go at disallowing amendments to a planning scheme but to my knowledge we have not gone through a process such as we are going through this afternoon — that is, actually requiring the Parliament to pass a planning scheme, in this case a strategy plan.

When I looked at this notice of motion pursuant to section 46U(2) of the Planning and Environment Act 1987, I thought I had better have a look at what that section actually provides, not having addressed this particular section of the Planning and Environment Act before. So I had a look at section 46, particularly section 46U(2) and there it is: specifically for this strategy plan, being the Melbourne Airport Environs Strategy Plan, the heading of section 46U is 'Approval of Parliament needed', and section 46U(2) provides that the minister has 10 sitting days in which to have Parliament resolve to give that approval.

I also noted that, in the terms of the act, this is unique to the Melbourne Airport Environs Strategy Plan. I noted also that it is probably not unique because a similar provision applies to the Upper Yarra Valley and Dandenong Ranges Regional Strategy Plan as well, so amendments to that plan also require the approval of both houses of Parliament.

Why do we have these particular provisions in the Planning and Environment Act 1987? That was the next thing that intrigued me. I noted from the notes beside these particular clauses that they were inserted by amendment in 1998. I thought that for my next bit of research I ought to look at what the minister at the time said in the second-reading speech in 1998 to have this section inserted into section 46 of the Planning and Environment Act. Lo and behold, the minister in charge was my good friend the Honourable Roger Hallam, the then Minister for Finance. There was no need to go any further. I have absolute confidence that my former parliamentary colleague would have done the right thing and that to have this section inserted in the act would have been a sound measure.

I read Mr Hallam's second-reading speech with interest. I will refer to part of it in the debate this afternoon. He said:

> The Melbourne Airport Environs Strategy Plan will help ensure the airport, probably the state's most important strategic site, retains its key competitive advantages of a 24-hour curfew-free operation; an integrated passenger terminal complex; large areas of surrounding rural land, allowing minimal impact of aircraft noise on nearby residential areas; enormous potential for expansion with uncongested airspace; unrestricted airfield capacity; and a fine weather reputation.

I repeat the last bit; I was intrigued with it: 'a fine weather reputation'. I am not sure whether that is a deliberate statement by the advisers on the construction of that second-reading speech because it appeared to me that it was more typical of the personal traits of Mr Hallam himself and his command of or flourish with the English language that he uses quite frequently. I would not have been surprised if the insertion of 'a fine weather reputation' was actually the hand of Mr Hallam being imprinted on the legislation again in the state of Victoria.

Hon. D. McL. Davis interjected.

Hon. P. R. HALL — Yes, because that is his particular style.

The second-reading speech goes on to give background about why this is necessary. It is useful to go back and read that speech because it sets in perspective the whole purpose.

In preparation for my contribution to this debate, my next step in the research of the motion was to read the document *Melbourne Airport Environs Strategy Plan 2003*. I must admit it is not a difficult task to read the document, which is set out well and simply. It begins with an introduction which again gives some background to the processes involved in the development of the strategy plan. It also sets out its purposes. It tells us in the introduction who was involved in the preparation of the strategy plan. I note and acknowledge that the process was chaired throughout by the Labor member for Yuroke in the other place, Liz Beattie. It would not be an easy task to chair the process and to achieve the plan, so we commend and acknowledge her for doing that.

I also note that committee members included councillors from the municipalities of Melton, Brimbank, Hume and Moonee Valley which are

covered by the environs strategy plan. I also note that the Melbourne Airport operator, Australia-Pacific Airports, had representation on the committee as did the commonwealth Department of Transport and Regional Services and the Victorian Department of Infrastructure.

The plan sets out a bit of background and talks about the current planning controls. Although the individual shires that have land within the airport environs still have ultimate planning controls, the fact that we have an overarching environs strategy plan to some extent limits what approvals can be granted in this particular geographical area. But that is sensible, given the strategic importance of Melbourne Airport to the state of Victoria.

The strategy also addresses issues like the location of the boundaries of the area, the need for controls or other measures outside the overlay it refers to — that is, the overlay being the strategy itself — the ordinance provisions relating to the overlay, and the need for maintaining a referral authority. It also discusses the issue of whether compensation to parties affected by aircraft noise is justified. While reading the document I noted that the government accepted in large part the recommendations of the working party that developed the plan. It is a sensible and good outcome.

The last thing I want to say without going through the details — and I do not think I need to because the document is publicly available for all to read it — is just how important the airport is. Air services in Victoria and in other states are essential for the wellbeing and economic growth of the areas it serves. As a person who lives in country Victoria I appreciate that we have regional airports that are necessary for our wellbeing and the economic development in our regions.

As well as it having Melbourne Airport, the City of Melbourne has Essendon Airport, which remains an important facility by use by country Victorians. Indeed I used Essendon Airport last Monday to travel to it from Bemm River in my electorate. I thank the President for allowing me to use my charter allowance outside my electorate to enable me to attend a parliamentary committee meeting on Monday afternoon. That was the only way I could have travelled the otherwise 6 hours of road journey between Bemm River and Melbourne if I were to get to that committee meeting on time. That again emphasised the importance of Essendon Airport as a strategic location for air services that service country Victoria in general.

This motion is about Melbourne Airport. It is an important strategic element of this state's development in the future. We in the National Party are pleased that the state has an environs strategy like the one we are debating today which ensures the future of that airport. I am pleased to indicate the support of the National Party for the motion.

Motion agreed to.

DANDENONG DEVELOPMENT BOARD BILL

Second reading

Debate resumed from 20 May; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. D. McL. DAVIS (East Yarra) — I am pleased to again make a contribution on a planning bill — this time the Dandenong Development Board Bill. This bill came to Parliament in one form earlier last year, but it lapsed due to the proroguing of Parliament and the election. The development board would, as I understand it, be envisaged by the government to have a number of specific roles. They would relate to the development in and around the Dandenong area.

It is a board that would in many ways mirror the existence of the council in that area, which plays a significant role. I know other councils around the area also have views about this bill. I am happy to place on the record that the opposition has consulted with many of those councils. I note the comments received from the City of Greater Dandenong in a letter to the shadow Minister for Planning in the other place, the honourable member for Hawthorn, the person who has done most of the work on this bill. The council supports the bill, although I must say the letter is interesting, which is probably the only word I could use to describe it. But it clearly states on the record that it supports the bill.

I must say that the bill could be seen to produce an authority that could second-guess many of the functions of the council, and in that sense there needs to be good coordination between the council and the new authority to ensure that what goes on there is effective and that the two authorities are not working at cross-purposes in any manner.

Mr Viney interjected.

Hon. D. McL. DAVIS — I understand that, but the board will have a different membership. The council is elected, but this board is not elected, so there is a risk

that at some point in the future the two authorities may not work in tandem. I is important to place on the record that that is something that should be a focus of both the council and the new board.

I shall read into *Hansard* the specific functions of the board in clause 6. They are:

> to facilitate the development of Dandenong as a key centre for employment and services for south east Melbourne …
>
> to encourage activities (including community and cultural activities) which contribute to the role of Dandenong as a key centre for community and culture in south east Melbourne …
>
> to recommend to the Minister infrastructure and other works considered necessary to facilitate development and economic and cultural activity within Dandenong …
>
> to encourage the development of housing diversity within Dandenong, including affordable housing …
>
> to promote economic growth in Dandenong …
>
> to carry out any other functions conferred on the Board by this Act.

I know there will be seed funding and a budget allocation has been given to the board, which will certainly give it sufficient resources to take its first steps. At a later point perhaps I will seek from the minister an explanation as to precisely how this board will fit, as I have asked him in relation to other matters, with the government's Melbourne 2030 plan. He may want to elaborate on that point, but I state on the record that I am not sure about Dandenong.

I do not claim personally to have undertaken a great deal of the opposition's consultation on the bill. I am not sure of the views of people in Dandenong and its environs on Melbourne 2030, but I know that in other areas of Melbourne there is growing concern about Melbourne 2030 and how it will impact on the lifestyle of parts of Melbourne. I know that in areas around Parkville and in Kew in my electorate the issues around Melbourne 2030 are steadily developing as community groups express greater concern.

Most recently in the Kew area great concern has been expressed about the Kew Cottages redevelopment and the fact that the government has a draft urban strategy for it that will see the installation of very large towers on the site. That is certainly not in keeping with the area.

One thing about such development proposals and their links with Melbourne 2030 is that development needs to be done in a way that takes the community with it and is not imposed on it. I know that this model in Dandenong may well become a model for other transit areas central to the larger cities — transit cities, I think is the term, or principal activity districts — which could include Frankston, Box Hill, Sydenham and others. This is the first board of its type in Victoria. There are models not dissimilar to this in cities in other states — for example, in Sydney.

I am concerned about the transparency of the board's activities. I place on record my personal concern about some of those matters and hope that they are not in any way well founded.

I have alluded already to the relationships between the board, the City of Greater Dandenong and the issues that may arise of resolution of conflicts and differences of view. It would be my hope that any such conflicts would as a default position — this is not embodied in the legislation — lean towards the view that the democratically elected council would have the primacy at the end of the day.

I would be very interested to hear how this coordination issue will play out between the City of Greater Dandenong and the board. I heard Mr Viney's comments earlier about the crossrepresentation but, nonetheless, they have a different make-up.

It is said that the board will have no formal planning role and will not be a decision maker, a phrase that was repeatedly asked about at a briefing. I find that difficult to sustain in that facilitation by the board will in effect lead to decisions being made in a formal or a de facto sense.

I note that the board has a role to develop a corporate plan to target against a series of measures. I will be very interested to see that corporate plan as it is developed and its impact.

I believe Melbourne's population will continue to grow. The figures in Melbourne 2030 and elsewhere show how that will occur. It is important that proper provision be made for that ongoing growth. The Victorian population can quite comfortably be larger and, if managed properly, Melbourne's population can be larger. I understand that Melbourne 2030 is an attempt in part to do some of that, but there are things wrong with that plan, and we will hear much more about it. I hope, for the sake of Melbourne and Victoria, that the government is able to manage that growth.

I will watch with great interest to see this Dandenong Development Board model implemented. In a sense it is an experiment in that it is the first one we have had like this. We will watch to see exactly how it operates. Local members of Parliament may have views about their input and their ability to understand the activities

of the board, and I will leave it to those local members in the area to partake in the experiment, as it were. I have no doubt that, as sincere local individuals, they will try to achieve outcomes for their community. One mechanism to achieve some of those outcomes will be to put a well-argued case to a body like the Dandenong Development Board.

I put on record not only that the opposition does not oppose the bill, but also that we will be watching the activities of the newly developed Dandenong Development Board to see how this experiment fares.

Hon. P. R. HALL (Gippsland) — As the minister in the second-reading speech and the lead speaker of the opposition have said, this bill establishes the Dandenong Development Board with essentially the functions to facilitate the development of Dandenong as a key centre for employment, housing, services and community and cultural activity in the south-east of Melbourne. The National Party wishes Dandenong well. It is a fine city. I pass through Dandenong frequently as I travel between Melbourne and my electorate in Gippsland, although I do not now have the fortune of driving through the middle of the city as frequently as I used to once. Now when you come up the Princes Highway you bypass a good part of Dandenong, but nevertheless I still think of Dandenong.

Mr Viney — The bypass was a government initiative.

Hon. P. R. HALL — I hope so. Over the years I have travelled through Dandenong frequently; particularly before the Monash Freeway was built I used to spend quite a deal of time going through Dandenong. I understand that it has had some economic difficulties over time and needs some support. We are happy to support the government in its support for the City of Greater Dandenong.

The bill raises the question of why this particular initiative is being trialled in Dandenong and not in other areas. If this turns out to be excellent, perhaps the government may consider similar initiatives in other areas of the state.

When I thought about this it also raised in my mind the former Latrobe Regional Commission. That was a similar concept based in the Latrobe Valley but it had a broad-ranging purview over the whole of the Gippsland region. The Latrobe Regional Commission was a similar body to the Dandenong Development Board set up by government and provided with some government funding. In that case it was state, federal and local government funding. In the end the Latrobe Regional Commission ran its course and folded. One of the difficulties it had was uniting the whole of the Gippsland region, which is something nobody has yet achieved because of the different parochial interests in the different corners and the vast differences and needs from one corner to the other.

That is why when we were debating the bill which changed the geography of the representation in the Upper House in this state that I said it will be an extremely difficult task for anybody to represent that area. It has diverse needs across a large region. As I said, one of the reasons why at the end of the day the Latrobe Regional Commission failed was that it was expected to represent the interests of all of Gippsland which was an almost impossible task given the diversity of interests and needs across the whole of the area.

Dandenong may have more success, given that the geographic area it covers is more confined, and I think the communities of interest are the same across the whole area covered by the Dandenong Development Board. We are pleased to see something being done to support Dandenong.

I shall make a couple of comments on aspects of the bill. Firstly, I noted in the second-reading speech that the Premier announced on 12 March 2002 the establishment of the Dandenong Development Board. We are dragging the chain a bit. It has been over 12 months since that announcement, but we have finally got legislation in the Parliament. I know there was legislation before the previous Parliament but that was when Parliament was prorogued in October last year and that legislation was not passed. This legislation was announced in March 2002. It is not a complicated bill by any means. I would have thought that the government could have had it in place much sooner after that announcement on 12 March 2002, today being 21 May 2003. Nevertheless, we are here.

I would like to make a couple of comments about the composition of the Dandenong Development Board. It will be very much a board controlled by the state government of the day. There is no dispute about that, particularly when one reads clause 8, which says under the heading 'Direction of the minister':

> In the exercise of its powers and performance of its functions the board is subject to the direction and control of the minister.

Clause 10 talks about the membership of the board, and they are all ministerial appointments apart from the mayor of the council, the chief executive officer of the council and two people who have business interests in

Dandenong. But once again the minister appoints those people from a list submitted to him. So at least 7 of the 9 appointments to the board are controlled directly by the minister.

One other aspect of the bill which deserves mention is the need for accountability, openness, and transparency — key words of this government. So I looked to what sort of accountability mechanisms are in place to keep track of the activities of a board which, after all, is receiving at least $4 million of government funding. That is the commitment given by the government.

I notice the accountability mechanisms are contained in clause 21 under the heading 'Corporate plan', which says:

1. The Board must prepare a corporate plan for each financial year. Copy to the minister on or before 31 May in each year.

2. The Board must give a copy of the proposed plan to the minister on or before 31 May in each year.

It goes on to say what must be included and approved by the minister in that corporate plan. Clause 6 says:

> The plan, or any part of the 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.

I think the accountability is somewhat of a shortcoming in this piece of legislation, because it seems to me that the public does not have any opportunity to know exactly what the board is doing, how well it is doing it and what results it is achieving. There is no statutory or mandatory publication of the activities of the board, and for an organisation that will be receiving $4 million of government funding I would have thought there should have been a more appropriate mechanism to keep account of those public moneys and how effectively they are being used.

As it seems at the moment, unless the minister wishes to publish the outcomes or activities of the board, it is not necessary that they be made publicly available to anybody. I do not know whether the mechanism even exists for someone to seek information on the board's activities through freedom of information. There are issues of accountability that need to be examined with this model proposed for a development board, and if we are to have these boards in the future perhaps that issue ought to be further examined and incorporated into any other initiatives of this type.

As Mr David Davis said, this is a first, under this government at least, to establish a development board of this nature. It will be interesting to see how well it works with both state and local governments in terms of its functions because I can see also that there is some potential for duplication of some of the work that each would do. I hope that can be done sensibly, and with membership of state and local governments on the board, hopefully any duplication of effort can be ameliorated.

With those few words, the National Party wishes the municipality of Dandenong well. We are happy to support the bill this afternoon, but we will watch with great interest how things unfold.

Mr VINEY (Chelsea) — I am pleased to join members here in support of the bill. I note the earlier contributions from Mr David Davis and the Honourable Peter Hall, in particular their references to this bill being something of a pilot for an approach to future development. It needs to be put in context that the model the government is working with here is the model of the concept of transit cities. We face in Melbourne significant growth outlined in the government's 2030 statement, and that growth shows that the number of households will increase in the metropolitan area by 620 000, which will represent a population of 925 000 people. But of more interest than that is the fact that the nature of these households will be very different to what we have experienced in Melbourne before.

I apologise for not being able to give the precise numbers, because what I have in front of me is a pie chart without numbers attached, but I will give some guesstimates of what the pie chart represents. Of those 620 000 additional households, loan households will represent in the order of 45 per cent. Couples without children will represent about 40 per cent, and just under 10 per cent will be representing other household types, being the more traditional family household.

So what we are facing in Melbourne over the next 30 years or so is quite a different structure to the population and housing market we have experienced before. The government's response to the change in demand that will be placed on the metropolitan area of Melbourne is to identify nine transit cities in the metropolitan area and five transit cities in the regional areas because, of course, part of the strategy in dealing with the expected population growth in Victoria is to ensure that there is an encouragement of economic and population growth in our regional centres.

The bill puts together the structure by which one of those transit cities can progress, that being in Dandenong, and part of the City of Greater Dandenong comes into my electorate of Chelsea Province. The

transit city program has set a number of specific objectives, which are: to improve public transport usage; to provide opportunities for increased private investment and business innovation; to improve the overall quality of places and encourage sustainable city development; to develop high-density housing at strategic locations near transit centres; and to build communities that offer fair access for all to services and employment opportunities.

What is pleasing about the bill is that the functions of the board very much mirror those objectives of the Transit Cities program. Mr David Davis raised the question of the powers of the board, and that is an interesting question given that this is a new means of facilitating the development of an area such as Dandenong. The functions of the board as outlined in the bill are to promote Dandenong and to facilitate the economic climate.

More specifically the bill states in clause 6 that the functions are to facilitate development of Dandenong; to encourage activities which contribute to the role of Dandenong; to recommend to the minister infrastructure and other works considered necessary to facilitate development; to encourage the development of housing; to promote economic growth in Dandenong; and to carry out any other functions conferred on the board by the act.

Clearly the functions and aims outlined in the bill are very much about facilitation rather than transferring power — that is, planning power — from either the local government authority or the minister to this board.

A commitment to facilitation is necessary in this kind of project because putting together the development in a city like Dandenong will require a consultative and collaborative approach of a range of interests that will include the council, the various arms of state government — be they public transport, planning or industry — and the local business community. The importance of having the representation of the local municipal authority on this board is to ensure that the community's interests are protected as well.

Encouraging this kind of project and development in an already solidly built urban area, where redevelopment, redesign and re-functioning of the city activities are necessary, is going to require a collaborative approach that is best achieved by facilitation and consultation. That is the purpose of this bill.

I turn to the specifics of the Dandenong transit city itself. An extraordinary opportunity exists in Dandenong around the old market area and saleyards. I pick up the point made by Mr Hall about Gippsland and its relationship to Dandenong. As a child I spent much time, before freeways existed, driving through Dandenong with my family and seeing the great landmark of the Dandy hams and bacon sign. I spent many days at the Dandenong saleyards watching my father buy and sell cattle for his dairy herd.

Hon. D. McL. Davis — Did he try to sell you off?

Mr VINEY — No, he did not appear to want to sell me off. I am sure there were moments when he did want to, but not on those occasions.

Those saleyards are a thing of the past but the area they occupied provides an enormous opportunity to look at the future development potential of Dandenong to bring together the opportunities that come from some interests in the education sector — through the TAFE college and so on — and in housing and to look at the linkages with the nearby rail network and other transport interchange opportunities in that development.

This will be a development in the order of $250 million. It will be an opportunity to change the face of Dandenong to regenerate its economic vibrancy. Together with the future development of the Mitcham–Frankston freeway and the expected economic growth and industrial development in some of those areas of land around that part of the corridor, this provides an exceptional opportunity to bring Dandenong forward.

The question of how this authority ultimately works out is one that we on both sides of the house will all watch with interest. It will not always be the model required in all the transit cities because the particular situation facing Dandenong is different from what might face some of the other centres, such as Ringwood or indeed Frankston, which I know reasonably well. The particular interests and difficulties in Dandenong have led the government to conclude that the development of this board would be a great contributor to the development of transit cities.

It may be that this model is so successful that it will flow into other areas. The more important point is that the model of these 13 transit cities will provide an opportunity to look at the more than 100 other potential sites for transit cities, such as Cranbourne or other places that have transit city opportunities but are not on the current list of sites being looked at.

The Transit Cities program, in particular the Dandenong one, is an important development in the opportunity for urban renewal and the revitalisation of metropolitan and regional centres in Victoria. It is also an excellent chance to model these transit cities in

different ways so that in the future other parts of Melbourne and other regional centres can look and say, 'That system worked well here; these bits in another transit city worked well in another area', and look at ways of promoting and enhancing those developments in other centres.

I also believe that the Transit Cities program, as it is being applied in Dandenong with the development of the Dandenong Development Board, provides an opportunity for Victoria to deal with the significant changes in both the size and structure of Victoria's population in the future. I commend the bill to the house.

Hon. B. N. ATKINSON (Koonung) — As has been indicated, the Liberal Party does not oppose this legislation. I think this is a particularly interesting bill that comes before the house, not so much for what it says at this point in time but for what it does not say. This is a bill that requires a lot of people to take on faith the intentions of the government; this is a bill that has significant implications for local government. Some of those implications run very much counter to the sorts of assurances of sovereignty for local government that have been given to this house by the Minister for Local Government.

This is a board that is established to do a range of things without necessarily direct power and certainly with little if any accountability. This is a board that has significant opportunity to influence the shape, the structure and the future of the Dandenong centre, and yet it operates without a direct mandate from the people of Dandenong and indeed without any real obligation to even work with the City of Greater Dandenong in terms of trying to achieve its range of objectives in promoting Dandenong as a significant centre.

There is no doubt, as other speakers have indicated, that Dandenong is one of the most important centres in Victoria and has been traditionally so. In fact, it has childhood memories for many of us. Mr Viney talked about going through Dandenong on his way to different places, and I think many people who live in the eastern suburbs would know Dandenong as the traditional gateway to Gippsland, East Gippsland and the Latrobe Valley as well as the gateway for people venturing further afield into the Sale and Bairnsdale areas and southern and coastal New South Wales.

Dandenong has traditionally been arguably Melbourne's second central business district (CBD). It has been one of the major locations for a wide range of activities, including commercial offices. It is certainly probably Melbourne's major industrial centre now and also a significant retail centre. Of course, as Mr Viney indicated in his address, it is home to a very diverse and very significant population. This is an area that all Victorians have a vested interest in in terms of the success of Dandenong as a business and regional centre. It is without a doubt one of Victoria's leading industrial and commercial hubs.

The CBD of Dandenong has at different times been an area that has not been without its problems over a significant period. There has been a great deal of economic pressure on some parts of the Dandenong CBD, and it would be hoped that this initiative by the government might encourage some new investment into Dandenong to address some of the planning problems that have arisen over the years. I do not apportion blame in talking about planning problems; I just indicate that this centre, having grown the way it has over more than 100 years, has not been without its problems. As a gateway it is an area that has significant traffic issues, apart from anything else, that have divided it. There are roads off to Phillip Island and to South Gippsland effectively as well as down to Frankston and the Mornington Peninsula. Roads to the north lead through to Knox and Whitehorse, Ringwood and so forth, and of course the Princes Highway is a major thoroughfare through Dandenong.

The influence of the road pattern through Dandenong has had a significant impact over the years on its development. Indeed, there have also been a number of large parcels of land which have served as a significant influence on the way Dandenong has developed. Some of those parcels of land have been owned by the council, particularly the Dandenong market, the council's own buildings, and the saleyards which would appear to have been the genesis of this legislation inasmuch as the state government was looking at a touted $200 million redevelopment in the vicinity of the Dandenong railway station. It has been noted that that project was in fact mooted in March 2002, presumably with a touch of interest in the election that was to come and the need to suggest to everybody that this government was a do-something government. Here we are more than 12 months later embracing the legislation that gives some sort of credence to that press release that was issued way back in March 2002, so there has not been a lot of progress on this.

Sadly, in terms of the announcement that was made and the time that has elapsed since, it does not seem that that has provided much of an environment for consultation with the City of Greater Dandenong, or indeed with Dandenong residents. The council in particular has indicated that there has been a fairly low level of consultation. Certainly there have been officer

discussions on how this board might work, but at a councillor level — at the more corporate or formal level of the council — there has been fairly limited consultation on this government's initiative.

That has to be a matter of concern, because clearly there is going to be a need for cohesion between the development board and a range of authorities. First and foremost in the queue of authorities that will need to have a strong and effective working relationship with this proposed development board is of course the City of Greater Dandenong. As I have said, we have heard the minister come in here and talk about how this government regards local government in this state as having sovereignty, being responsible for its own destiny and having an ability to influence all of the activities and outcomes within its own municipal area. Yet here we have an extra layer of bureaucracy that has been put in place and a layer of bureaucracy that has significant powers.

Interestingly enough, not all of those powers are defined in this legislation; not all of those powers have been outlined by the government in real terms. In fact, it seems to me that this whole proposal is one of putting it in place and watching it evolve. It is almost a suck-it-and-see process — 'We'll see how it goes. We will put it here and see how we can work this out'.

It was interesting to reflect on Mr Viney's presentation today, because essentially what he was saying was that this could be a model for other places, and the opposition recognises that that is no doubt a proposition for the government. But it seems that this one is very much a guinea pig to find out how it might work here before it goes elsewhere. There is a lack of definition of some of the powers and its membership is dominated by government appointments. Only two of the nine people on this board will in fact be guaranteed to be from the Dandenong area with the others being ministerial appointments. In fact, the only possibility of getting a third local person, or somebody to do with the City of Greater Dandenong on the board as a representative of the city is if that person is to be appointed by the minister as chairman of this authority. Otherwise there is no representation from the City of Greater Dandenong. I think that speaks volumes in terms of the contradiction in what the minister tells us in this place about the sovereignty of local government.

There is no doubt that we need to look at opportunities for urban renewal in some of our major centres. There is no doubt that an area like Dandenong does need to be rejuvenated, and there are a great many opportunities to bring considerable benefit to the people of Dandenong — the residents of Dandenong, businesses in Dandenong and people who visit Dandenong or who do their business in Dandenong. As I said, it is a very significant centre, and every member of Parliament and every Victorian would want this centre to fulfil its potential as one of the major regional areas in Victoria, recognising of course that it is in the metropolitan area, but, as I said, very much traditionally the second Melbourne CBD.

My Liberal colleagues and I believe this development board has some potential in that regard and that is why we do not oppose the legislation before us, but we are certainly concerned about that lack of direct accountability. We are concerned about the domination of the board by government appointees rather than by people who have a direct link to the community and I would have thought government members would have been concerned about that.

If you take that aspect further, we are concerned about the location of the development board within state government offices — that is, within the offices of the Department of Innovation, Industry and Regional Development. The board will be very much a creature of the state government and it will have an opportunity to impose its will on Dandenong.

I appreciate there are words like 'promote', 'encourage', 'coordinate' and so forth in this legislation, and I hope the mandate and the modus operandi of this particular board will include those things and that it will go about its work in a collaborative way. However, there is certainly concern held that this is very much a state government creature, that it does not have representation from the City of Greater Dandenong, that there is limited membership from the Dandenong community more broadly with only two business people associated with it, and certainly that this particular board does not have any direct responsibilities to report back to that community or indeed to many other authorities in terms of its accountability.

The last significant development in Dandenong was the Lend Lease shopping centre and a reconfiguration of major roads in Dandenong. That was a significant improvement and I hope this development board will lead to the attraction of a great deal more private investment in the centre of Dandenong and a lot of urban renewal projects. There is a need for considerable coordination in Dandenong to improve and consolidate some of its central business district areas and bring more housing into the CBD area as well, which is really what the saleyards project was about.

I certainly agree that, as it is already a significant transport hub, the transit aspect of Dandenong needs to be recognised as part of this development. I have said in this place and indeed canvassed in my local community that one of the things I would hope for in the future is a railway line down the centre of the Scoresby freeway connecting Ringwood with Knox and Dandenong and providing a rail link — a circle railway line — that would allow people to go right around the area.

Mr Viney — And down to Frankston?

Hon. B. N. ATKINSON — I would certainly be happy to see it go down to Frankston as well and join with another significant railway line.

If we could start to achieve those sorts of visions under this approach then everybody would be a lot better off. There would be advantages in terms of moving people to their places of employment, given that Dandenong is a very significant employment centre. There are many people in suburbs that I represent, such as Blackburn and Mitcham, whose children have married and are now setting up home in Cranbourne, Narre Warren and so forth and for whom access by public transport to their family members is extremely limited at this stage, so I hope that Dandenong's opportunities as a transit centre will be realised through this particular initiative.

It will be interesting to see how it works. The opposition parties will obviously take a great deal of interest in it, particularly on the basis indicated by Mr Viney and as the opposition understood from government briefings — that is, that this could well be a model used in other areas such as Ringwood, Frankston, Sydenham, Footscray, Camberwell and so forth to achieve some urban renewal projects and to improve a range of services in those areas, particularly transport and other services. We look forward with interest to this bill — —

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! The honourable member's time has concluded.

Mr SOMYUREK (Eumemmerring) — It is with pleasure that I rise to speak on the Dandenong Development Board Bill 2003. The bill provides for the establishment of the Dandenong Development Board, which will promote, facilitate and encourage the development of Dandenong. The bill also gives effect to the government's commitment to the development of the Dandenong Development Board as part of the Transit Cities program.

Dandenong is one of the state government's nine metropolitan transit cities projects. These projects are an important component of Melbourne 2030 as they implement a number of strategies stemming from that plan.

Dandenong is contained within my electorate of Eumemmerring Province, but apart from that I have had a connection with Dandenong since coming into the area as a one-and-a-half-year-old, so I know first hand the economic and social issues that currently exist in Dandenong. Dandenong needs help to facilitate development in the state's booming industrial sector, in various-density housing, in the office and employment area, in retail development, and in voluntary agencies and multicultural agencies in the community sector.

The economic issues faced by Dandenong are mainly due to the restructuring of traditional manufacturing jobs over the past two decades — a disaster for a city with one of the highest concentrations of manual workers.

As well as suffering a downturn in manufacturing, Dandenong has also suffered a downturn in retail trade and therefore in employment. Twenty years ago Dandenong was a vibrant and very significant retail centre. It was the regional retail hub; Lonsdale Street in central Dandenong was referred to as the golden mile of retail. The creation of alternative shopping centres such as Parkmore and Fountain Gate and the expansion of the Chadstone and Southland shopping centres all took trade and employment away from Dandenong. Developments such as these and the creation of the Dandenong Plaza on the north side of the Princes Highway have fragmented the central activities district (CAD) of the old shopping centre area.

Small land holdings by a disparate group of people have contributed to insufficient long-term planning. This is an issue on which the Dandenong Development Board may be able to assist. The physical layout of the Dandenong CAD remains as designed in the 1950s when it was the gateway to Gippsland and the Latrobe Valley, as Mr Hall and Mr Atkinson said. Insufficient infrastructure is often cited as an impediment to further development of the CAD of Dandenong and its surroundings.

The board will be in a position to facilitate an exchange of ideas between various interests, including developers, business people and residents. Further, with the establishment of this board the government is honouring its commitment to setting the vision for tackling the economic, social and environmental challenges in Dandenong. The board will be established as a body corporate with perpetual succession. The clause that establishes the board provides as part of a

standard for such bodies that the board may acquire, hold and dispose of real and personal property. It is not intended that the board will have the power to acquire real property and therefore no specific powers have been provided in the bill to enable this to occur.

The board will be comprised of representatives from the Greater Dandenong City Council; the local business community; the Department of Sustainability and Environment; the Department of Infrastructure; the Department of Innovation, Industry and Regional Development; and the Urban and Regional Land Corporation.

An Honourable Member — Bruce Atkinson got it wrong.

Mr SOMYUREK — Bruce Atkinson did get it wrong. There will be five members representing the interests of Dandenong — that is, the independent chair, the mayor, the executive officer of the City of Greater Dandenong and two local business people who are appointed by the minister based on names put forward by the council.

An Honourable Member — Bruce Atkinson misled the house.

Mr SOMYUREK — He got it wrong. The Liberal Party also got it wrong in the other house. Its members said quite explicitly — although to his credit Mr David Davis took a step back from those comments — that the council was against this project and against the board, and that is not the case.

Just for the record, my colleague in the other house, the member for Narre Warren South, Dale Wilson, who is a former councillor and long-time activist in the local area and has worked tirelessly over the years to develop Dandenong, has received a letter from Mr Warwick Heine, the chief executive officer of Dandenong council.

The letter is dated 7 May 2003. I quote a couple of paragraphs:

> As indicated in our discussion, council supports the establishment of the Dandenong Development Board and has no concerns with the provisions of the bill.
>
> Communication and consultation as to the government's intentions with the Dandenong Development Board have increased markedly since Rob Davies and his team moved into their offices in Thomas Street, Dandenong. Rob and his team have been working closely with council staff to ensure that there is a strong partnership between the development board and council.
>
> The mayor, Cr Kevin Walsh, and I look forward to joining the board when it is established. We believe there are great opportunities for Dandenong as a result of this initiative. It will ensure a significant improvement in the coordination of planning for the future of the Dandenong CBD. We believe the Dandenong Development Board will assist in ensuring that Dandenong becomes the pre-eminent city under the government's Transit Cities program.

In conclusion, I reiterate that the board will facilitate the revitalisation of Dandenong and set it on the path to recovering its former vitality. I commend the bill to the house.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I am pleased to rise this afternoon to speak on the bill as one of the representatives of Dandenong in this place. I have listened with interest to my colleague Mr Somyurek as he read his contribution into *Hansard*, as he always does. I note he has even been given a special lectern brought into the chamber for the purpose of reading his contribution into *Hansard*.

I commend Mr Somyurek for making a contribution on the bill because I note that our colleague in the other place, the Minister for Gaming, the Honourable John Pandazopoulos, who is at least notionally the member for Dandenong, did not even bother to make a contribution on a bill about Dandenong. That is a great shame. He has the primary role of representative for Dandenong, yet he did not see fit to talk about one of the most fundamental changes in the planning and development structure to be established for Dandenong.

Dandenong proudly promotes itself as Melbourne's second city in recognition of its cultural and economic strengths. It has a significant and diverse mix of industries through the manufacturing and services sector and I am very proud to be a representative of Dandenong in this place and the only member of this place who has an electoral office in Dandenong. It is with great interest that I see this bill brought before the house this afternoon.

I must say at the outset that this piece of legislation, the Dandenong Development Board Bill, is a massive vote of no confidence in the Labor-controlled council. It is ironic that members of the Labor Party spent a great deal of time promoting candidates for the City of Greater Dandenong council and we have a council heavily dominated by ALP hacks. Yet the government, having put these people there, has no confidence in them.

It is a sad indictment of how poor the majority of those councillors are that the government has seen the need to introduce this legislation. The legislation was proposed last year. It was announced in March 2002 and has taken over 12 months to get to this stage. The board was announced in March 2002 at the time when the

previous council was in office. It was a council which could have been condemned because of the way in which it handled municipal affairs so the government decided to intervene. The intervention took the form of the Dandenong Development Board.

Since the time of that announcement there has been a council election and we have seen some changes in the composition of the council. Unfortunately the majority of the Labor hacks were re-elected and continue to operate in the dysfunctional way they did in the previous council. You only need to look at some of the council minutes or read some of the issues that come before that council and the way they are handled to know that the majority of the hacks that were on the Dandenong council have continued. However, there are also some new councillors and we look forward to seeing them act in the best interests of the people of Greater Dandenong.

Honourable members interjecting.

Hon. G. K. RICH-PHILLIPS — Certain government members interject about democracy and councils and the democratic process. That is the height of hypocrisy because this bill before the house today is about overriding democratically elected local government and putting in its place the Dandenong Development Board to keep an eye on development in the City of Greater Dandenong because the government has no confidence in the council. This board is about putting in place a mechanism because the government has no confidence in the council.

Mr Somyurek spoke about the composition of the board: the chairperson, the mayor and the majority of members who are secretaries of departments so the majority of the people sitting on the Dandenong Development Board will be city-based bureaucrats. A chairperson is to be appointed. There is no outline in the bill as to the mechanism the minister will use to choose that chairperson. There is the risk we will end up with another Labor hack as chair of the development board, but we hope that does not happen. There is provision for two businesspeople from Dandenong nominated by appropriate local business organisations and I presume they will be the Greater Dandenong Chamber of Business and Industry and the Retail Traders Association of Victoria. We await those announcements with interest.

The board was announced at the time the government announced that the Urban and Regional Land Corporation would redevelop the Dandenong saleyard site near Cheltenham Road south of the railway station in Dandenong and create a 1000-unit housing development. At the time I was pleased to see that announcement and very supportive of the development of the site, because although part of it had been used as the former saleyards, the majority of the site has been vacant land for a long time. To see a well-developed, well-constructed residential development bringing people into the City of Greater Dandenong is a very positive thing, and I support it.

At the time of the announcement I made the point that the government had to get on and do it, and yet here we are some 15 months later and still there has been no progress on the saleyard site at Dandenong, which is very disappointing. The Premier and the Minister for Planning — —

Hon. T. C. Theophanous — Good minister!

Hon. G. K. RICH-PHILLIPS — I am pleased you believe she is a good minister, Mr Theophanous. I think you would be on your own in that, but you are entitled to your view.

The Premier and the Minister for Planning came out and made the announcement with much fanfare, but 15 months later there is nothing to show for it, and that is very disappointing. There has been no progress on the site towards developing the 1000 units of housing. The government promised it would create 4000 jobs for the local area and the broader area with an investment of $250 million. It was announced 15 months ago, and sadly we have seen no progress.

It is interesting to note the government's approach, because at the time the Dandenong Development Board was announced the council had no knowledge of it. Neither the chief executive nor the mayor or councillors of the day could say what the Dandenong Development Board was about — —

Mr Somyurek interjected.

Hon. G. K. RICH-PHILLIPS — At the time it was announced Mr Somyurek, the council had no idea what it was about because — —

The ACTING PRESIDENT (Hon. H. E. Buckingham) — Order! Through the Chair, please!

Hon. G. K. RICH-PHILLIPS — The government was not interested in consulting. It wanted to ram this through and make an announcement. If I recall correctly, the Premier flew out by helicopter to make the announcement on site. The government wanted to make a big announcement, but it did not want to go through the process of consulting with the council

about the board or the development; it wanted a press release. The board and the development of the site was about a press release and, as a consequence, 15 months later there is still no progress on the development. It is like so many of the projects that the Bracks government announces; it puts a lot of time into the announcement and puts out lots of press releases and then nothing happens. Dandenong is just another example, and it is very disappointing to see that there is no progress.

In his contribution Mr Viney spoke of the board being a potential model for similar boards elsewhere. It will be interesting to see how this board functions and what benefits it produces for Dandenong, because many of the functions that the board has been given are functions which quite correctly sit with the local council. Decisions regarding recommendations on developments of the greater Dandenong area are quite properly matters which the council should consider. The fact that we have this other board acting in parallel with the council without any local mandate creates a very interesting situation. It will be a case of watching how it unfolds and what it means for the people of Dandenong. I acknowledge the reason the government has done it; it lacks confidence in the City of Greater Dandenong Council. Whether it will be effective in providing for the development of Dandenong remains to be seen. However, the government has foreshadowed this model as something it is looking to introduce elsewhere, and it will be interesting to see how it progresses.

In closing, this board was announced 15 months ago and the housing development was announced 15 months ago — —

Hon. T. C. Theophanous — You've still got 3 minutes!

Hon. G. K. RICH-PHILLIPS — Would you like me to use them?

Hon. T. C. Theophanous — No.

Hon. G. K. RICH-PHILLIPS — We have seen no progress, so it is about time this government got on with the job, started with the development and started delivering for the people of Dandenong.

Motion agreed to.

Read second time.

Third reading

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — By leave, I move:

That the bill be now read a third time.

In so doing I thank all members for their contributions to this debate. They include Mr David Davis, Mr Hall, Mr Viney, Mr Atkinson, Mr Somyurek and the last speaker, Mr Rich-Phillips, whose contribution was the only one that I heard in full. Nevertheless, I am happy to thank him and the other members for their contributions and for their support for the bill, although I am not sure I would have gathered that by listening to the previous speaker. The government thanks the opposition for its support for the bill and wishes it a speedy passage.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

FAIR TRADING (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time for Mr LENDERS (Minister for Consumer Affairs) on motion of Hon. T. C. Theophanous.

TRANSPORT (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 8 May; motion of Ms BROAD (Minister for Local Government).

Hon. D. KOCH (Western) — I rise to speak on the Transport (Miscellaneous Amendments) Bill, which seeks to introduce five areas of amendments to the Transport Act 1983 and the Rail Corporations Act 1996. The government believes these amendments, along with the retrospective amendment introduced by Mr Terry Mulder, the shadow Minister for Transport in another place, will improve Victoria's public transport system. The opposition does not oppose this bill; indeed it supports further safety for the travelling public across Victoria.

The five amendments, apart from the one which is retrospective, seek to disqualify from obtaining a driver's certificate taxi, bus and hire-car drivers convicted of level 1 and level 2 criminal offences. These include murder, rape, serious assault or sexual offences against children. They also seek to initiate

non-mandatory codes of practice for rail, tram and bus safety as well as require tow-truck operators to obtain accreditation to comply with mandatory codes of practice. In addition, the bill seeks to establish the position of a public transport industry ombudsman and to create the V/Line Passenger Corporation to operate rural passenger rail services following the withdrawal of National Express from its franchise in December 2002.

I would like to mention that much consultation has taken place across the state with the bus industry association, the Royal Automobile Club of Victoria, the Public Transport Users Association, the Victorian Automobile Chamber of Commerce along with many individual operators across the industry. As I mentioned earlier, while the opposition does not oppose this legislation it does have some reservations about its content and some of its limitations. As I am sure we all do, I recognise the taxi industry provides a significant service within the public transport sector of Victoria without any government assistance. Indeed, many passengers expect their taxi drivers to be all things to all people, including being the town lawyer, tourism director, sports commentator, possibly the man in grey, the shopping guide and the weather man. I, like all of my colleagues in this house, look to our taxi driver community to be a good barometer of public opinion. I certainly test that on every opportunity that I am in a taxi. There are many conversations raised to get the response from these people who see all sides of what is going on around us. It is therefore imperative that taxi drivers be screened to ensure that they have not been convicted of any serious offences, particularly level 1 and level 2 offences.

The bill provides for fines of up to $1000 for failing to notify if charged with a level 1 or level 2 offence. I am concerned that this is a minimal fine and may not be a deterrent for not reporting offences. Under these non-mandatory codes of practice, who is deemed to be the compliant officer? The industry is aware that there is a small number of taxi drivers who allow substitute drivers to use their driver's licences so that they can operate their cars for longer periods. I appreciate that this takes place because income can only be received in that industry while the wheels are moving on those motor cars. That forces some people into a corner to use illegitimate means to keep the wheels turning.

Regrettably, the flouting of these laws already takes place. Those prepared to risk their livelihoods in this way would also be prepared not to disclose prior serious convictions. Already it seems beyond the powers of enforcement officers within the Victorian Taxi Directorate to control touting, especially by unlicensed cars at Melbourne Airport. Management of these industry rogues is already possible, and I do not believe it would take any rocket science to bring them into order. This is an historic situation which has been there since I was a child. I am sure everyone who attended Melbourne Airport in earlier days is aware of what happened late at night when people driving cabs would jump the ranks to get a ride back into their own region. This caused much concern in the past, just as it does now, but I do believe there is a way through this to gain some resolution.

We all recognise that touters are law-breakers. Not only do they take way the livelihoods of honest, hard-working taxidrivers who have to pay hefty fines to hold their current licences, but also the touters are more likely to abuse their own industry and driver colleagues in gaining those fares. Clearly the industry wants and needs change guaranteeing that unwary passengers are not at the mercy of these undesirables. This bill should provide the muscle to disqualify doubtful operators, but my major query, along with my colleagues, is whether it goes far enough. We have concerns that it may need further review at a later date.

The bill also provides for non-mandatory codes of practice for accredited managers of rail infrastructure. Like my colleague in the other place, I am concerned that these may simply be motherhood statements. Codes can be useful in showing cause that an operator complied and hence acted in a safer manner, but they may merely mirror provisions in the existing legislation such as the Occupational Health and Safety Act 1985. It is recognised that there remains the potential for union interference in drawing up non-mandatory codes for unions, then using them as a basis for new enterprise bargaining arrangements.

These codes of practice are not mandatory, and given the fact that the Labor government has experienced five major rail passenger crashes since coming to office you have to ask: what will non-mandatory codes achieve? Let us hope it is not going to be a case of too little, too late. At least compliance with mandatory codes of practice will ensure random audits can occur on a regular basis, thereby giving users confidence in the services they have already purchased.

However, this bill provides for the enforcement of mandatory codes of practice in the tow-truck industry. We totally support this approach as does the majority of industry. We see it as for the betterment of the industry, but the government is not prepared to enshrine mandatory codes in areas that it has a major role in. Of course there will be some rather unhappy operators who will find it difficult to make the accreditation process in

the tow-truck industry, especially the small operators who have to meet the same costs as large operators. This could mean the end of many small operators who are already struggling to survive in a highly competitive industry. We do have some concern for those operators, especially those who may be operating only one or two trucks; it makes it very difficult for them to compete with some of the larger operators. We appreciate that, but it is important that, as has also been recognised in the bill, they have two years in which to complete the accreditation process. This section of the industry is the only recipient of that mandatory code of practice.

The industry seems to be supportive of these new codes, the resourcing of which has not been clarified. It is acknowledged that the establishment of a public transport ombudsman will take place in the near future, that establishment having been missed in the proposed scheduled start-up date of March 2003, with peak bodies making contributions on an industry basis. Ultimately this will be realised through increased user costs. The use of further bureaucracy always causes concern, but today there is a recognition for this role. It is on these grounds that the opposition totally supports the establishment of the ombudsman.

At last fare-paying public passengers will have a voice standing up for them when Labor's compliance officers are executing their duties on a public transport system. I have looked at one of these appalling, unprovoked and ill-conceived demonstrations of Gestapo-type tactics employed by some of the compliance officers — in this case, I would term them compliance thugs, who tend to hunt a lot better in packs. Where elements of hooliganism need to be brought under control, perhaps where innocent travellers are threatened with heavy-handedness and on occasions receive physical injuries, there needs to be a mechanism that gives the travelling community some recourse in relation to these matters. I have actually been involved in such a situation and have seen people physically injured. I believe they should have some recourse to an authority and this is the reason that I support the establishment of an ombudsman position.

Finally this bill establishes the V/Line Passenger Corporation to run the National Express business. When the Minister for Transport took charge of this business it was the only one not to have made its customer service indicators. What a clear demonstration and shameful indictment of the minister in trying to manage his portfolio. Senior ministers including the Treasurer, the Premier and the Minister for Transport claim they have just become aware that it will take another $1 billion over the next five years to run public transport in this state. They say it was all news to them, but have they not been in discussions with the franchise operators over the last four years, paying them the additional base contract payments to cover losses? Did not all operators open their books encouraging government perusal during this period? Surely those senior ministers were less than honest when they said they have only just become aware of the problems in cost blow-outs for public transport.

When all is said and done, even with some of the reservations I have referred to today, I believe this bill will improve safety and provide an increased level of confidence in Victoria's public transport, especially in the taxi industry. I sincerely hope the long-awaited transport industry ombudsman will be able to provide a mechanism that encourages passengers to report incidents so that they can be corrected, thereby improving and encouraging more commuters, especially our children, ladies and our aged to use public transport in the knowledge that their security and safety will be assured.

Hon. B. W. BISHOP (North Western) — On behalf of the National Party I rise to make a contribution on the Transport (Miscellaneous Amendments) Bill. This bill, in brief, makes miscellaneous amendments to the Transport Act 1983, the Rail Corporations Act 1996 and the Public Transport Competition Act 1995. The National Party does not oppose this bill and has done some wide consulting across the industry. The people included in that process have been the Royal Automobile Club of Victoria, the Transport Workers Union, the Victorian Taxi Association, the Victorian Taxi Directorate, the Public Transport Users Association, the Tow Truck Directorate of Victoria and, as I said, a number of others. I also thank the minister's advisers and the department for the excellent briefing we received on the bill, which certainly helped us to come to decisions on the issues we approached in the bill.

The first part of the bill that we examined closely was the provision that inserts a new penalty of up to 60 units for making false statements under part 6 of the act. Previously the penalty was 10 units. We thought for a start that was quite a steep increase in the maximum penalty that could be applied, but in the briefing we received we were advised this would be consistent with other provisions in various acts that deal with false statements. That aims to get consistency across the acts in the Victorian Parliament.

The second part of the bill that we had a close look at was the provision of codes of practice in relation to rail operations. We found this a particularly interesting concept because it is non-mandatory. It also extends

across rail and trams. I suppose we should make the point we have had a number of rail accidents, so the decision from the industry, the government and others was to look collectively at what we could do in relation to these issues.

The view was expressed that we would need to be more consistent across all the operations. It is our understanding that these codes are similar to codes of practice that work in the occupational health and safety areas. The difficult part, when you go through a bill like this, is to get your head around the concept that they are non-mandatory codes and yet, as we understand it, they can be used in a defence by an organisation.

We thought that through and came to the view that if we can get this to work collectively it would be a good process. Everyone would take one direction although they may do things differently and we would be hopeful that it would come out the same and provide a better safety regime across the operations.

The question at the end of the day is how the codes of practice will work in the real world. There is no doubt that the only way that codes of practice such as this would have a chance of working, surviving and being effective is to have the operators play a major role in that process. When we went further through the briefing — and we thank the minister's department again for providing notes — we expressed concern about whether in putting the codes together the process would be wide enough across the industry. It certainly looks as though it has been.

The notes given at the minister's departmental briefing state:

> For example, a code of practice, 'Health Assessment and Certification Standard for Rail Safety Workers in Victoria', is currently being finalised for consultation after being developed by a working group of experts.

This is the crux:

> The working group included representatives from Connex, M Train, the Rail, Tram and Bus Union, Freight Australia, State Rail Authority (NSW), heritage rail operators and Puffing Billy railway as well as medical specialists with expertise in occupational medicine generally and particularly in occupational medicine for rail workers.

After being notified of that and reading it carefully, we believe the process has been widely discussed and established across a fair section of the industry. As we understand it, that will be developed and agreed. The minister must approve of that and must publish it in the *Government Gazette*.

We were also advised that if it is published in the *Government Gazette* — again this is the concept we have to get our heads around — it has some status in the event that there may be some court action in relation to these codes of practice. For example, if an organisation does not quite adhere to the code it may not lose a case in a court of law because it may, from an organisational view, have changed the system slightly and made it a better system for its particular operations or purposes.

If the operational purposes are true and correct, and they work well, we would certainly support that. We thought it was important, in going through this process, to give the operators a guide, if you like a start point, to put together their own systems. We thought that if they are put together by industry and have some overview that would certainly be a practical application for the safety of the operations of those organisations.

We concluded and also noted that the organisations have a reasonable time to put the codes in place. We also thought that while this was occurring there would be a reasonable amount of cross-fertilisation among the many operators as they work their way through the codes of practice. No doubt this is a good concept and we would support it. But we would certainly like to keep a close eye on the process, particularly on the link between the codes of practice and court action, so that we can establish in legislation the right balance between being over-oppressive and having the correct codes of practice for the operations of those organisations. We also note that these codes of conduct apply to bus operations relative to a similar process.

The third area we looked at was a provision that people who have been convicted of serious offences be disqualified from applying for commercial passenger vehicle driver certificates for specified periods. The next was a provision that people who have been convicted of serious offences have their commercial passenger vehicle licence certificate revoked or suspended. The fifth matter, which fits into that area, was a provision that people who hold commercial passenger vehicle licence certificates must notify the licensing authority if they are convicted of a serious offence.

We support those particular views. When we looked at the new provisions for driver standards, we noted that the licensing authority, who is the Secretary of the Department of Infrastructure, would have the power to disqualify a person convicted of one of the specified serious offences from being granted a driver's certificate to drive a taxi, bus or hire car.

We agreed that that will improve safety for customers of the services provided by taxis, buses and hire cars and will improve public safety generally. It will certainly reinforce the existing provisions that safeguard the standards for driver eligibility. These cover criminal offences involving violence such as murder, armed robbery and serious assault; sexual offences such as rape or sexual assault against children; drug offences; and offences involving theft, fraud or damaged property. They are serious offences classified as levels 1 and 2.

Where the holder of a certificate is convicted of a serious criminal offence the new provisions give the licensing authority the power to suspend or revoke the driver's certificate and to prevent the driver from being granted a new certificate for a specified period. Drivers whose certificates are suspended or revoked are able to appeal to the Magistrates Court consistent with current legislative safeguards.

The new provisions do not provide a right of appeal to a court or tribunal against a refusal by the licensing authority to grant a driver's certificate because of a level 1 or 2 conviction. Existing rights, such as complaining to the secretary or to the minister about a decision or to seek the assistance of the Ombudsman, remain unaltered from before.

The bill also introduces a requirement that a person holding or applying for a driver's certificate must notify the licensing authority of any conviction or charge for any criminal offence which is relevant for the purpose of the new provisions. There is a solid penalty of $1000 for failure to do so within a reasonable time.

When the bill was first introduced it said that these provisions will apply only to offences committed on or after the date on which the provisions come into effect. This particular part was the subject of the amendment moved in the other house which introduced some retrospectivity to that provision, and we support that particular provision. It might seem tough to have those measures throughout those areas and the amendments tighten up those provisions.

We do not like retrospectivity in legislation, but you cannot have it any other way. We cannot have offenders convicted of level 1 and 2 offences driving taxis, hire cars or buses, so we need to protect people who use the transport system.

During the process of consulting we received a letter from Mr Neil Sach, chief executive officer of the Victorian Taxi Association, who thanked us for asking for comment on the bill and suggested he would confine his comments to part 2 of the bill and then only to those matters of relevance to taxis. He said:

> The proposed amendment was first mooted some 18 to 24 months ago —

which we have talked about before —

> when there was a public outcry about a driver with a conviction being able to continue driving a taxi.
>
> At the time, the VTA had input into what should be done about the situation. One of the points made then was that where a driver is charged with a serious offence (such as murder, rape, child molestation or violent assault) the DC should be suspended at that point in time and then revoked upon being found guilty.
>
> The VTA is disappointed that such circumstances have not been addressed in the bill, rather the provisions only relate to where the DC holder has been found guilty, whether or not a conviction is recorded.

He states that:

> Perhaps the government will claim that where a person is charged with a serious offence the taxi directorate might suspend the DC on the grounds that the person concerned is not 'fit and proper'. This may not be the case, but in any case such suspension can be appealed to a Magistrate's Court.

He further said:

> The VTA's view is that the bill should clarify the circumstances and procedure related to suspension where the person is charged with a serious offence and not rely on an unassisted decision of a magistrate upon appeal.

He concludes by saying that this is a matter:

> … of public interest in that the public should have confidence that the driver of a taxi is trustworthy and safe …

He makes the point that taxis carry the whole spectrum of the public including children, the elderly and those with physical and mental disabilities. He thanks us again for the invitation to comment, and that letter is from Neil Sach, chief executive officer of the Victorian Taxi Association.

I guess as in all aspects of life there are always two sides to the story. My colleague the honourable member for Lowan in the other place, Hugh Delahunty, received a letter from W. H. and J. E. Uebergang, who are Hamilton taxi proprietors. I will note a couple of paragraphs, again pointing out that there are often two sides to a story. It states:

> … yet when one of our drivers recently was spat on by a passenger and reports were filed with the Victorian Taxi Directorate, (VTD) once again we waited and phoned and still after two months this was not addressed and at no time has there been any thought to occupational health and safety for our driver.

> The bill covers the rights for the paying public who will undoubtedly end up costing the companies money, i.e. accreditation etc., but I fail to see where there are any benefits for the owners of taxis.
>
> We are now facing going to an ombudsman due to the inadequacies of the Department of Infrastructure concerning our driver and the spitting incident.

The minister could perhaps take up that point and put some equity into the system in relation to both sides — that is, protection of the public and also protection of the drivers of taxis who we believe generally do a great job transporting our community.

My next point relates to a side of the motor industry which often gets some publicity, and that is the tow truck industry. It is fair to say, without putting too fine a point on it, that the tow truck industry has not enjoyed the best of reputations over the years in Victoria and around Australia. But now the system has come up with the view that there will be an accreditation program put into place, and I suspect that some would think that that would never work. But it is certainly worth a try because it is drawn up by the industry, and I suspect there has been a fair bit of guidance by the Secretary of the Department of Infrastructure, who put this particular accreditation together. I understand it is being set up now.

The accreditation will be — and this is quite a good idea — a requirement of a driver to get a licence. If you break the accreditation rules it will be a breach of the licence as well. There is quite a generous time frame involved in this, and I understand it is two years for a current licence-holder to come up to speed in relation to this accreditation program. I think that is quite reasonable, and of course new licence applicants must demonstrate that they can comply with the accreditation program and code of practice that will be applied.

The accreditation covers a number of things, including fitness to hold a licence, compliance with occupational health and safety, privacy and equal opportunity issues, understanding the client's needs and maintaining records. They are all quite reasonable requirements to put into an accreditation program for the tow truck industry. The people who pass accreditation or go for a licence must demonstrate that they have taken part in adequate training programs and have performed in those programs.

The accreditation is intended to cover audit procedures, safety procedures, welfare of employees and — I think this is a big one — conduct of drivers at an accident scene. We all remember the bad old days when the tow truck drivers would race to the scene of the accident and may well have caused other accidents on the way. When they got there they would fight it out to get the job of towing the cars of the unfortunate drivers involved in the accident.

There is no doubt that in the past customers were ripped off, and the worst part was that they were taken advantage of in a weak moment. After having a car accident they were emotionally vulnerable, in fact probably never more vulnerable in their driving lives. They would be shaken and worried, thinking about the injury to themselves and others and about the cost.

The National Party believes that this accreditation program or code of practice in relation to the tow truck industry should be quite good. It should protect the customer, and that will be a step in the right direction in relation to an industry which we believe is performing reasonably well but certainly in the past has not enjoyed the best of reputations.

The other issue we looked at was enabling certain information to be given to a public transport industry ombudsman. We are still waiting to have the public transport ombudsman put in place. We would support this particular office being brought forward, and that was in our transport policy during the last election campaign. We understand the government has the report and the recommendations, and we believe it is time to move on that. It is a good idea to get the information to these people, and the reason is that if this were not in the bill it could impinge on our privacy laws in Victoria, and the bill clears that up.

The other issue we looked at was enabling the ombudsman to investigate the activities of any person authorised to carry out certain public transport-related functions even if the person is an employee of a private company. We support this quite strongly and think it is a good move. We have had a number of complaints in relation to inspectors who have been interviewing customers, particularly on the rail system, and we believe this area requires some discipline. We cannot and will not have our passengers on the transport system badgered by over-officious security people. Regardless of what you might call them, we do not believe our passengers should go through that sort of difficulty.

The power of the public transport ombudsman only goes to a certain level, and we have noted that the next level, which may be a serious abuse of power, goes to the Victorian Ombudsman. We also note that this includes the Victorian Rail Track Authority and the Spencer Street Station Authority. They will be able to participate in the scheme.

Part 3 of the bill creates the V/Line Passenger Corporation. I must say we wondered why this was here. The Rail Corporations Act has all the powers that we thought were required to facilitate the transfer of National Express's business into government management. We have looked at it closely. However, the government has decided to do this particular transfer and changeover, and we understand why it is picking up this responsibility.

The government has at times not been able to manage the interface between the private providers of our rail transport. For instance, National Express was probably too optimistic in its judgment of the business; and in relation to Freight Australia, a settlement has not been reached concerning the dispute between Freight Australia and the government on the standardisation and upgrade of the line. Whilst we have certainly been raising that issue regularly in the Parliament and everywhere else, I note that now the Victorian Farmers Federation grains group president, Ian Hastings, has also lent his support to this issue. In a recent media release he said:

> The VFF believe that standardisation of rail gauges is one of the key infrastructure projects planned for country Victoria and it can't just be left to fall off the agenda.

He goes on to support what many of us have been saying about that project. We are extremely disappointed that it looks like the project is now dead. It is an indictment on the government that it has not shown any responsibility for the regional rail traffic, both freight and passenger, that it could have in relation to the upgrades and the standardisation of that line.

We are interested to see why the V/Line Passenger Corporation will be formed. Perhaps the minister in the summing up of the bill or at some other stage might explain whether the government would be interested in running or will continue to run the service past the time that we understood was designated for this issue — namely, 2005–06.

We have noted that the Minister for Transport has stated that he believes private organisations run the businesses quite well. I have read his comments saying that the organisations are sharper, more focused and deliver the product on time. As we have said, we have noticed that the government is not a good manager of the interface between itself and private organisations. We also note the huge cost in relation to public transport — —

Hon. T. C. Theophanous — You just pulled that out of the air, didn't you?

Hon. B. W. BISHOP — No I did not. I thank Mr Theophanous for the interjection. I can give some examples and I will go back over the issue again.

If you look at the relationship between Freight Australia and the government on the standardisation and the upgrade of the Mildura line you will find that the government cannot manage the interface with Freight Australia. It is a sad day that it cannot, but it has almost proved that it cannot.

I say to Mr Theophanous that whether the government has run out of money and cannot do the job or whether it simply cannot manage we do not know, but we think it is about time the government fixed that problem. The people of Victoria put the government in to govern and it should do that. It has the opportunity to do so. I thank Mr Theophanous for the interjection. It has enabled me to bring up another point, which I was quite keen to do, and I again thank him for the opportunity.

We are interested to see where the government goes in the formation of the V/Line Passenger Corporation. We are interested to hear the minister's views on whether the private sector will take this over in the future and continue to run it or whether the government will continue to run it. We will be watching very closely to see what happens in this area.

Sitting suspended 5.05 p.m. until 5.17 p.m.

Hon. B. W. BISHOP — I welcome Hansard back from the fire drill, for which we were rudely interrupted some minutes ago and required to exit the building. At that time I was making the point that we have the issue hanging in the air of how the government will handle the formation of V/Line Passenger Corporation, how long it will keep control of that particular area and how enthusiastic it may be to again look at the private sector picking up that task.

To sum up the bill, the National Party thinks it is mostly a reasonable piece of legislation. There are certainly areas that need monitoring but it certainly will improve the safety of passengers in taxis, hire cars and buses. It will certainly put stronger controls, and we hope cooperation, into the tow-truck industry. We believe the proposal for a public transport ombudsman is a reasonable position to have inside the system to better review the performance of, for example, inspectors.

The National Party does not oppose the bill, but it will observe with interest the government's moves in relation to its management of passenger rail into the future.

Ms ROMANES (Melbourne) — I am pleased to have the opportunity to speak to the Transport (Miscellaneous Amendments) Bill this afternoon and to make the point that most of the provisions in the bill relate in one way or another to public transport matters. The details of a number of the clauses have been covered by members of the Liberal and National parties, but I would like to pick up a number of points in response to some of the points that have been made.

In relation to the amendments which provide for non-mandatory safety codes of practice for rail operators and bus operators, which are in clauses 4, 5 and 19, the purpose of these safety codes of practice is to strengthen safety measures and to ensure greater consistency between the safety systems used by rail organisations and the operators. I was pleased to hear Mr Bishop speak at length about the processes that have been put in place and the example of the code of practice that is currently being developed — that is, the health assessment and certification standard for rail safety workers in Victoria — and the involvement of all relevant parties in the development of that code of practice.

The approach of the government in putting in place these non-mandatory safety codes is to involve the various parties — the operators, the union, Freight Australia, the State Rail Authority of New South Wales, the Heritage Rail Operators and Puffing Billy Railway — in the development of this technical code, and therefore enlist their cooperation in putting that code in place and setting an example of the way forward for the further development of safety codes as they are required.

Clauses 6, 7 and 8 relate to the improvement of taxidriver standards, and they provide that applicants for and holders of a drivers certificate for a commercial passenger vehicle — that is, a taxi, bus or hire car — may be disqualified for a certain specified period of time if convicted of a level 1 or level 2 offence, which is a serious criminal offence. The amendments proposed by the Liberal Party in the Legislative Assembly related to this section of the bill and are supported by the Labor Party.

The amendments will in effect ensure that all offences, whether recorded before or after the commencement of this legislation, must be considered by the Victorian Taxi Directorate when deciding whether to refuse or revoke a licence. In fact, the existing legislation contains a fit and proper person test, which allows the Victorian Taxi Directorate to use its discretion to refuse or revoke a licence so that in actual practice the VTD takes all convictions for criminal offences into account when making such a determination. I thank the Liberal Party for its input into improving the bill in this way. It does clarify what is in effect the current situation.

Mr Koch asked whether the penalty for the failure of a person holding a taxidrivers certificate to notify the licensing authority of any conviction or charge for any criminal offence was sufficient and whether or not there would be effective enforcement or could be effective enforcement of this technical provision in the bill, particularly given that it would not be in the interests of a taxidriver to dob himself or herself in or to inform on a colleague. But taxidrivers are required to renew their certificates every three years and the taxi directorate liaises with the police, so there is every possibility that any convictions would be picked up. I am sure it would only take one or two fines for the message to spread by word of mouth that notification is in the best interests of everybody. This provision is intended to improve safety and the standard of persons who will be driving taxis and commercial vehicles in the future in the interests of the broader community.

Clauses 9 and 10 relating to the tow-truck industry accreditation will be dealt with by my colleague Mr Mitchell. I would like to look in more detail at clauses 11 and 12, which are the ombudsman provisions. Members may recall that when the public transport system was franchised in August 1999 many members of the public were disenfranchised because as a result of changes to the complaints regime passengers lost access to a complaints system that worked on their behalf. And I remind the house that last year the Minister for Transport committed to the creation of a public transport industry ombudsman (PTIO), which is expected to become operational later this year. The Energy and Water Ombudsman (Victoria), Fiona McLeod, has chaired a committee to investigate the requirements for a public transport industry ombudsman and in what way it should be delivered. A report and recommendations have been submitted to the minister and are currently under consideration. I can assure the house that the new public transport industry ombudsman is on the way.

I think it is worth going back to the bill and recalling that the reason for the ombudsman provisions in the bill is to provide for the introduction of a public transport industry ombudsman and to provide the legislative settings which will enable that to happen. The bill facilitates the operation of a PTIO by amending the Transport Act to allow information relating to passenger and enforcement matters, which are currently protected by privacy provisions, to be given to the PTIO for the purpose of investigating and resolving complaints made by members of the public.

The bill also goes further and clarifies the powers of the Victorian Ombudsman. Now that we have a mixed public-private system there is a need to clarify those powers to make sure that the Victorian Ombudsman can investigate complaints about the behaviour and actions of authorised enforcement officers who are employed by public transport operators. We all know that there are significant law enforcement powers in the hands of those authorised enforcement officers, and all of us as members of Parliament, particularly metropolitan members, on various occasions have been faced with grievances on the part of members of the public as to how they have been dealt with on the public transport system by enforcement officers.

Both the PTIO and the Victorian Ombudsman will have the power to investigate complaints about the conduct of authorised officers. There is therefore a need for the two jurisdictions to interface and reach agreement on the way these complaints will be handled expeditiously by the PTIO and the Victorian Ombudsman. I am sure it is in the interests of every member of this house that that system be an effective one, because as I said before, these complaints about enforcement officers on the public transport system are often brought to the attention of members of Parliament and constitute also part of their workload.

Part 3 amends the Rail Corporations Act of 1996 and provides for the creation of the V/Line Passenger Corporation. This follows on the decision at the end of last year for National Express to hand back the operation of its franchises to the government. I think that is indicative of the fact that the former Kennett government's wholesale privatisation of the public transport system has indeed failed. Instead of projecting public transport forward into new levels of patronage it has in fact set public transport back a few years.

Hon. Bill Forwood interjected.

Ms ROMANES — Mr Forwood should listen. It has set the system back a few years while the Bracks government progressively fixes up and addresses the problems left behind — and we are doing that but it has been quite a job. It is well known that every successful international public transport system is just that — it is a system. It is not a collection of fragmented operators and bits which are not coordinated and planned. The Bracks government has been rebuilding the system where all the modes connect and feed into each other. The objective is to rebuild a system that works efficiently and effectively across the whole public transport arena.

The government has been addressing the flawed contracts of the previous government, and has had to settle at a cost of $65 million on the variations to the flawed Onelink ticketing contract in recent months.

The government has used that opportunity to leverage some improvements to the system, particularly in relation to Onelink's obligations to a higher level of servicing of ticket machines. Now we have almost 100 per cent availability and better security on the system, which has in turn begun to assist in improved patronage figures.

The government has recognised the need for an injection of a further $1 billion into the public transport system over the next five years, and that has been provided for in the forward estimates.

It has been a difficult road to improve the public transport system, and one of the advantages of having the new V/Line Passenger Corporation will be that it will create a new statutory rail corporation which will operate the country passenger rail services during the period the regional rail projects are being completed. The government will then be in a better position to coordinate those projects, because one of the difficulties has been the complexity of negotiation with a whole range of players in moving those projects forward.

Mr Bishop would well know that one of the difficulties of managing the interface between the private operators and the government in the standardisation project is that Freight Australia in particular is not very happy with the rail access regime left in place by the previous government. It has been very difficult, but the government is pushing on with improved connections at the ports of Geelong and Portland as part of that standardisation project.

Hon. R. DALLA-RIVA (East Yarra) — I have pleasure in contributing to this debate on the Transport (Miscellaneous Amendments) Bill. I make it clear that the opposition will not oppose the bill, and in fact I congratulate the other house for the amendments that were placed before it in relation to retrospective legislation. As was indicated before, it is not an easy thing to implement retrospective legislation on an issue, but it is important in the context of this bill, as I will come to later.

I should also make reference to some of the remarks made by the previous speaker, Ms Romanes, in relation to how wonderful the transport system has become under this current administration. It is a reflection on government members that they always talk about the former government, and when they do I always say and

will continue to do so, 'Let's talk about the government before that — the Cain-Kirner government. Let's talk about the great success they had with the scratch tickets' — let's not go there — 'and let's talk about the number of trams that were lined up along Bourke Street and throughout the city, causing congestion across the entire metropolitan area!'. The transport system — it was a system then and not a service — had ground to a halt. But that is not relevant to this bill. It is relevant in the context of the argument put forward by Mrs Carbines in her remarks.

Honourable Members — Ms Romanes!

Hon. R. DALLA-RIVA — My apologies. I place on record my apologies on the basis that they both speak so infrequently that when they do speak I forget which one is which because there is such a long distance between their speaking times. I look forward to their comments down the track!

Returning to the bill, it is important to note that the bill contains a number of primary purposes, including providing codes of practices in relation to rail operations, and I will talk about that. It is interesting that, on my understanding, the codes of practice for rail operations are non-mandatory while other codes of practices are mandatory, and I will discuss that later.

Another purpose of the bill is to enable the revocation of licences of persons who are convicted of serious offences. That is appropriate in the context of serious level 1 and level 2 offences.

The third purpose of the bill is to provide for accreditation of the codes of practice in the towing industry. It is appropriate to put on record my support in that regard, and I will get to some other related matters if time permits.

The government, as we know, is big into codes of practice. A lot of legislation has come through this house in which the government has put a regulatory overlay on the operations of business and the operations of people's day-to-day lives. The government likes to get in there and step on everything. Its attitude is that government knows best and that it is because of government that prosperity prevails within this state.

Hon. R. H. Bowden — The nanny state!

Hon. R. DALLA-RIVA — Yes, Mr Bowden is correct in saying that it is the nanny state in terms of providing support. The government thinks that everything that is done in business, whether it be in transport or whatever, needs these support mechanisms — more bureaucrats, more costs and more recurrent expenditure — and each year the budget gets lower and lower. But we will not go down that path.

Hon. Bill Forwood — I don't think we should go down any path!

Hon. R. DALLA-RIVA — Mr Forwood makes a comment about going down any path. When considering this legislation I reflected on some previous commitments. The government has produced a bill which is important in terms of forward development, but it would have been good to have some bills here that relate to some of the other areas it committed to when in opposition. In its press release of 10 September 1999 the Labor opposition said:

> Labor has committed $20 million to kick-start the construction of a rapid transit link between Melbourne Airport and the city …

Where is the rapid transit link bill for us to debate? Why is the very fast rail link to Geelong bill not before the house? That seems to have gone by the wayside.

This bill is about transport miscellaneous amendments, so I will quote something else that Labor said in September 1999:

> Mr Batchelor said Labor would not use tolls as a method of funding new road projects.
>
> Labor remains opposed to road tolls but is not in a position to remove the tolls introduced …

This bill is about transport miscellaneous amendments, so why are the promises that were made prior to the election in 1999 not now before the house? It is because the government failed to deliver! All it can provide through this bill is an overlay of bureaucracy, an overlay of codes and an overlay of looking after its union mates. Exactly what this government is being held to account for needs to be placed on the record.

I turn to some other Labor press releases leading into 2002 relating to transport. Again I ask on the record: why are we not debating transport miscellaneous amendments providing for a range of different projects and outcomes that were put up as Labor commitments and promises at the last election?

As already outlined, none of the Labor commitments made leading up to the 1999 election were delivered, and yet when we went into the 2002 election still nothing had been delivered. The bill is very good, but it fails to deliver. The Bracks government fails to deliver — unless you want to pay a toll! We know the Bracks government fails to deliver and that it is never on time and never on budget.

A media release from the Minister for Transport dated 1 October 2001 was headed 'Another milestone for regional fast rail project'. Where is it? The media release of 19 February is headed 'Bids in for fast rail country works'; and for 4 April 2002, 'Electrification of the Geelong rail line not to proceed at this stage'. The government admits it cannot deliver, but it should be in the bill. I should be standing here debating that when discussing this bill. The unfortunate consequences are that the government puts out spin.

The media release of 22 April 2002 is headed 'Tourist trains to Leongatha on track for return'. When? This is a good one: the media release of 18 June 2002 is headed 'Progress on rail gauge standardisation'. Where is that? I will tell you where the rail standardisation is. You have 12 contracts that have been signed, but they are outstanding. Some 2300 tonnes of steel that has been purchased has gone into the ether. I think that is magnificent! So you have a press release that has not been backed up and that matter should be included in this bill. We should be debating it within the context of this bill.

The spin continues with a media release of 22 July 2002 headed 'Minister meets with landowners on regional fast rail'. Again where is it in this bill? The media release of 31 July 2002 is headed 'Batchelor announces major milestone as works commence to bring back country trains'; and for 15 August 2002, 'Fast rail community consultation on track for September'. That is great. There is a press release of 29 September 2002 — it just goes on. Another one, 27 October 2002 — it goes on. A media release of 1 November 2002 is headed '$125 million rail manufacturing boost to provide nine new trains for regional rail lines'. Why do we not discuss this in this bill when what we have is just another bill that talks about spin, codes, process, systems and everything else?

It is important to put on the record because the previous honourable member, Ms Romanes — —

Honourable members interjecting.

Hon. R. DALLA-RIVA — I have not heard the member speak very often so it is very difficult when the member does not speak that often.

It is important to note clauses 6 and 7 about the revocation of a drivers licence for a driver of a taxi, bus or hire car — again this is sensible legislation. I would like to see legislation about building the Scoresby freeway without tolls and using the $445 million that is still sitting on the table that has not been taken up and about all those people who voted in Mitcham and in the east and south-east on the promise that they would have a freeway.

I return to the issue. Clause 8 relates to the extension of the word 'conviction'. I do not know if it is my eyes or whether the act is different but in the explanatory memorandum, clause 8 states:

> Section 157A extends the meaning of the word "convict" in the new provisions inserted by clauses 6 and 7.

I assume that the word 'convict' should have been 'conviction' because I do not know if we have convicts in Australia anymore. Somebody should clarify that in the explanatory memorandum the word 'convict' should have been 'conviction'. This demonstrates that the legislation and what the government provides to the house has not been checked.

Hon. R. G. Mitchell interjected.

Hon. R. DALLA-RIVA — It is important that spelling mistakes are placed on the record and the fact of the matter is that it is representative of the government. It cannot get the word right. It has glossed over it. The bill is about looking after union mates; it is not about delivery. The government is very keen to put out a lot of press releases.

There are a number of other issues, but I will not go on. I support the provisions to be inserted by clause 9 for tow trucks. That is responsible. We know National Express had to go and it had to go because of this government's inability to deal with private operators and to hold them to account in terms of their contracts. In summary, the opposition does not oppose the bill. I commend the bill to the house.

Hon. R. G. MITCHELL (Central Highlands) — It gives me great pleasure to speak on the Transport (Miscellaneous Amendments) Bill today. My contribution will focus on tow-truck industry accreditation because as a former tow-truck driver I have a special interest in it.

The national competition review recommended that accident tow-truck licence-holders be required to have industry accreditation as a condition of their licence. The new provisions introduce tow-truck industry codes of practice. These provisions relate only to accident towing and heavy salvage towing; they do not have any effect on trade towing licences.

In March 415 accident tow trucks were registered in Melbourne and surrounding suburbs and 21 heavy accident towing licences were registered in the same

areas. The basic licence requirements aim to ensure that licence-holders are suitable to operate and that their vehicles are appropriate to perform the tasks required. The personal requirements do not appear onerous but aim to prevent persons who are prone to violence and other undesirable behaviour from being able to operate in the industry.

In 1993 the requirements were relaxed which allowed an influx of unsuitable people into the industry and problems were experienced at accident scenes. The Bracks government is getting on with the job and repairing the damage of the seven dark years of the conservative coalition regime. The tow-truck reforms will make the roads safer. I heard Mr Dalla-Riva say that it is another ploy to look after the government's union mates. As a former tow-truck driver who has been at accidents and stood on the side of the road with cars whizzing past, I say that if the government is doing the right thing to protect workers it is a good thing. I am sorry that he does not agree with that; it shows his contempt for Victorian workers, which is probably why he is sitting on the opposition benches.

The bill removes the existing depot zones and will allocate tow trucks on a set radial basis from the accident scene, involving a roster system, to improve the transparency and ensure fair distribution of work among operators.

The reforms will give accident victims a better understanding of their options and rights when dealing with tow-truck operators and repairers. This has been a problem throughout the industry for a long time. On many occasions I have seen people who have had an accident and are very vulnerable and emotional. They are not sure of what is going on and a book is shoved under their nose and they are given a card about where their car is going. It often takes a day or two before people realise where their vehicle is and by then it is too late because the repair work has already started. The government has extended the cooling-off period for accident victims. A lot of tow trucks are owned by panel shops and repairers. If a vehicle is taken to one of them, the cooling-off period is increased from 48 hours to 72 hours to give people time to get their head together and choose their own repairer. That is very important.

It is common practice among smaller operators for tow-truck drivers to be paid for drop-offs to different repairers. Fortunately none of that happened at Melbourne Towing Service, the company that I worked for, because it was an independent towing company and not related to a repairer. The reforms will stop a tow-truck operator who takes a vehicle, which in many cases has thousands of dollars of damage, to his choice of operator. Because of the way the panel industry is being treated by insurers, a big job that comes along is worth substantial money; it keeps the work flowing, but repairers have to pay a cost.

The tow-truck operators will usually ask for — and I have seen it on many occasions — something like $10 a panel or 10 per cent of the actual job, which, if you are talking about $6000–$7000 worth of damage, is a fair bit of money to come out of your pocket without being able to show a receipt for it.

The best part about the tow-truck industry accreditation is that it is being done in consultation with the tow-truck industry; it is not something that has just been thought up. We have brought many people together and many departments and stakeholders to formulate this plan, and hopefully it is going to clear up the problems the industry has had. It has not enjoyed the best reputation over the years, and hopefully this will fix it up and bring it to a more professional standard.

We will allow two years for the holder of a current accident towing licence to comply with the requirements of accreditation and require the licensing authority to allow a reasonable time for a licence-holder to comply with the requirements of the code of practice. New applicants for a licence will need to demonstrate that they can comply with the requirements of accreditation and any code of practice before they will be granted a licence.

Hon. A. P. Olexander — How far off is the code of practice?

Hon. R. G. MITCHELL — Close.

Officers of the Department of Infrastructure responsible for the regulation of the tow-truck industry have developed a proposed accreditation scheme, in consultation, as I said, with the industry itself. The purpose of the code of practice is to reinforce the standards required to hold a tow-truck licence. It provides business rules to encourage drivers to behave ethically, to provide customer service and be responsive, to inform clients of their rights, to increase services and provide acceptable standards of behaviour and competent performance to an industry standard of excellence and to fulfil their responsibilities. The objectives are to increase community confidence in the industry, to ensure commitment to quality and consistency and bring about better outcomes for clients, as well as increasing the industry's own business efficiency and effectiveness.

I will go back to the importance of the safety of drivers, particularly around the tow truck. It is important that licence-holders or staff members take reasonable care at an accident scene and when collecting cars. As I said earlier, I have nearly been wiped off a couple of times. It is important that this bill encourage and require operators to carry witches' hats and hazard lights as well as flashing lights and jackets with fluorescent stripes to protect the operators, because it is dangerous at night time and is a problem.

Another thing the bill covers is that when licence-holders have a customer's car in their care they must take fair and reasonable care and responsibility for the vehicle and make sure no further damage is done to it, as it has been a bit of shoddy practice to kick a light in or do something to increase the cost.

In closing, I think this is a good, responsible bill. Ms Romanes has covered the other parts very clearly and concisely, and therefore I commend this bill to the house.

Hon. W. R. BAXTER (North Eastern) — I want to intervene briefly because I am surprised, if Mr Mitchell is the former tow-truck driver I understand he is, that he is not better informed of the history of the industry. All honourable members would acknowledge that the tow-truck industry has something of a notorious reputation, and we have had our difficulties with the industry over many, many years. However, regarding Mr Mitchell's attempt to slag the former government by referring to seven dark years and to indulge in the spin doctoring we hear so often from members of the government, he might cast his mind back to what the former government did about the tow-truck industry.

The former government, along with its reforms of the taxi industry, which I think everyone would acknowledge were a great advance, made similar reforms to the tow-truck industry. It was the former government that established the tow-truck directorate, for example. It was the former government that led the way in adopting mutual obligation, which was an attempt to standardise the various regulations and licensing requirements around the nation. It was unfortunate, perhaps, that the state Labor governments failed to implement the mutual obligation recommendations which had been agreed to by the Council of Australian Governments and therefore the advances in Victoria, which had acted responsibly and immediately to implement that agreement, were somewhat undermined, particularly along border areas, by the failure of New South Wales to enact like legislation.

I simply want to say to Mr Mitchell that we would all acknowledge that the tow-truck industry has attracted some pretty tough operators over the years. It is an industry that from time to time gets some bad publicity and on occasions certainly deserves it. But I am not going to allow him to come in here and allege that actions of the previous government somehow led to the reputation the industry had and in some places still has. It certainly had it long before that, and I want to say that — —

Mrs Carbines — He is not speaking on the bill!

Hon. W. R. BAXTER — Yes, Mrs Carbines, this bill does deal with tow-truck drivers, and if you had been listening to Mr Mitchell you would know that. He spent most of his speech talking about the code of practice and the accreditations which might well come into place in the future.

There is no doubt that I can look back on my time as a roads minister in this state, during the time about which Mr Mitchell was so critical, and believe that the actions taken by the then government to clean up the tow-truck industry were a very valuable step along the way. I believe this further step taken by the government can be supported. I am tempted to also reflect on Ms Romanes's comments about public transport, but I shall resist.

Motion agreed to.

Read second time.

Third reading

For **Ms BROAD** (Minister for Local Government), Hon. M. R. Thomson (Minister for Small Business) By leave, I move:

That the bill be now read a third time.

I thank all members who contributed to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (AMENDMENT) BILL

Second reading

Debate resumed from 20 May; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries).

Hon. BILL FORWOOD (Templestowe) — This Regional Infrastructure Development Fund (Amendment) Bill is a simple bill that does three things. Clause 4 amends section 5 of the act which deals with the applications for funds from the Regional Infrastructure Development Fund (RIDF) and enables the extension of reticulated natural gas within regional Victoria and the municipal councils set out in schedule 2. The first thing it does is legitimise the use of the fund for gas. Frankly, this is unnecessary as was proved in the last Parliament when the RIDF was used to connect natural gas to Portarlington, Indented Head and St Leonards, from memory — and Mrs Carbines and a former member, Ian Cover, are not here to help me. In any case that is the purpose of that clause. It is unnecessary, but it is in the bill.

The second part of the bill adds the interface councils through schedule 2. It adds Cardinia shire, the cities of Hume and Casey, the shires of Melton, Mornington Peninsula and Nillumbik — part of which I have the pleasure to represent — the cities of Whittlesea and Wyndham and Yarra Ranges shire. It says that rather than the RIDF being just about regional matters, it includes for the purposes of natural gas reticulation some of the interface councils.

The second-reading speech makes it clear that guidelines will be drawn up to ensure gas is only connected to the rural parts of the interface shires, and we will watch with interest how that is done. It says that guidelines will be produced and we will wait for the guidelines, which have yet to appear, to my knowledge. The second part of the bill adds the interface councils.

The third part of the bill is interesting. It deals with the fact that the Shire of Delatite has been abolished, I think, by choice in many ways and replaced by the Mansfield Shire Council and the Benalla Rural City Council. The original schedule to the bill listed the Delatite shire as a shire that was able to receive funds from the RIDF, but that has now been replaced. It no longer exists. I wish both those new councils well in their lives ahead.

It is a very simple bill. All it does is say that natural gas can now be connected with funds from the RIDF to rural and interface councils, and it fixes up the anomaly that existed when the Shire of Delatite was disamalgamated, which is probably the best expression. But this legislation is far more than that because it goes to the heart of one of the great issues of the last election campaign, where all three major parties — and, I presume, the Independents as well — put up their hands in no uncertain terms by saying that natural gas connections to rural and regional Victoria were a very good idea. I know my former colleague Carlo Furletti, a member of this house, spent an enormous amount of time visiting areas, making promises and commitments for natural gas. I am sure the National Party can speak for itself. From memory, it also had a significant fund.

Hon. W. R. BAXTER — Some $150 million.

Hon. BILL FORWOOD — Mr Baxter says it was $150 million. This was an issue of real importance and interest in the campaign. Many of us were intrigued when, in the last days of the campaign, the Labor Party issued a flurry of press releases in town after town promising that among the first to be connected would be 'this town' or 'that town', or, as the honourable member for South-West Coast in the other place said, just about every village and hamlet in Victoria got the promise of natural gas connections.

It is ironic when you bear that in mind to go to the most recent budget papers and turn to page 186 of budget paper 3 under the regional infrastructure development output group where it says, 'Number of towns included in natural gas reticulation' with the number shown as four. Honourable members would know that I asked the Minister for Energy Industries a question about which towns would be connected. I started with Bonnie Doon, as I have the press release, as do others, where it was promised that Bonnie Doon would get natural gas very early on. At the time it was a desperate attempt by the former member for Benalla, Denise Allen, to hang on to the seat subsequently won by the new member in the other place, Bill Sykes of the National Party. My recollection is that in the last couple of weeks of the campaign Denise Allen, the Treasurer and others rushed from town to town in the electorate saying, 'You can have natural gas, we will give you natural gas', and then, 'We will give it to you as well'. The promises were made time after time at Bright, Myrtleford, Alexandra and Yea.

As I said, I asked the Minister for Energy Industries in this house a question about where Bonnie Doon was on the pecking order. The answer was, 'We really only promised Bairnsdale, Creswick and Barwon Heads. Poor old Bonnie Doon is going to have to take its chances'. That intrigued the good burghers of Mount

Macedon because they were very concerned. They had been promised at about the same time — my recollection is 11 November last year — that, if I may quote Grant McArthur in the local paper of late April:

> … on 11 November last year, state and regional development minister John Brumby visited Woodend to announce a $70 million plan to connect regional towns to natural gas, adding that Gisborne, Woodend and Romsey would be the first to gain connection.

Now we have a problem because the Minister for Energy Industries told this place that he was going to connect Bairnsdale, Creswick and Barwon Heads, yet we have a promise from the Minister for State and Regional Development that Woodend, Gisborne and Romsey would be first. But if you go to the budget papers we have only got four being connected anyway. That does not work and is an embarrassment to the government, because I have had conversations with people from a number of towns across the state saying. 'This is a con. We were promised it; where is it?'.

Even more than that, if you look at the funding for this, the Labor Party has made much play of the fact that it was going to put an extra $180 million into the Regional Infrastructure Development Fund. Of the so-called $180 million going into the RIDF, $50 million is outside the budget estimates period.

Honourable members in this place can go to budget paper 2 and discover at page 128, table 7.1, under the heading 'Renew Regional Infrastructure Development Fund' and see that in the year 2003–04, the amount is $20 million; the year after, $25 million; the year after, $35 million; and the year after, $50 million. It is all weighted to the back end of the period. We know they have problems with money because they waste it and do not know what is going on with it. It only adds up to $130 million anyway. I was going to say that the promise of $180 million is another Labor lie, but maybe I will say that it is another extension of the truth. What they are doing, like with so many other tables, such as tables 7.1, 7.2, 7.3 and 7.4, is showing the funny-money deals of the Labor Party.

An honourable member interjected.

Hon. BILL FORWOOD — This is a deliberate policy decision. Originally they said they would put $180 million into the Regional Infrastructure Development Fund. They could not put less in next time around.

Hon. D. Koch — Smoke and mirrors!

Hon. BILL FORWOOD — Smoke and mirrors, thank you. They could not put less in next time around, so they picked the same figure and said, 'We'll put in another $180 million'. This is not $180 million over three years like the first lot; it is $180 million over five years.

Hon. D. K. Drum — They stretched it!

Hon. BILL FORWOOD — They stretched it — thank you, Mr Drum. It is smoke and mirrors — just another Labor Party con.

To get back to my earlier point, four towns are to be connected this year according to the budget papers. I ask the minister, which are the four? That depends on the guidelines. Where are the guidelines? On 19 March I asked the Minister for Energy Industries about how towns would be chosen and how the government was going to make up its mind which ones would be chosen. He answered, honestly as he does, that there was a committee being put together by his department and by the Treasurer's department and that they were developing the guidelines.

It is now two months on, and we have not seen the guidelines yet — nowhere to be seen. What we do know is that they appointed a consultant — of course they did, that is the way they do it! They appointed KPMG, a highly reputable company which knows a lot about gas. Apparently the guy who is doing the consultancy did a bit of this in Tasmania recently, but where are the guidelines? Nowhere to be seen. That is seriously disappointing, because across Victoria people were promised in November last year that they would get gas connected, and yet they still do not have the guidelines and do not know whether they are one of the chosen four. They are hoping that they are. They know there is not enough money and are waiting and waiting.

I am disappointed about this, because on 2 April I wrote to the Treasurer saying:

> Dear Minister,
>
> I write to request a briefing regarding the government's program of natural gas reticulation to regional and rural Victoria, at a time convenient to your office.
>
> I was recently briefed on general energy matters by officers of the Department of Infrastructure and Ken McAlpine.

I make the point that he is a highly capable person who works for the Minister for Energy Industries. The letter continues:

> At that time I was informed that the gas network expansion program, while a joint responsibility, was being run from your department.

On 2 April I asked for a briefing on this. I knew that the guidelines had been developed, but I wanted to know what was going on. I make the point again: we got a briefing from Lachlan Bruce, Bill Bolitho and Kerry Murphy on the bill itself, and at that time I raised the issue that I had written to the minister seeking a formal briefing on this program.

Mr Bolitho told me that he knew that the letter was in the office. But it is now the end of May and I wrote this letter on 2 April and have not had the courtesy of a response, not even a by-your-leave response, not even an 'I acknowledge receipt of your letter' response. No response at all from the minister responsible. This is deliberate. Why else would his office, knowing that I have requested a briefing, not provide me with a briefing on this issue? He has gone to seek the advice of a consultant on whether he can give me a briefing. Frankly, I do not think it is good enough that members of the opposition politely ask for briefings that are not provided.

I know the Treasurer was seriously hurt when his own side did him over and he lost the leadership. I know he finds life difficult, but he should not take it out on me. So far as I am concerned, there are some courtesies and proprieties in this place that should be followed. One is that when opposition spokespeople seek briefings on matters on the public record they should at least get a response. If the Treasurer does not want to give me a briefing he should say no, or he should get on and do it.

I find it extraordinary that we are here today debating this bill at least six or seven weeks after I wrote my letter and the Treasurer has not had the courtesy to provide me with a briefing. I am not surprised at that because I know he is embarrassed about the operations of the RIDF anyway, because when we were at the briefing that came out loud and clear. What we know is set out on page 187 of budget paper 3 where we can look at the total output cost. The target for expenditure for the year 2002–03, the year about to end, was $132.1 million. In other words, the intention was that in this financial year $132.1 million would be spent from the RIDF. What is the anticipated expected outcome for this financial year? It is $48.4 million. The government was going to spend $132 million but the budget papers show that less than $50 million will be spent this year. Oops — no wonder the Treasurer does not want to brief us, because one of the first question we would ask is, 'Where has all the money gone?'. It is a legitimate question.

The Auditor-General has recently reported on the RIDF. I refer to the May 2003 report on public sector agencies from page 19 onwards, which says that $180.7 million was available. It then says 76 applications have been approved for total funds of $33.6 million. There is no way, according to the Auditor-General, that funds will be spent before 30 June this year. There is a carryover. If one looks at the expected target for 2003–04 at page 187 of budget paper 3 one discovers that the total target for expenditure this year is $86.5 million.

What have they done? They have not spent from last year $83 million; they are planning to spend next year $86 million. Any way you do the sums that is $3 million. It is another sleight of hand, another funny-money deal. Why? Because the government cannot run the state because it cannot get the finances right. Those figures are in black and white in the budget papers at page 187. The expected outcome for 2002–03 is $48 million and the target for 2003–04 is $86.5 million.

Read what the Auditor-General says about the management of this particular fund. He says at page 23 of his report:

> While we acknowledge that some projects have been delayed due to unforeseen circumstances, the number of variations to project time lines raises questions about the quality of the applications and the adequacy of assessment processes. The long time line from approval to a grant application to the signing of a funding agreement needs to be reviewed by the department in consultation with applicants.

It goes on at page 25:

> Although we found that the fund was generally managed soundly, the department needs to give more attention to the quality of business cases supporting projects, as submitted by applicants, and to assessments of the level of project management expertise demonstrated by the applicants.

It goes on in paragraph 2.63 at page 27:

> 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 department should maintain attention to these issues:
>
> in its request for information to support applications; and
>
> when it is assessing grant applications.

I am happy to have an RIDF. It is a good idea and should be used to generate extra funds from the private sector and/or from local government.

But the problem with this fund is that it is all about rhetoric; it is not about delivery. There has not been anywhere near enough benefit shown from the energy that has gone into this. We are seeing it again this year

with the number of towns included in natural gas reticulation for the year.

I say, 'Bully for you; bring on the four!'. I would like to see the guidelines soon; I hope we get them. The Victorian Farmers Federation, in their budget update, were very keen on this issue and I refer honourable members to page 26 of the VFF submission to the Treasurer for the state budget.

Hon. Kaye Darveniza — Well, that would have been an objective little document, wouldn't it?

Hon. BILL FORWOOD — I put on the record the interjection from Ms Darveniza, who described the Victorian Farmers Federation submission to the Treasurer as 'An objective little document', in a tone of total derision, sarcasm and irony. I need to ensure that people understand when they read *Hansard* that Ms Darveniza was having a crack at the farmers federation — and she acknowledges it by saying, 'You're right'. That is typical of the rabble over there — absolutely typical. They will not accept the legitimate role of organisations like the Victorian Farmers Federation, but will roll over day after day, week after week, year after year, to their mates in the trade unions.

I frankly consider it an outrage that a senior member of this government would speak so dismissively of the Victorian Farmers Federation in this place. She should apologise. It is appalling that you would come in here and belittle an organisation like the Victorian Farmers Federation!

The VFF refers to natural gas extensions to rural communities, and says on page 26:

> As part of the government's *Building for Tomorrow: Labor's Plan for Country Victoria* election statement, $70 million was committed to extend the reticulated natural gas network to communities in rural and regional Victoria …
>
> The government must consider the location of existing and planned industrial developments when assessing the communities to which the natural gas network will be extended. Preference should be given to extending the natural gas network to those communities with major industries, such as dairy processing factories and large abattoirs, which will benefit from the more cost-competitive energy source.

This is a good program because it will bring these benefits to country Victoria, not just to business but to households as well. Yet this approach is belittled by the honourable member opposite.

The recommendation in this section of the document is that:

> The government prioritise communities with major and agricultural industries when considering proposals to extend the reticulated natural gas network to rural and regional Victoria.

There is nothing objectionable in that. All they are saying is 'Let's do it properly and work out what the guidelines are'. What we have discovered through an answer from the Minister for Energy Industries, Mr Theophanous, the other day is that KPMG has not been near the farmers federation. So far as the government is concerned they do not have rights in this and do not need to be consulted. How naive and short-sighted is that?

I finish by making this point: the government makes much play of the fact that it is putting an extra $180 million into the RIDF over the next five years. But of that it has already allocated $70 million to natural gas. It added $20 million for the small towns project; so there is $90 million. We know that $50 million does not belong in the forward estimates period, so that will come off anyway. So what we have is the government coming out with the spin about $180 million for the RIDF, when in fact it is $70 million for one project and $20 million for the next. At the maximum you could credit them with putting $90 million in. Of the $90 million, $50 million is not in the forward estimates period anyway; it belongs after the next election. We all know when the next election will be — November 2006. That $50 million is way, way out there. It is hardly, one would have thought, good accounting practice to include that.

So the situation we find ourselves in is that there is far less money in the RIDF anyway. I have demonstrated through use of the Auditor-General's report that there is not the capacity in any case to spend the money they had until this year, and that this money is just being rolled over into next year, which is ironic.

But as I said at the outset, we believe the connection of natural gas to Victorian rural towns is a good idea and we support it. We do not have a problem about it being connected to the interface councils so long as everybody is absolutely clear that the connection in the interface councils is in the rural component. We will be jumping up and down quicker than Jack Flash if we discover that, for example, Hurstbridge or Whittlesea or some of the towns in the more urban parts of the interface councils have been included.

Mr Mitchell should speak on this because he wants it in Yarra Glen. Let us ask Mr Mitchell. We look forward to his contribution on this debate and we will say to him: is Yarra Glen in the rural or urban part of the Shire of Yarra Ranges? It is your electorate. We will wait for

a definition of whether that would meet Mr Baxter's criteria, for example, of a rural or regional town, or is part of a city component of an interface council.

The second-reading speech makes it clear, and we are waiting for the guidelines. The government has just drawn the urban growth boundary as part of its legislation on green wedges that we will deal with soon. It could not be all that difficult to draw a line around it and say, 'This bit of the interface councils belongs in metro and the rest of it belongs in rural'.

We are looking for a nice guideline that we can all understand. Let us be frank and honest — we need two guidelines. Firstly, which part of the interface council is which? Secondly and equally importantly: which of the hundreds of towns across Victoria promised natural gas by this government in the lead-up to the election will get it?

Until we see those guidelines and KPMG decides that it has done the work enough for the Treasurer, Mr Brumby, to sign off, we will continue to see in this place legislation that facilitates but does not do much more than that.

This legislation does very little at all. What we now need to do is wait until the administrative side of the government cranks itself slowly into gear and we see, eventually, some outcome for one or two or three or four of the towns that have been promised natural gas in this year.

Sitting suspended 6.29 p.m. until 8.01 p.m.

Hon. W. R. BAXTER (North Eastern) — I am pleased to speak on this small amendment to the Regional Infrastructure Development Fund Act because it is an act that has generated a fair amount of discussion since it was introduced by the government in the last Parliament. I think we would all agree that it has provided some very useful grants to projects around the state, which have been warmly received and have contributed to the wellbeing of regional Victorians.

I sometimes get a little fascinated by the claims the Minister for Regional Development makes though. The first one he usually rolls out is about the cattle underpass scheme. I am very glad to see it funded, but as I was the minister at the time who introduced it, it seems quite quaint that he mentions it as if he were the architect of that scheme. There is no doubt that it has provided a great deal of road safety factors in many places on our highways, especially in the dairying areas of the state both in the north-eastern and western parts of the state. The one that was installed on the Princes Highway in my time was a good illustration for farmers in the western part of the state who were crossing the highway with their cows that with a bit of engineering expertise and some small help from government an underpass could be put in which would take a lot of stress away from the farmers and provide a tremendous road safety measure.

I am of course disappointed that the government in renewing the fund — and I fully expected the government would renew it — in fact reduced it by a fair amount. We now have $180 million over five years as against $180 million over three years, and that, as Mr Drum has so often told people in his electorate, is a very substantial and disappointing reduction indeed.

I note also that the bill provides for some of the funds to be used for natural gas extensions, in the areas of both the schedule 1 councils and the schedule 2 councils that are being added by the bill, which are the nine so-called interface councils. I applaud the fact that natural gas extensions will proceed, but I also note, as Mr Forwood noted, that the government was a bit of a late starter on this project and in making money available to natural gas extensions. It was the National Party at its conference in Shepparton in 2001 that put on the table $150 million for natural gas extensions. The opposition soon after followed — —

Hon. T. C. Theophanous — What did you do when you were in government?

Hon. W. R. BAXTER — I am coming to that, Mr Theophanous, if you would just be patient.

The Liberal Party, to its credit as well, also indicated in its election policy that it would set aside a substantial sum of money for natural gas extensions. The Labor Party, bringing up the rear and thinking that it ought to be in on the act as well, announced that it would make $70 million available. But the $70 million is not fresh money. It is coming out of the rolled-over Regional Infrastructure Development Fund (RIDF), so in a sense that means a further reduction in the amount that is in the new fund. We have gone from $180 million over three years to $180 million, minus $70 million earmarked for natural gas, over five years. It is a very, very substantial reduction indeed to what the initial fund provided for when it was introduced during the course of the last Parliament. I am also a bit intrigued to know what other towns are going to get natural gas with this $70 million.

Hon. T. C. Theophanous — Watch this space!

Hon. W. R. BAXTER — We are watching with bated breath, Mr Theophanous, because the government has announced that natural gas is going to

Bairnsdale, Barwon Heads, Creswick, Woodend, Romsey and Lancefield. However, as the budget papers graphically point out, and Mr Forwood drew our attention to the table before dinner, they only talk about the gas going to four towns out of those I have just enumerated. That makes me wonder about all those other towns that were promised natural gas during the course of the election campaign. We heard from Mr Forwood about Bonnie Doon. I think that is the greatest classic I have ever heard — a desperate Labor member going around promising the world.

Ms Allen and her minister then went up to the Ovens Valley and promised it to people in all sorts of places up there. I hope they get natural gas, but I do not think they are going to get it out of this $70 million. Then I attended a rally in Nathalia on 19 November before the election — the largest public meeting I have been to in Nathalia for many years. All the candidates for the seat of Rodney were in attendance. We had the Labor Party candidate, the Liberal Party candidate and the sitting National Party member. No, in fact he was not there. I was representing Mr Maughan. We had an Independent and a Green candidate. Everyone promised natural gas for Nathalia. The *Numurkah Leader* headlined it in the next edition — 'Labor candidate guarantees natural gas for Nathalia'.

Now, Nathalia had been waiting a long time for natural gas because it was on the schedule that the previous government initiated, and it was the previous government, if the minister might turn his attention to the fact, that legislated to enable natural gas to be extended to country towns at a different tariff regime, which made it economic for gas to be so extended to those smaller towns. Gas was coming down from the Murray Valley, taken off from the main at Chiltern and going to Yarrawonga and Cobram, Strathmerton and Numurkah. Then it was to come on to Waaia and Nathalia. Where did it get to? It got to Numurkah and there it stopped.

I constantly raised it in the course of the last Parliament with the then minister, Ms Broad, pointing out to her that I believed she and her government had a moral, if not a legal, obligation to make sure that the contract was honoured by the gas supplier. But the then minister constantly washed her hands of it and said it had nothing to do with her at all, and Nathalia is still waiting for natural gas.

So I appeal to the Minister for Energy Industries and I take note of his comment, 'Watch this space'. I would certainly hope Nathalia is in the space he refers to because that town has been waiting for so long now and has had so many promises made to it that I think it ought to be the first one to be supplied with natural gas, and particularly when you get a candidate who stands up on the platform and gives a guarantee that if the Bracks government is re-elected, natural gas will get to Nathalia.

Hon. T. C. Theophanous interjected.

Hon. W. R. BAXTER — Minister, your candidate said it. It is up to you to honour that commitment.

I raised with the Treasurer and Minister for State and Regional Development at the Public Accounts and Estimates Committee hearings what were the towns other than those that had been named in his press release, and those were the towns to which I have referred.

Hon. T. C. Theophanous interjected.

Hon. W. R. BAXTER — And he was very reluctant to tell me. He beat around the bush a fair bit and said he did not want to give away to the gas companies what the government might have in mind; it would give one or other a competitive advantage. To some extent I accept that argument. He did talk a bit about servicing 100 000 people, so I did a bit of a calculation and I thought about those that have been announced, and I thought they will go jolly close to adding up to 100 000 people anyway, so there does not appear to be too much hope for this space the Minister for Energy Industries asks us to wait for, to be filled by any other towns.

I also inquired of the Treasurer about his reference to competitive bids. He said towns are going to be able to put in a competitive bid to get this money for natural gas. That fascinates me a bit because that seems to me to mean that some of our smaller towns are going to have no hope of winning a competitive bid because the larger towns that already have — —

Hon. J. H. Eren interjected.

Hon. W. R. BAXTER — If you want to know what towns got natural gas when I was in government, you can look at Chiltern, Yarrawonga, Cobram, Strathmerton, Numurkah, Tangambalanga — —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Smith) — Order! Mr Baxter, through the Chair.

An honourable member interjected.

The ACTING PRESIDENT (Mr Smith) — Order! I was not aware you were on your feet.

Hon. W. R. BAXTER — I have illustrated to the interjector, Mr Eren, that all the towns in my electorate were supplied by natural gas during the time of the last government because of the legislation that that government passed to enable it to happen, and there were dozens of other towns throughout country Victoria. But let me say this in terms of the Treasurer's comments to the committee about competitive bidding: it would seem to me that towns that already have an industrial base and that already have a population of a reasonable size are going to be able to outbid, in the way he explained it to the committee, the smaller towns. It is a bit like the chicken-and-egg theory: if you do not have gas, you will not get industry; and, on his theory, as he put it to the committee, if you do not have industry, you will not get gas because you will not be able to put in a competitive bid in terms of what you use.

I say the government needs to look at its program, and this space the minister talks about ought to be filled with some of those towns that have been severely disadvantaged because they do not have natural gas.

The other aspect that I want to refer to about the Treasurer's appearance before the committee was in answer to questions I had put to him about natural gas. He made the comment that Bairnsdale was getting it, and I said no-one was arguing about Bairnsdale getting natural gas. He then made the statement that it was all the fault of the previous government that Bairnsdale does not have natural gas because the main runs down the main street. I have since made some inquiries and I find out that the main goes nowhere near the main street in Bairnsdale, and clearly the Treasurer is either ignorant of the fact or he was misleading the committee. I will put it at the former, that he had been told something or he was confusing it with the eastern high pressure gas line which runs from near Bairnsdale to Sydney.

I want to also talk about the interface councils. I asked the Treasurer at the committee whether he was going to spend this money on the interface councils. Putting the amount of this year's Regional Infrastructure Development Fund, which is still to be allocated — and I understand it is in the order of about $40 million-odd that has to be allocated by 30 June — I asked whether he was going to allocate that to the interface councils. He got quite disturbed at that and made some allegation that I was making an unjustified claim. But, as I pointed out to him, I was making no claim at all; the committee was simply seeking information, and I thought he was appearing before the committee as a witness to provide information.

I have had a bit of a think about that and I have read the bill since then, and I came to the conclusion rather like I did about the Bairnsdale gas main — either the Treasurer was being mischievous or he does not know what is in the bill, because if you read the bill it clearly says that gas extensions being authorised under this particular legislation if they go to the interface councils can only be spent in the rural areas. Mr Forwood has certainly made it clear that we would want to see it spent in the rural areas. But the question I was asking was: what is he going to announce the current funding for? It is not authorised to go to the interface councils at all, so either he was spinning me a yarn or he was not clear about what is in his own legislation. And again I say that the Treasurer should do a little more homework to be absolutely clear what he is saying to the committee; or is it his intention to actually spend the money on the interface councils despite the fact that if one looks at the bill and compares that with the act — and I refer to the Regional Infrastructure Development Fund Act of 1999 — section 5(1)(a) sets out five areas where money can be spent? You should then look at the amendment which is to be inserted by clause 4(b) of the bill which says:

> to be used to provide financial assistance for the development and implementation of natural gas extension projects in regional Victoria and the municipal districts of the municipal councils set out in Schedule 2 —

which are the nine interface councils. That seems to me to be very explicit. That seems to be in black and white. Why did the Treasurer not say that to me if that is what this bill means? Does he have some means up his sleeve by which he is going to spend some of this new, rolled over RIDF in the nine interface councils? The two things do not gel. The act and the bill seem absolutely clear to me, but the evidence given by the Treasurer to the committee last week was somewhat to the contrary. I call on the Treasurer to clarify what he meant.

Hon. Bill Forwood — Mr Theophanous might do it for us tonight.

Hon. W. R. BAXTER — Or Mr Theophanous might do it as well.

In talking about the Rural Infrastructure Development Fund I also note — I applaud the government for this — that it has now set aside $20 million in a small towns development fund. I invited the Treasurer when he was before the committee last week to give the committee some indication of the parameters of that fund — what is the definition of a small town, how will the fund be spent and so on — but he was unable to do so. However, he did say that guidelines are being

prepared and that he will be making an announcement soon.

I will accept that at face value. I thought he would have had this all prepared and ready before the budget and that he would have had it in his head if he were coming to the committee, but, moderate person that I am, I will accept the fact that he will make this announcement fairly soon. However, I make this plea to the Treasurer: that $20 million ought to be specifically devoted to those smaller small towns that really are struggling to find their place in the world and that, with a little bit of assistance, would actually get an industry into their towns that they might not be able to attract at the moment which may well give them an economic base to survive into the future. I am not talking about our little villages; I am talking about our towns around country Victoria of 1500 to 2000 people. I am not talking about the village of Licola with a population of 110 or something like that; I am talking about towns with some substance, but small towns nevertheless.

Take the town of Nathalia, seeing I have used it as an example. It is in the process of working to get a new industry into the town, bearing in mind it once had a butter factory which went years ago, like a lot of other small butter factories. The act currently provides that assistance can be provided for improvement to transport within regional Victoria. In the case of Nathalia it is on the Murray Valley Highway and transport connections are not too bad. The act also provides for the development of industries in regional Victoria, and it seems to me that that is the section where this small town development fund could be best used to assist Nathalia — that is, not so much in providing industrial land, because they have that, and not so much in getting the services to that piece of land, because it is available, but in actually helping build a factory that will get an industry into the town.

The town has an industry willing to move there from Tasmania if it could just get some assistance in building the factory. I am not saying the fund should totally build the factory — not at all — but there might well be a partnership that could be made with the Shire of Moira and one or two local investors which could build a factory for half a million dollars to get this industry in.

I propose to have some discussions with Regional Development Victoria when the new chief executive is appointed, which I understand will be shortly, to get this proposal fleshed out more fully, but up until now I have not been able to get any sort of indication from the existing fund that it would help assist to build the factory. Yes, it will help get the power and water there, but we already have that. It will help with some services, but we already have those. What is necessary is actually getting the infrastructure built.

I hope the guidelines of the small towns development fund are sufficiently broad to accommodate that sort of proposal. That is what is needed in these little — for want of a better word — towns. They need an industry that employs 20 or 30 people. That will give them an economic base that will help keep the supermarket in town, help keep a local doctor and a local chemist in the town and provide some economic strength for the town. If that is done, the Parliament and everyone else will applaud this initiative of the small towns development fund that is mentioned in the budget and for which $20 million has been set aside from the $180 million to be made available over the course of the next five years.

I conclude by saying that the National Party has always supported the Regional Infrastructure Development Fund.

Hon. T. C. Theophanous — You didn't spend a cent — not one cent — during your whole seven years!

Hon. W. R. BAXTER — Mr Theophanous, if $1 billion — which was spent by the previous government in providing country towns with water and waste water services, which meant that so many towns were then able to get industry — does not stack up, ask yourself how much your government has spent on gas.

Honourable members interjecting.

Hon. T. C. Theophanous — Even the gallery is laughing at that!

Hon. W. R. BAXTER — Mr Theophanous knows it is out of order to refer beyond the boundaries of the house, and he should desist.

The previous government provided the opportunity for natural gas to be extended to country towns; many have benefited and many more would have benefited from the policies put up by both the Liberal opposition and the National Party prior to the election. At least this government has acknowledged the strength of the argument that has been put up. It has made a sum of money available, but it does not seem to be nearly enough, and it seems to be going to towns that, with the exception of Bairnsdale, are pretty well on the periphery of Melbourne. That is not going to be of much help to the great economic generator of regional Victoria.

Hon. J. M. McQuilten — Is Creswick on the periphery of Melbourne?

Hon. W. R. BAXTER — Well, Mr McQuilten, if you live in Nathalia, Romsey looks pretty close to Melbourne when you look across the hill!

I appeal to the government to add to the $70 million, because it is pretty clear that the $70 million will not go anywhere near far enough in terms of the extension of natural gas to the towns in Victoria that deserve it, particularly now that this government is making it much more difficult for the natural heating source of firewood to be collected by so many of my constituents.

Mr PULLEN (Higinbotham) — I consider it a pleasure to follow Mr Forwood, who spoke earlier; I have not had that opportunity before. There have been a lot of theatrics again and not much substance, but it is good to see that the Liberal opposition at least is supporting the bill. As far as Mr Baxter goes, he has been here for 30 years, and I can see why the Honourable Wendy Lovell won a seat in North Eastern Province, because if that is the standard of the National Party's response to this important bill it is pathetic.

The title of the bill is the Regional Infrastructure Development Fund (Amendment) Bill, and it expands the purposes of the fund to include extending reticulated natural gas to regional Victoria and to Melbourne's rural fringe, and it updates the schedule of municipalities in regional Victoria to reflect the de-amalgamation of Delatite shire last year.

Hon. Bill Forwood — Stop reading your notes.

Mr PULLEN — They are notes, and it is not a read speech. I can tell you that I will achieve more in my four years here than the National Party has in its 30 years!

I have a particular interest in this bill simply because although I represent an inner city electorate I spent many of my years in the bush, and I know how important the bush is to us and what the Labor Party has been able to do for the bush.

Hon. D. K. Drum interjected.

Mr PULLEN — You do not even live in the bush! You live in a major city, like all the members of the National Party do. Half of you have not even met a farmer!

The bill extends natural gas to regional areas of Victoria and to the rural fringe of metropolitan Melbourne in what are known as the interface councils, and there are nine of them.

In the past the government has funded 71 different projects through the Regional Infrastructure Development Fund. I will list them so that members are reminded of some of the projects that have been funded by this government since it came to power in 1999. We upgraded the Latrobe Regional Airport near Traralgon; provided standard gauge rail access to the top grain pier at the port of Geelong; established a new industrial estate at Shepparton; developed a research and development precinct at Birchip — you would not know where half these places are; upgraded the 'Blood on the Southern Cross' exhibition at Sovereign Hill, Ballarat; established the Royal Melbourne Institute of Technology Flexible Learning Centre and the Centre for Regional and Rural Development at Hamilton; upgraded the Port Fairy waste water treatment plant; developed the Alpine Discovery Centre at Mount Beauty; established the Central Victorian Innovation Park at Bendigo; constructed the Cobram to Strathmerton potable water supply pipeline; and redeveloped the wharf at Port Albert. They are just some of the things that this government has done since it came to power in 1999.

It is very interesting when we talk about 1999. The Australian Labor Party won eight rural seats in the 1999 election and an Independent member won one of the others. Nine seats have gone from the opposition. This mob over here — and that is what the Leader of the Opposition called us — lost nine seats in the 1999 election. That goes to show what they did for rural Victoria — absolutely nothing!

Reticulated natural gas is going to the interface councils around Melbourne. Of course, there is hardly an opposition seat around Melbourne because the people in those areas could clearly see that they did not want to return to what the opposition had been up to in the past.

The second-reading speech covers many of the projects that are being supported and I have covered them too. Last November, the government committed a further $70 million to extending access to gas in regional and rural Victoria.

We have to look at what the opposition did while in government. Mr Theophanous said quite clearly that it did absolutely nothing for gas in those areas. Of course it did one important thing: it privatised the then Gas and Fuel Corporation, which significantly disadvantaged rural and regional Victoria in being connected to the gas network. None of the opposition members can deny that. The privatised energy companies will not bring gas to the towns without a guarantee of profits — that is what anyone goes into business for — and in most cases regional communities have been unable to

convince private companies to reticulate the gas supplies. The Bracks Labor government is connecting rural and regional communities. We have listened to the concerns of these communities and we will connect more Victorian homes and businesses to the gas network.

The opposition parties continually attack the government about our spending. I want to talk about that point because they say 'You should spend on this, you should spend on that' and then they say we spend too much. I remind opposition members that in their time they sacked 40 000 public servants — who are decent people — and the cost of the public service went up by $1 billion. They cannot deny any of that. That is what they got up to. We govern for all Victoria. We have heard them try to kick us in the guts — —

The ACTING PRESIDENT (Mr Smith) — Order! I ask Mr Pullen to be mindful of the language used in this chamber. He is drawing a very long bow.

Mr PULLEN — Thank you, Mr Acting President. I am still learning, you know — I've got the L-sticker on!

The opposition keeps on telling us to spend. We are spending on gas and the whole area of Melbourne and the people of rural Victoria clearly understand what this is all about. They have overwhelmingly returned the Labor government to power. We set up the Regional Infrastructure Development Fund; the opposition did nothing.

This legislation is moving towards getting natural gas to a number of areas. We have heard the opposition asking, 'Where, where, where?'. It is coming pretty soon. We cannot put it in the bill, as Mr Forwood and Mr Baxter would know, but it is coming very soon. I fully commend the bill to the house.

Hon. E. G. STONEY (Central Highlands) — I was quite amused by the remarks by Mr Pullen earlier and I assure him that I live in the bush — I live 20 kilometres up a gravel road where there is certainly a lot of bush around. There are a few people in this place I look to to defend bush issues. One is Mr Baxter and the other is Mr Forwood, who has done his time in the outback and certainly knows about bush issues. I need to put that on the record because Mr Baxter has had a lifetime in this Parliament defending issues related to the bush and rural Victoria and does it very well, in a calm and measured way.

I will concentrate mainly on two issues connected with the bill. One is the extravagant promises made about natural gas that Mr Forwood and Mr Baxter have referred to. The other is the split of the Delatite shire.

The second-reading speech states:

> In September 2002, we announced the establishment of Regional Development Victoria and directed that one of its key responsibilities is the extension of natural gas to country Victoria.

Obviously this is a pre-election sweetener because the second-reading speech states also:

> In November we took our commitment a step closer, announcing that $70 million from the renewed Regional Infrastructure Development Fund would be directed towards extending gas in rural and regional Victoria.

It is the blatant opportunism of this initiative that I want to touch on. It is a good initiative; it is one that rural Victoria badly needs, but tonight the opportunism has been taken into account in this house by Mr Forwood and Mr Baxter.

During the election campaign the Honourable John Brumby and Labor members in their local areas barnstormed Victoria and made implied promises. Mr Forwood and Mr Baxter mentioned Bonnie Doon. I have a newspaper cutting containing a photograph of the former member for Benalla, and local resident, Steve Taylor, with the caption 'at Friday's announcement'. So it was an announcement. The article says:

> Bonnie Doon, Yea and Alexandra are set to benefit from the Bracks government's $70 million plan to extend country Victoria's natural gas network.
>
> Denise Allen, MP, said preliminary investigations had shown Yea, Alexandra and Bonnie Doon were strong contenders to be connected to natural gas.

On the same day the *Myrtleford Times* reported exactly the same words. It is obviously a generic press release. It says:

> Bright and Myrtleford are set to benefit from a $70 million plan to extend country Victoria's natural gas network.
>
> The Minister for State and Regional Development, John Brumby, said that preliminary investigations had shown that Bright and Myrtleford were strong contenders to be connected to natural gas.

The previous article said Bonnie Doon, Yea and Alexandra. The government changed the names of the towns and away it went.

Hon. W. R. Baxter — They pulled up at the post office, got out the pen and changed the names.

Hon. E. G. STONEY — Absolutely, and they were not quite sure which town they were in? The minister said, 'What day is it, Denise? We must be in Myrtleford. We will say that we will announce the gas; that sounds pretty good'.

But after the election nothing happened until Mr Forwood and I started asking questions of the government in this place. The Alexandra *Standard* faithfully reported the result of that questioning. In an article headed 'Natural gas looks doubtful', it says:

> The Bracks government's Minister for Energy Industries, Theo Theophanous, in answer to a question in Parliament this week, walked away from the government's election commitment to connect natural gas to Bonnie Doon.
>
> Asked specifically …'will he reassure the people of Bonnie Doon that the Bracks government's commitment to connect natural gas to Bonnie Doon will be honoured during the life of this Parliament', Mr Theophanous replied that the government's commitment only applied to Barwon Heads, Bairnsdale and Creswick …

As Mr Forwood pointed out. It continues:

> all other areas … will be examined in the context of ensuring that maximum reach is made with available funds.

It is quite obvious that the promises were extravagant and the locals knew that at the time. It was a true and classic Labor tactic to win the election.

Clause 5 of the bill adds the Benalla Rural City Council and the Mansfield Shire Council to the list of municipalities in the schedule and deletes the Delatite Shire Council from the list. This reflects the new municipal structure resulting from the restructuring of the Delatite shire in 2002.

Probably the most emotional and passionate issue in my electorate in the past few years has been the amalgamation of Benalla and Mansfield into the Delatite shire. It is important to recognise that amalgamations throughout Victoria were generally very successful and overall I am sure we would never go back to the 200-odd councils that we had before amalgamation. A handful of those amalgamated councils did not work and one of those was the Shire of Delatite. Probably the Benalla-Mansfield marriage was the most dysfunctional. It resulted in meetings of over 800 people with several meetings held in Mansfield. The Mansfield Ratepayers Association was born. It stood candidates at the local election where it made a clean sweep. The pressure and the debate increased and eventually the devolution of the Delatite shire occurred. I am pleased with that: I never really supported the coming together of Benalla and Mansfield.

There are issues with the Delatite devolution. For a couple of years Delatite was travelling badly and in that devolution process it became clear that there was a problem. On 26 February under the headline 'Audit slap for Delatite' the Mansfield *Courier* reports:

> An independent investigation has revealed major deficiencies in the operations of the former Delatite shire.

The report identifies that the due diligence report showed up serious flaws in the operation of the old Delatite shire and says:

> It expressed major concerns about the accuracy, reliability and timeliness of financial reports to the council. It also found management control systems were inadequate and ineffective.
>
> The audit report could have significant repercussions as the countdown to the new council gathers momentum.

The *High Country Times* of 5 March quotes the Mansfield administrator as saying:

> 'It is disappointing to receive a report of that nature', shire administrator, Vern Robson, said … of the Due Diligence Report of the Delatite Shire Council.

The article continues:

> Mr Robson said he was surprised that after eight years of operating Delatite was 'a municipality found wanting in these areas'.
>
> …
>
> 'We are doing away with the former Delatite shire with all its pluses and minuses and hopefully we can look forward with confidence'.

Mr Robson said that Mansfield had already acted on long service provisions, debtor payments and better cash flows. He also identified that at that time delicate negotiations were being undertaken between Benalla and Mansfield. These were probably best summed up by Mr Robson when he said:

> I am totally satisfied that fairness has applied between both Benalla and Mansfield.

In conclusion I put on record that both new councils are acutely conscious of the warning presented by the audit at the time of the devolution of the Shire of Delatite. Both councils are looking forward. A letter to me from acting chief executive officer, Wayne Harvey, reflects the positive mood that exists in Benalla. His letter says:

> The newly formed Benalla Rural City Council has embraced the challenges that lie ahead of the new team of councillors and senior staff with gusto and excitement.
>
> The mayor, Cr Geoff Oliver, has stated that the team is dedicated and committed to developing Benalla Rural City into a vibrant place where lifestyle, culture, safety and choice are important.

> The team understands the large task ahead and has hit the ground running.

If ever you could see a positive outlook for the future you can see it in that letter to me from Mr Wallis. In with that letter Mr Wallis enclosed a copy of Benalla's vision and mission statement.

Mansfield Shire Council has also released its vision. In part it says:

> The opportunities presented by the return of the shire to its ratepayers has led to an excited community electing a team of councillors who are working together extremely well, founded on a sound economic strategy and enhancing the already strong sense of community.
>
> The commitment to responsible economic management while revitalising the community infrastructure is at the forefront of the council's financial strategy.

That is a mouthful, but it is also very optimistic. The mayor, Don Cummins, very well known in that part of the world, has pointed out that Mansfield has a strong tradition of people working together and seizing new opportunities. To that I would add that Mansfield has the strongest sense of community of any town I represent in the 26 000 square kilometres of Central Highlands Province.

Both shires are looking forward while being very conscious of the difficulty of the job and the need to watch finances carefully. I wish both shires well.

Hon. J. H. EREN (Geelong) — It is such a pleasure to be able to speak on this issue, and especially a pleasure to be part of a government that has concentrated so much on making the lives of Victorians, particularly country Victorians, so much better. I say that with pride because this government, in contrast to the previous government, is actually making a difference to the lives of thousands of regional and country residents, particularly in Geelong, which got its fair share of the cake in recent budget announcements.

The previous Liberal-National coalition did not spend a cent on gas extensions — not 1 cent. It relied on the market and higher prices for regional Victoria. As members may be aware, most of the township of Portarlington now enjoys most of the pleasures of life, like natural gas for cooking and heating and other needs. Indented Head and St Leonards will be getting theirs very soon, not forgetting Barwon Heads. We have dedicated $1.75 million towards it, as opposed to the former Kennett government flatly saying no.

That is why these amendments are so important for country Victorians. They will further facilitate the government's commitment to extend natural gas to the rural and regional areas of Victoria. Clause 1 sets out in a nutshell the purpose of the bill. It states that its main purpose is to amend the Regional Infrastructure Development Fund Act 1999 to enable payments to the fund to facilitate the extension of reticulated natural gas in regional Victoria and parts of municipal districts on the rural fringe of metropolitan Melbourne.

It says the Regional Infrastructure Development Fund Act 1999 because it was the Bracks Labor government that created it. We had the foresight and compassion to say 'That is enough of the neglect of country areas by the Liberal-National coalition'. The proof of the pudding was in the eating when the great people of this state went to the polls on 30 November last year that saw me and many others on this side of the house being elected to this place. Since its inception in 1999 the Regional Infrastructure Development Fund has injected $180.7 million towards 71 infrastructure projects across regional Victoria. Further, through the commitment of $128.4 million of RIDF funds we have created some $300 million of investment in economic, transport, tourism, and education infrastructure across Victoria. With further funding to be provided shortly, the total commitment will be $133.6 million, and the balance of the fund is expected to be committed by 30 June this year.

We are not the only ones blowing our own trumpet here; it is also groups like the Victorian Farmers Federation, which is calling on the federal government to follow the lead of this Labor government in asking that this fund be replicated nationally. The National Party and the Liberal Party should be calling on the federal government to match Victoria's funding instead of criticising this government. Further, the West Australian government, recognising the benefits of the RIDF, has established its own fund. Victoria is leading the way in relation to this matter.

Wodonga is a beneficiary of this fund. It received $1.2 million, thereby securing Visy's $60 million state-of-the-art box manufacturing plant in the new industrial area of Wodonga, creating some 200 jobs. Warrnambool received a $3.3 million grant for the upgrade of the popular Flagstaff Hill Maritime Museum. Birchip received $700 000 for a research facility to improve farm incomes and to foster the development of new markets and products. The RIDF also funded and supported the completion of 200 cattle underpasses across Victoria's dairy regions to improve safety for farmers and road users. I could stand here all night listing all the benefits of this fund, but I will not. The opposition knows well the benefits, but it is shy about saying how good this RIDF is for country areas.

The need for this amendment is simple. The RIDF was established by legislation in 1999 to fund regional infrastructure in Victoria's 47 rural and regional shires. The de-amalgamation of the Delatite shire in 2002 increased this number to 48. In its commitment to its *Building for Tomorrow* policy for country Victoria, which was announced on 10 November 2002, the government committed $70 million over four years from the RIDF to extend natural gas.

The policy states that funds will be available for gas extensions throughout country Victoria including the rural areas of the nine interface councils. This policy commitment to extend natural gas to areas on Melbourne's metropolitan fringe received coverage at the time. The government has introduced specific amendments to ensure that the nine interface councils have access to the RIDF only for the extension of reticulated natural gas.

In order for the de-amalgamated Delatite shire, which is now the combined Rural City of Benalla and the Shire of Mansfield, to be eligible to receive funding from the Regional Infrastructure Development Fund the legislation must be amended. I could dwell on the past and make comment about the position of the then former coalition government on connecting natural gas to country areas and the privatisation that went on when it was in government. I will not do that but will say that I am very proud to be a part of this government which cares about country Victorians. Therefore, I commend the bill to the house.

Hon. D. K. DRUM (North Western) — I must admit I was slightly taken aback by the insulting manner in which the Honourable Noel Pullen completed his address. I think anybody who has been in this house for as little time as has Mr Pullen should have had a bit more respect and even a little more intelligence than to dare question the achievements that have been made by the Honourable Bill Baxter in this house.

Mr Somyurek — Get on with it.

Hon. D. K. DRUM — If anybody wants to know how to conduct themselves in this house, Mr Somyurek — and you would be a good example, by the way! — maybe they could look at the way Mr Baxter goes about his business.

In 1999, as has been well documented by both sides of Parliament, the Regional Infrastructure Development Fund (RIDF) was started with $180 million allocated over three years. We have been exceptionally keen to applaud the government for the fund. We have been very proactive in stating the benefits of the fund. It is a good fund. It dedicates funds specifically for the people of regional Victoria. Therefore, why on earth would anybody argue against the fund? It is a commonsense way of governance.

In 1999 that money was set aside for 48 municipalities. The projects it has been used to assist were well documented in the second-reading speech. As we know, the RIDF does not wholly fund projects. It is used to stimulate or initialise development or it is used as start-up money or for seeding funding. Sometimes it is used as matching funding from councils, organisations or the private sector. Irrespective of which one is assisted, it does an enormous job to stimulate projects in country and regional Victoria.

Now we have a situation where nine other interface councils will share in the new fund. Whilst we do not wish those interface councils to go without any of the services and infrastructure that we would be calling for in traditional rural Victoria, we simply disagree with the fact that the government can take money that has previously been set aside for traditional regional areas and suddenly hand it over to interface councils on the outskirts of greater Melbourne, but that has been done after the election.

The funding in the previous RIDF allocation had a wide-ranging geographic coverage. The second-reading speech says that assistance was given to projects in Wodonga, Warrnambool, Birchip and throughout the Victorian dairy regions. It matters little that some of those projects were started by previous governments. The fact is that it is a good fund and covers a whole range of areas. It has an expansive range of applications and was certainly well thought of throughout regional Victoria.

Earlier speakers mentioned that the Victorian Farmers Federation has been extremely positive in its analysis of the fund. It applauds the way money was set aside for traditional regional areas. It has looked for a replication of the fund nationwide and other states are looking at the introduction of like funds.

The second-reading speech says local councils are extremely appreciative and speak well of the fund. That is true, providing you are talking of the RIDF mark 1, or the 1999 version of the fund. If you were to go back to the same councils that have been spoken to and which gave the RIDF glowing praise and ask them today what they thought of this piece of legislation, you would find nothing but total outrage, because they — not the National Party or the Liberal Party but the

councils in the north and north-west of Victoria — believe that the government is taking their money.

The National Party has spoken about the fund to representatives of the City of Greater Bendigo, the Mount Alexander Shire Council, the Mildura City Council, the Swan Hill City Council, the Gannawarra Shire Council, the Loddon Shire Council, the Yarriambiack Shire Council and the Northern Grampians Shire Council. They are all extremely concerned about what the government is doing with this legislation. It is taking money away from traditional regional areas and siphoning it off to suburbs close to Melbourne.

We have to be careful when we start brandishing recommendations from the VFF and/or the councils when we are talking about two distinct funds. That is what the government is doing here. We continually hear about the RIDF being indicative of this government's commitment to regional Victorians, yet, as has been well documented, the government is decreasing its commitment to country Victoria by 40 per cent.

That is what we keep talking about here: how can the government stand up and put a positive spin on a fund it is cutting by 40 per cent? If you want to cut that back to or equate that with the value of the fund in dollar terms, more than $50 million is being cut from the money that would be made available to regional Victorians.

We are left with a fund that comes in with $180 million over five years. As we find now, $50 million of that total will be outside the budget estimates period. The government is actually allocating money for this term of government which the next government may have to pick up. That seems a strange way of keeping a pre-election promise.

The fund allocates $70 million for natural gas and $20 million for the small towns project, although we are unsure of what is the definition of a 'small town'. When talking about the $70 million for natural gas we are also unsure of the actual boundaries to be used when deciding what is rural and what is urban in some of our interface councils. You would have thought it would be normal practice for the boundaries that will divide urban from regional sections of a particular council would have been highlighted and designated prior to the bill being introduced.

The $70 million for natural gas is welcome but, as the opposition parties have strongly put, the $70 million is not enough. In its independently costed election promise the National Party put aside $150 million for natural gas extensions throughout Victoria. The party understood it had to come up with the money if it was lucky enough to have things go its way last November, which did not happen. Prior to the election when the Labor Party people came to town in my area they made promises through the government's Greater Bendigo document. That document promised that a whole range of communities throughout the Bendigo region would be the recipients of natural gas extensions.

Members on this side of the house have spoken about different communities and towns that were promised natural gas extensions, which is laughable. When government members went to Bendigo they had the good grace not to name towns because it would make it easier for them to break their promise. The definition of 'a whole range of communities in the Bendigo region' is 'none', because that is how many communities now have the option of receiving natural gas extensions.

What makes this snub in the north of the state worse than what it is for so many other country towns that have been snubbed by the government's inaction is that those towns find themselves worse off because of the recent firewood collection limitations and restrictions. When the box-ironbark legislation was passed last year assurances were given by the government that no-one would be worse off, and those who had always relied on getting firewood for cooking and heating purposes would always continue to get firewood with a minimum of fuss. Many people who live in the small towns and work in the blue-collar industries and are traditional Labor voters now have the government they generally voted for, but the government has turned its back on them in relation to those two critical issues which affect their everyday lives. This is not legislation that will affect these people some time, indirectly or occasionally. The firewood restrictions in many of our small areas will make it unaffordable and unattainable, and with the natural gas promises that have been broken it will mean that these people will have to pay rates and expenses that they cannot afford simply to heat their homes.

The firewood fiasco currently existing in northern Victoria is impacting on the everyday lives of regional Victorians, and it is a problem that should be addressed as soon as possible. I refer to places like Huntly, Marong, Heathcote and Rushworth. Mr Pullen, in his contribution, said that all National Party members live in cities, but the little place I live in, Junortoun, certainly does not have natural gas and its residents rely on firewood to heat their homes. I do not know which members Mr Pullen was talking about, but it was an unsubstantiated outburst from him. Maybe he had been

out to dinner a little too long prior to making his speech.

In conclusion, the minister's second-reading speech says that:

> The bill amends the act to explicitly allow the RIDF to fund the natural gas extension projects in regional Victoria and the nine interface councils on Melbourne's fringe.

It goes on to say:

> This bill delivers on one of the government's key commitments to rural and regional Victorians at the last election.

It does not. It breaks a promise of governing for all Victorians. The bill bastardises what was already a good fund, and it is turning into something that will be much less than what was already in place. It breaks a promise of governing for Victorians because it is taking money away from traditional regional areas and spends it on the suburbs on the outskirts of Melbourne. That is not governing for all Victorians.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — The Liberal Party supports the legislation. I only wish to speak briefly to place on the record my disappointment that the bill does not pick up one of the key anomalies that existed in the principal legislation, the Regional Infrastructure Development Fund Act, which was passed in 1999. The principal legislation provided for the RIDF for the purposes of the improvement of transport within and to and from regional Victoria; the development of industries in regional Victoria; the development and improvement of tourism facilities in regional Victoria, or for the benefit of regional Victoria; the provision of education and information technology for regional Victoria; and other matters generally for the benefit of regional Victoria.

Regional Victoria was defined by way of a schedule to the act which listed a number of municipalities in which the fund was applicable. Two notable absences from that schedule were the Shire of Yarra Ranges in my electorate and the Shire of Cardinia, both of which should clearly be regarded as non-metropolitan areas. On the current boundaries of Eumemmerring Province the Shire of Yarra Ranges now extends almost to Lake Eildon. In no sense can the majority of that shire be considered metropolitan. It is similar with the Shire of Cardinia which extends east to the Bunyip River and south to Western Port Bay. It is a shire which, from memory, has around 97 per cent of its landmass regarded as non-metropolitan and only 3 per cent by landmass as metropolitan area, yet it was excluded from the benefits under the Regional Infrastructure Development Fund.

During the early period in which the fund was in operation there was a situation in the Shire of Cardinia where, through the Victorian Farmers Federation program, to which Mr Drum referred, a cattle underpass was approved for that shire. However, when it came to getting the funding, cash was not available because the shire was not one of the shires which was picked up in the act. It is disappointing that the anomaly with respect to the Shire of Yarra Ranges and the Shire of Cardinia has not been addressed.

The bill extends the RIDF fund to cover the implementation of natural gas to certain regional areas, which the Liberal Party supports, and is an appropriate mechanism by which to do it. As Mr Drum pointed out, it also introduces a second schedule to which the natural gas extension will apply. It is curious that the councils which are applicable for natural gas include those which were excluded from the original funding, including the Shire of Yarra Ranges and the Shire of Cardinia.

Even more bizarre is the inclusion of the City of Casey as a council for which funding will be available under the bill. For honourable members who are not aware, the City of Casey is Victoria's fastest growing suburban council and the third fastest growing in the country. In no sense can the majority of it be considered in any way regional or non-metropolitan. For it to get funding under the RIDF almost suggests a prostitution of the original intention of the fund. In the context that the shires of Yarra Ranges and Cardinia are still excluded it strikes me as a very strange way of extending the fund while ignoring those other regional areas.

With those few remarks, I place on the record that the opposition supports the legislation. However, I am disappointed that it has not addressed the fact that the Shire of Yarra Ranges and the Shire of Cardinia are not picked up in the original legislation.

Hon. W. A. LOVELL (North Eastern) — I rise to speak on the Regional Infrastructure Development Fund (Amendment) Bill. Firstly, the bill provides for funds from the Regional Infrastructure Development Fund to be used to facilitate the extension of natural gas to areas of rural and regional Victoria. Secondly, it amends the act to delete the former Delatite Shire Council and to incorporate the Benalla Rural City Council and the Mansfield Shire Council, and ensures that both of these new municipalities are eligible for programming under the RIDF. Thirdly, it provides for nine interface councils — 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.

The Liberal Party supports programs to extend natural gas to regional and rural Victoria. In terms of attracting industry and investment, being connected to a natural gas supply is very important and is one of the key criteria used by any business when selecting where it invests in the future.

It is also important for individual households to have access to natural gas. The Labor Party made many promises to regional Victoria during the election campaign. Included among them were promises to many rural areas by nearly every Labor minister, member and candidate that these towns would benefit from the $70 million for the extension of natural gas.

There are many towns in my own electorate that would benefit from the extension of natural gas — Nathalia, Tallangatta, Barnawartha, Beechworth, Heathcote, Rochester and Eldorado, just to name a few. Beechworth presently has a new jail and a new hospital under construction, and it is the ideal time for natural gas to be connected to the town. Unfortunately it is not named among the towns that will benefit from the $70 million. The Labor Party's favourite bakery, the Beechworth Bakery, would even benefit if they connected natural gas to Beechworth. Perhaps their lattes would be a little cheaper next time they visit!

Most households in Eldorado, Rochester and Heathcote rely heavily on the collection of firewood for heating purposes. The creation of the Box-Ironbark National Park has restricted the collection of firewood around these towns and forced residents to resort to very expensive bottled gas for heating purposes. The residents of these towns should be given access to natural gas.

At a meeting that I attended with Mr Baxter in Nathalia prior to the election, the Labor candidate, Mal McCullough, promised the town of Nathalia that it would get connection to natural gas under the $70 million funding. You cannot blame Mal; he is actually a really decent man, a great guy and has been a friend of mine for more than 20 years. But he actually believed the Labor rhetoric that what they had in their policy document was the truth.

I will quote from page 11 of Labor's policy document entitled *Building for Tomorrow — Labor's Plan for North-East Victoria and the Goulburn Valley*:

> Labor will ensure that a range of communities in north-east Victoria benefit from the Bracks government's $70 million statewide program, from the Regional Infrastructure Development Fund, to extend the reticulation of natural gas to small communities in regional and rural Victoria.

It says 'communities in north-east Victoria'. The communities listed to get the gas connected from this $70 million are: Barwon Heads, Bairnsdale, Creswick, Woodend, Gisborne and Romsey. None of them is in the north-east, so perhaps the minister would like to tell not only me but also the people of north-east Victoria which towns will benefit from the $70 million. Is it Nathalia? Is it Rochester, Heathcote, Barnawartha, Tallangatta, Beechworth or Eldorado? Is it any other town in the north-east, or did the Labor Party purposely mislead the people of north-east Victoria?

Hon. PHILIP DAVIS (Gippsland) — I have been listening to the debate tonight with great interest, and while members have been rising to speak substantially in support of the bill, they have been doing so with a great deal of discomfort. I have been trying to fathom why this is, and I guess it distils down to the fact that there are a number of issues which are residual in the passage of the principal legislation anyway, which is the case that was adequately put some three years ago, which was that such a fund was not actually required to pay for assistance measures for country Victoria. However, it was a matter of government policy that such a fund be created. The issue really is: do we need such a fund? Is it simply a bit of government machinery to effect administrative decisions — in other words, put administrative decisions into action?

Now we see amendments proposed to the act, one of which is to facilitate payments for the extension of natural gas. Why do we need that amendment? The evidence has been led by the government tonight that we do not, as has been well claimed by Mrs Carbines on many occasions in this place when she has trumpeted the achievements of the government. Indeed, I am reminded by my colleague Mr Forwood by interjection that Minister Broad may have had something to say once or twice about the extension of natural gas to the Bellarine Peninsula also.

As I understand it, there was no difficulty facilitating the financial commitment of $1.75 million to that project from the fund, and I do not therefore clearly understand why this amendment is now required, except that it is a reflection of the smoke-and-mirrors approach which the government takes to budgeting and to its policy positions. That is well set out in the Auditor-General's report which looks at the Regional Infrastructure Development Fund (RIDF), which I do not intend to speak to at length, but which I will refer to subsequently.

What does the bill actually do? It redefines country Victoria. Why are people uncomfortable? People in this place are uncomfortable because they know that most country Victorians believe this fund was developed to assist them — that is, people who live there and depend on the infrastructure that supports small rural communities. They do not realise it is the Bracks government's intention to direct funds not to country Victoria but to provincial Victoria, and now we have to learn a new term in respect of these funding allocations — the interface areas.

I say that the Honourable Gordon Rich-Phillips made it clear that some councils have substantial areas of agricultural district, and he spoke particularly of Cardinia which is in his area. Some of the councils to be incorporated as interface councils in the schedule do not meet that test. I am absolutely confident that my friends at Omeo and Gelantipy will be very confused about the fact that a fund which they believed had been set aside to assist the development of their country communities will be used instead to fund projects which are effectively in urban areas.

That is why members, while in principle supporting the bill because there is no rational reason to object to it, are having a great deal of difficulty tonight in giving it any acclaim. The record will show that this is a consistent approach which the government is taking to promising much but delivering little.

From a Gippsland perspective, it is evident in the Auditor-General's report that at the time the report was released, which was January this year, Gippsland had received the least amount of funding from the fund — that is, $13.2 million. The majority of the gas which is developed and reticulated for Victoria comes from Gippsland, yet the government has made only one commitment to the reticulation of gas, and that is for Bairnsdale. The surprising thing to me about that is that the actual cost to the government will be absolutely minuscule because gas is piped to Bairnsdale as part of the Duke Energy Eastern Gas Pipeline to Sydney. Gas has been flowing to Sydney through that pipeline since September 2000 — the flame at the Sydney Olympics was lit by Gippsland Basin gas. Duke Energy has a gas turbine generator at Bairnsdale, but no gas is reticulated to the town.

The government says that it has made a major commitment to reticulate gas, but at what minimal cost? There is no other commitment to the Gippsland region whatsoever, when in point of fact there are further gas sources coming on stream. The Bass gas project will again feed the state gas grid, but will bypass the very towns in Gippsland — such as Wonthaggi, Leongatha and Korumburra — that are crying out for reticulation.

The bill is more of the same tricks that we have seen evidenced over recent years. I have little confidence that it will produce a significant benefit. We have heard members talking about the promises Labor candidates made around the state during the election campaign. The Minister for Energy Industries, who just walked into the house, has disowned them. Indeed, the Treasurer himself has disowned those Labor candidates. I would have to say to anybody contemplating being a Labor candidate in the future, 'You want to get your policy commitments signed in blood because there's to be no confidence in the future of those policy commitments'.

I believe that those expectations were deliberately but unrealistically raised by the Labor candidates in a policy context and it is going to be a huge disappointment that people in many areas do not see gas reticulated. I should mention and recognise that the bill, in effect, confirms that the former Delatite shire has been split, and ensures that the two successor municipalities will be able to access funds from this scheme.

I will pick up as a matter of historical fact the issue of cattle underpasses. Rather than allowing the newer members of Parliament on the Labor side particularly to think the cattle underpass project was a great initiative of the Labor Party, I note that a former member of this house and a former Minister for Roads and Ports, the Honourable Geoff Craige, who is dearly remembered by all members of this place — —

Mr Gavin Jennings interjected.

Hon. PHILIP DAVIS — Some may say that. He was a fine member. The Honourable Geoff Craige, as Minister for Roads and Ports, established the cattle underpass program and initiated funding out of Vicroads — —

Hon. P. R. Hall interjected.

Hon. PHILIP DAVIS — I think there was a joint effort — I will put it in those terms — and it was an approach from the Victorian Farmers Federation that led to the initiatives. I do not have any criticism of the government funding the cattle underpass program through the RIDF but I make the observation that it is a bit hypocritical to try to claim any credit for it. All that the government has done is continue a previous coalition government initiative.

I do not wish to say a great deal more other than note some particular concerns reflected by rural councils that the fund will alter and the funding will be swallowed up by interface councils. It is a real concern and the government needs to take note of it.

Hon. T. C. Theophanous — Don't you want interface councils to use that funding?

Hon. PHILIP DAVIS — Mr Theophanous, if you had been here listening you would have heard my contribution on that very point. I do not intend because you could not be bothered being in the house at the time to repeat myself. I suggest that you read *Hansard* in the morning and deal with it that way.

On the further issue of the interface councils and gas reticulation, one of the reasons that rural councils are concerned is because obviously in any real test of the benefit arising from the expenditure of these funds an analysis will show that the most substantial benefit may be from connecting the maximum number of households. In that event that will place rural communities in country towns at a serious disadvantage in funding bids compared with communities in the interface areas.

It should also be noted that there are some reasonable expectations in central Victoria because of the imposition of restrictions on individuals collecting firewood, which is their only fuel source. In many of the small towns in the Box-Ironbark National Park declared areas like Heathcote, individuals are looking to government for assistance in facilitating the reticulation of gas. There is no other fuel source — the government has determined to limit access to firewood — and that means many people will be impoverished, in an energy sense, if government does not give support to them in time.

In concluding may I say that I support the bill for the simple reason that I cannot find a sensible reason to oppose it. However, I do not believe that the bill will contribute at all to amplify any particular benefit to rural Victoria for the very reason that all it does is facilitate the payment of government money to particular projects which could be done by a number of other mechanisms. Unfortunately it does deal with a reality: the disappointment of country towns will be amplified by the fact that they will be competing against larger communities in the urban interface for the same pool of funding.

The bill has little merit and it certainly does not make a substantive difference to the fact of whether funds can be distributed in country Victoria.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Perhaps in terms of right of reply, I might make a couple of points about this program.

Hon. Bill Forwood — You could tell us the towns that are going to get connected.

Hon. T. C. THEOPHANOUS — I think Mr Baxter outlined the six towns to which the government had made commitments, and those commitments stand. But can I just say that this is an important bill. I am pleased that it has cross-party support. I recognise that the opposition would prefer that it was set at a higher level. However, I cannot avoid making the comment that this is the first time that a bill has come into this house which commits government funds towards gas extensions. I know that a bill was introduced under the previous government which allowed for extensions to gas supplies on a commercial basis where higher differential charges were therefore made to those towns that applied for that gas. What this government has decided, however, is that there is a range of towns that, even under the arrangements under that bill, would still never have got gas because the amount that would have had to be charged for the gas in those towns would have been absolutely extraordinary.

So this is the first time government funds will be allocated to towns that would never get gas under any scheme, certainly not under a market-driven scheme, and that ought to be welcomed by both sides of the house. I know that despite the comments that have been made by the other side as to which towns may or may not have been given promises, the fact of the matter is that the program is supported.

Of course there will be a process which will have to be gone through in order to identify the best use of the funds, because they are limited. There is not an unlimited amount of money available, and where you do not have an unlimited amount of money available you have to look at the best possible way. We have made that clear and we continue to be committed to this process.

I want to thank honourable members on both sides for their contributions to this debate. I thank the opposition for allowing speedy passage of this bill because it is an important bill that will deliver real benefits to the people of rural and regional Victoria.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

FAIR TRADING (AMENDMENT) BILL

Second reading

Mr LENDERS (Minister for Consumer Affairs) — I move:

That the 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 extra-territorial 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 Hon. A. P. OLEXANDER (Silvan).

Debate adjourned until next day.

CORRECTIONS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. T. C. THEOPHANOUS (Minister for Energy Industries) on motion of Mr Lenders.

WATER (VICTORIAN WATER TRUST ADVISORY COUNCIL) BILL

Second reading

Debate resumed from 20 May; motion of Ms BROAD (Minister for Local Government).

Hon. E. G. STONEY (Central Highlands) — The Liberal opposition supports the bill, but I am bemused that we have several water bills coming through. I do not understand why they have not been consolidated to make a more concise, complementary and efficient bill that could have been all-encompassing and pulled the whole thing together and made a lot more sense.

This bill introduces an independent advisory council to implement the $320 million water trust. Firstly I would like to make the comment that $320 million is not a lot of money, especially when the government has committed half of that to major initiatives that have already been announced.

There is no doubt that Victoria is faced with spending literally billions of dollars on water infrastructure, on upgrading water and on water savings, and at this stage it appears that this new council will be responsible for only about $160 million because the rest of the $320 million spending has already been decided. It is quite obvious the government will have to dig a lot deeper if this new advisory council is to do what is required.

The fact that we are faced here in Victoria and Australia with having to spend enormous amounts of money on water and water savings is supported in the document titled *Blueprint for a Living Continent — A Way Forward from the Wentworth Group of Concerned Scientists*. It is relevant that the Wentworth Group includes Professor Peter Cullen, who will chair the Victorian Water Trust Advisory Council.

This document says, in part:

> It is vital that commonwealth and state governments signal an in-principle, long-term commitment to an investment strategy to help the restoration work over the next 10 to 20 years.
>
> Recent studies commissioned for the Business Leaders Round Table and others suggest that a public investment of $20 billion is required over that time frame.
>
> As Dorothea Mackellar put so simply and eloquently, Australia is a land of drought and flooding rains. We must learn to live with that legacy.

The second-reading speech outlines the purpose of the trust, which is to provide measured investment to meet Victoria's future needs; to enhance the health and sustainability of Victoria's water resources, including river health; to encourage increased water recycling and reuse and efficiencies in water use across the state; and to generate additional investment from sources other than the state government.

A Department of Sustainability and Environment information sheet titled *Valuing Victoria's Water* outlines the duties of both the water trust and the advisory council and states that the government's Water for the Future policy has four main targets:

> increasing the efficiency of irrigation systems across the state by 25 per cent by 2020 through replacing channel systems with pipelines and other improvements and reform;
>
> reducing Melbourne's drinking water used per capita by 15 per cent by 2010;
>
> significantly improving the ecological health of Victoria's rivers by 2010 by increasing environmental flows and undertaking river-bank and catchment management works; and
>
> recycling 20 per cent of Melbourne's 'waste' water by 2010.

It goes on to state:

> The Victorian Water Trust will play a key role … in partnership with water authorities and catchment management authorities …

The advisory council will also:

> … advise on an investment strategy for the trust and make recommendations on projects. The Minister for Water … will appoint between three and five members to the advisory council. They will have experience in fields including the environment, finance, water and community services.

There is no doubt that water is the topic of the day. There is something about it in the daily media several times a week. I noticed the *Weekly Times* today again leads with a big article on water and the Snowy River and environmental flows to the Murray. Water is on everybody's lips. The situation is exacerbated by the drought which makes everyone focus on it, but I suspect that next time it rains people will still be thinking and talking about water because without water we cannot survive and we cannot develop our country.

Peter Hunt, who generally writes for the *Weekly Times*, had an article published in the *Herald Sun* which took my eye and I quote:

> We may have had some recent rain, but the water crisis affecting Victoria is as serious as ever.
>
> …
>
> For every megalitre delivered to a dairy farm, another half a megalitre is lost through leaky channels, inefficient regulation of flows and evaporation.
>
> Another 30 per cent of that delivered water is then lost as irrigation dairy farmers flood their paddocks with water to grow grass.

Perhaps it runs down the end of the channels into the bays or onto the roads. The article goes on:

> Dairy farmers would love to swap to more efficient spray irrigation systems and replace their leaky earthen delivery channels …
>
> But the cost is beyond them …

Peter Hunt then floats a radical idea which I thought I would dwell on for a minute. He floats the idea of funding major water infrastructure upgrades:

> Melbourne Water could invest directly in piping irrigation channels or funding the cost of more efficient irrigation systems.
>
> Water … could be salvaged and shared between irrigators and the residents of Melbourne.
>
> …
>
> Who knows if the Bracks government will still be here for a third term, let alone until 2013 to deliver on its $320 million water trust.
>
> Wouldn't it be far better to set up a lasting partnership between Melbourne Water and Victoria's irrigation communities based on a shared investment in water savings and shared returns?

I have never subscribed to the view of sending northern water to Melbourne. Sir Henry Bolte was famous for vowing that northern water would never go to Melbourne, but I point out that we are looking at a new ball game. We are looking at environmental flows to the Snowy and Murray rivers and revitalising the Murray-Darling Basin. We are looking at spending billions of dollars to create small savings, so it is a new era and a new ball game and we must assess every option, but I urge extreme caution in sending northern water south to Melbourne. Ms Lovell said 'any water' and I agree with that, but we have to keep our minds open. We have to look at every option. We have to look at how we can do things better in the future.

A most important function of the trust is to encourage water recycling. An article in the *Age* of 20 April outlines a recycling vision for 2050. The article headed 'Plugging the drain' states:

> In 2050, 90 per cent of homes have AAA shower roses. The state government made them compulsory in 2005. By 2050 this is saving the city 20 000 million litres a year, or 2.3 litres per minute of shower time.

We all agree that long showers take an enormous amount of water and those with teenagers in the house know that a shower sometimes seems to go forever. The article continues:

> We're also more into rain tanks and grey-water systems in 2050. Golf courses and councils never dream of using drinking water to keep things green. Recycled water is a cheaper option, and councils tap into sewers and treat effluent to a standard almost good enough to drink.
>
> … People still grow roses and tomatoes, but more efficiently, saving 4000 million litres of water a year. People who water pavements are looked upon as social outcasts and fined.

I assure you that in the last dry time that was happening. People who water concrete do need to be spoken to quite severely. It states further:

> New subdivisions are water friendly, with 'third pipes' delivering treated grey water — filtered through nearby wetlands — back to the houses for non-drinking uses.

Melbourne uses an enormous amount of water — far too much, in my opinion. We need to look at that and keep people aware of just how much water a city the size of Melbourne uses and that using water to that extent is now a luxury.

I have some figures on the Melbourne sewerage scheme which come from the Clean Ocean Foundation

web site. It states that each day Melbourne produces 1 billion litres — that is, 1000 megalitres — of sewerage; that 42 per cent of Melbourne's waste water — that is, 370 megalitres a day of partially treated sewerage — comes from the Eastern Treatment Plant at Carrum; and that 450 megalitres a day, including 10 per cent of trade waste, is pumped to the outfall at Gunnamatta.

The same web site goes on to say that the pipeline to Gunnamatta is 56 kilometres long and it extends only 10 metres offshore. I have not actually seen that infrastructure but I have heard about it. Tony Plowman, the honourable member for Benambra in the other place, has been down there with the local members and has some strong views on Gunnamatta.

Hon. R. H. Bowden — It is in my electorate and it is an absolute disgrace!

Hon. E. G. STONEY — Mr Bowden interjects that it is in his electorate and it is an absolute disgrace. Perhaps Mr Bowden will elaborate on Gunnamatta in his contribution on one of the water bills.

According to figures from the Melbourne Water web site, 56 per cent of Melbourne's sewerage is treated at the Western Treatment Plant — that is, the Werribee plant averages 500 megalitres a day — and 570 megalitres a day is discharged to Port Phillip Bay. That is an enormous amount of water. Only 4 per cent — that is, 20 megalitres a day — is treated at retail water company plants. That is a very little bit of water. Only 1 per cent of effluent from the Eastern Treatment Plant is recycled each year. That 34 megalitres is an absolute drop in the bucket.

One can only come to the conclusion that the increase of water recycling to 20 per cent from the eastern and western treatment plants does not go anywhere near fixing the water problems that we are facing in Victoria. We all agree that we need to look at that again very carefully, and certainly this trust will be doing part of that.

The aim is to increase water recycling in Melbourne to 20 per cent by 2010, but it falls well below what is required if we are to recycle all the waste water that flows out through the Gunnamatta outfall and, coupled with that, significantly transfer water from Werribee to the Werribee flats and Bacchus Marsh. There has been a lot of publicity about that project, which I believe will be good. It will turn water inland and away from the bay to produce crops, and that can only be a good thing.

In conclusion, opposition members support the bill, but, as I said before, we are puzzled by the way the various water bills have been introduced. We wish the new council well but point out that experts say that up to $20 billion is required to solve Australia's water issues. Of course, Victoria has to find a share of that. Twenty billion dollars is a lot more than the $320 million that has been allocated to the trust, half of which has already been spoken for and which the trust will probably never see.

The opposition fully supports water recycling, but there is enormous potential to do more in that area and we must look again at new technology. Water is the biggest issue facing Australia. Let us make sure that we find enough money to get this issue right.

Hon. B. W. BISHOP (North Western) — I rise to speak tonight with about 2½ minutes to go.

An honourable member interjected.

Hon. B. W. BISHOP — If you think I am only going to talk for 2½ minutes you have got it wrong! I suggest to the house that we work under a ridiculous set of sessional orders, and if we had any sense we would just carry this issue on. However, to prove what a ridiculous process we operate under, which has absolutely no flexibility, on behalf of the National Party I am pleased to rise tonight and make a contribution on the Water (Victorian Water Trust Advisory Council) Bill.

As usual, the National Party has consulted widely on this bill. We are interested in water, particularly in country and regional Victoria and along the rivers in the state. The bill amends the Water Act 1989 to establish the Victorian Water Trust Advisory Council to which three to five members will be appointed by the minister for periods of up to three years. The purpose of the advisory council is to advise the minister on the allocation of water trust funds appropriated by the Parliament; to advise the minister on additional sources of funding and other matters; and to provide information to the public on how to apply for funding including principles and guidelines for submission. Interestingly enough, the National Party has noted that the last purpose of the bill is to promote public awareness of the Victorian Water Trust Advisory Council.

From the National Party's point of view, we thought that the name of the trust was rather unusual. It is not really a trust because a true trust has trustees and a true trust in the normal course of business events would certainly have some money to operate with. That trust would be able to make decisions as well. This trust — and it would be more properly described as an advisory

council — has not got any money. It gets money dished out by the government — —

An Honourable Member — 30 seconds!

Hon. B. W. BISHOP — Thank you very much. It gets money appropriated from the government from time to time, and as a trust it is certainly not in a position to make decisions off its own bat. It can advise the minister in relation to the issues that I just raised. The trust may well be in a good position to provide an overview to the minister — —

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! Pursuant to sessional order 10, the time for the adjournment has now arrived.

Gunnamatta: sewage outfall

Hon. R. H. BOWDEN (South Eastern) — My adjournment item this evening is a request for assistance from the Minister for Environment in the other place, and it relates to a longstanding important pollution matter on the Mornington Peninsula called the Gunnamatta outfall issue.

The Gunnamatta outfall is the pipeline which pumps approximately 300 million to 400 million litres a day of semi-processed sewage into Bass Strait. This is a health issue and an environmental issue, and it is very difficult for the community down on the Mornington Peninsula to accept it. The outfall is the output of the sewerage facility at the Eastern Treatment Plant at Carrum Downs. The pipeline runs for 50 kilometres or more under the Mornington Peninsula to the Gunnamatta outfall. The water is unclean, it contains human waste contaminants and is a major health concern for many of the marine and recreational activities in the area.

There is a proposal to extend the pipeline out further into Bass Strait, but that will prove to be expensive and is considered not to be the answer by many people as in some ways it will carry and disperse the pollution on a much wider front. There appears to be a lack of long-term investment thinking for further processing. As a community we are wasting somewhere between 300 million and 400 million litres of water a day. I am not suggesting that the further processing is for drinking water; it is for non-drinking water purposes.

I believe and recommend to honourable members that there should be a considerable further processing of this water. This is a massive recycling opportunity, and it is a coincidence that my colleague the Honourable Graeme Stoney mentioned it in his previous contribution.

So the question is: will the minister take firm action to require South East Water to actually commit to a credible, medium-term, clean-water solution to this serious matter that could add up to 400 million litres each day to Melbourne's total water resources?

Kew Residential Services: site development

Mr PULLEN (Higinbotham) — My adjournment matter this evening is for the attention of the Minister for Community Services, the Honourable Sherryl Garbutt, in another place. I recently met with some members of the Kew Parents Association from my electorate, who have relatives currently at Kew residential cottages. They wish to know: will the minister consider locating a number of community residential units together at the existing Kew site when it is redeveloped? If so, what would be the maximum number located together? Will the minister confirm that all the funds received from the sale of the new houses at Kew be directed to intellectual disability services?

I also refer to the *Kew Residential Services Draft Urban Design Framework* prepared by the Boroondara City Council — I repeat that it is a draft plan — that was referred to by the Honourable David Davis in a 90-second statement in this place on 29 April 2003 in which he claimed that some of the proposed buildings on the site would be 10 storeys high, and repeated that figure of 10 following an interjection from the Honourable Kaye Darveniza.

I too have seen the plan and also received a briefing. Mr Davis either cannot comprehend the plan or was making mischief or, even worse, deliberately misled this house. The plan clearly showed that only one of the towers would be a maximum of 7 storeys high, not 10 as claimed by Mr Davis. At my briefing I was informed that the 7-storey building would be reduced to 6 storeys. Further, I stress that these are maximum heights and there will be many single-storey buildings for the current residents at Kew residential cottages. Mr Davis should stop causing trouble and support the good residents of Kew residential cottages and nearby citizens.

Hon. R. Dalla-Riva — On a point of order, President, the member has been sitting there and just saying that the member who was absent here tonight has been misleading the Parliament, and I ask him to withdraw that statement.

Hon. Bill Forwood — On the point of order, President, the rules of this place are clear. If the member is not present, another member is entitled to take a point of order and seek a withdrawal. From my room I heard Mr Pullen say that Mr David Davis deliberately misled this house, and I ask that he be forced to withdraw it.

An Honourable Member — He can't say it!

Hon. Bill Forwood — He can't say it? He did say that!

Hon. T. C. Theophanous — On the point of order, President, I know that Mr Forwood gets all excited about it when he hears something and comes rushing in here to defend people, but I really think that on this occasion he has got this wrong. I was listening carefully to the honourable member and I do not believe that he said anything which involves anything untoward other than reporting comments that the honourable member had made in relation to the issue that was being addressed with regard to Kew Cottages. It was certainly part of normal debating.

I put it to you, President, that the honourable member is not present in the house. The honourable member has an opportunity to examine *Hansard* tomorrow for himself and can make a further request based on examining *Hansard.* I certainly did not hear the words attributed by Mr Forwood to the honourable member, and Mr Dalla-Riva did not actually specify any particular aspect of what had been said, so it is a bit much to ask Mr Pullen to withdraw having not said anything in relation to the misleading of the house.

Hon. Bill Forwood — Further on the point of order, President, there is no doubt in my mind whatsoever that during his contribution, quite early on, Mr Pullen made the accusation that Mr David Davis deliberately misled this house in relation to Kew Cottages and the issue of how high the building was.

Hon. Kaye Darveniza — He said that and he said he got it wrong.

Hon. Bill Forwood — Well, I am happy to seek the assurance now of Mr Pullen that he did not use the words 'deliberately misled this house' and wait until we see what *Hansard* says in the morning, but I am absolutely certain that the record will show tomorrow that during his contribution Mr Pullen used the words 'deliberately misled'. I am giving him the opportunity now in this place to withdraw those words. If he does not and he wants to stand by the tape tomorrow, so be it.

Hon. T. C. Theophanous — Further on the point of order, President, of course it is up to honourable members to decide whether to withdraw comments if there has been a circumstance where an honourable member might think that they might have made a comment which might be construed by a member as being something that they are not happy with. In this case Mr Forwood has made that position known on behalf of a member who is not here. However, I believe the call is Mr Pullen's to make, and he is quite at liberty to make the point in terms of saying that if there is anything that he said that did reflect on the member then he would be quite happy and willing to withdraw that comment.

The PRESIDENT — Order! Unfortunately I did not hear all the contribution of Mr Pullen. If Mr Pullen believes he did not use those words and because I did not hear it, I suggest that Mr Pullen and Mr Davis examine *Hansard*. I will also examine *Hansard*. If Mr Davis has an issue with Mr Pullen about the words expressed in *Hansard* and if he takes offence, then Mr Pullen obviously would be asked to withdraw.

Hon. Philip Davis — On a point of order, President, it was clear to me — and I was listening to the exchange — that, as I heard it, the honourable member accused a member who is not in the chamber this evening of misleading the house and went further and accused that person of causing trouble. It was clear to me that the member intended to make that accusation. I think it is the case that the procedures here are that if one member wants to make an allegation about another member of this place they can do it by way of a substantive motion.

However, I would accept that the member might not have understood the context of his comments, and I urge him to withdraw now so we can get on with business. I do not think it is satisfactory to let this thing hold over until tomorrow, and I am sorry, President, if you did not hear it. Clearly the member did make reflections on a member of the house. I urge him to withdraw and deal with it in the way in which we try to accommodate members when we are here.

Hon. T. C. Theophanous — On the point of order, President, it would be appropriate to give the option to the honourable member, if he wants to make some comment, to do so on this occasion. If he wishes to wait for *Hansard* tomorrow he should be able to take that option as well.

The PRESIDENT — Order! On the matters raised by the Leader of the Opposition and the minister, there is an opportunity for the member if he chooses to

withdraw and move on. If Mr Davis, after reading *Hansard*, wants to take the matter further, that option is available to him also.

Mr Pullen — If I have said anything that upset the house I certainly would withdraw, and I will leave it at that.

Public heritage program: funding

Hon. R. DALLA-RIVA (East Yarra) — I raise an issue with the Minister for Planning in the other place. It relates to the *Public Heritage Program Review, 1999–2002* published by Heritage Victoria. According to the Minister for Planning, the Victorian government's public heritage program is designed to fund the urgent repair, restoration and refurbishment of important heritage places. Obviously that includes, going through the book, areas including community halls, shipwrecks, parks and a variety of different community activities that add value to the community in which they have been placed.

One of the issues that has come up within the book is the issue surrounding HM Prison Dhurringile in the beautiful north-east part of Victoria, and in particular there is an allocation funding grant of $300 000 for restoration works to part of a mansion used for staff training. Given that the range of grants varies from a couple of thousand dollars, with most being around $50 000, I ask the Minister for Energy Industries to ask the planning minister how this restoration of $300 000 actually meets the objectives of the public heritage program.

The other issue I raise in similar vein is the $300 000 funding for the restoration of Trades Hall in Carlton. That same level of funding is quite significant. I ask the minister to pass on those queries.

Great Ocean Road: safety

Mrs CARBINES (Geelong) — I wish to raise a matter for the attention of the Minister for Transport in the other place. It concerns the Make it Safe campaign which the *Geelong Advertiser* is currently running in relation to the Great Ocean Road. The focus of the campaign is to reduce the death and injury toll on this magnificent coastal road, which is a major tourist attraction of international renown.

It is a sad fact that more than 1300 people have been killed or injured since 1987 while travelling along the Great Ocean Road. I commend the *Geelong Advertiser* for its leadership on this issue and for highlighting the need to act to improve safety. It has done this by running a series of articles with headings such as 'Too many motorists are dying on the Great Ocean Road — Let's slow down to 80'. That was published on pages 4 and 5 of that paper last Saturday.

That article details advice from local paramedics and local State Emergency Service officers about the carnage they have had to respond to along the road over many years. It includes suggestions to improve safety such as improvement of the road surface, more pull-over lanes for sightseeing, education of drivers and the reduction of the overall speed limit to 80 kilometres an hour along the Great Ocean Road and to 50 kilometres an hour in the townships.

Today on page 5 the *Geelong Advertiser* published a further article in the Make it Safe series detailing the support of the Surf Coast Shire and the Warrnambool City Council for a reduction in speed limits along the Great Ocean Road. As a member for Geelong Province I am very well aware that the Bracks government has spent $3.2 million in black spot funding to improve the Great Ocean Road in its first term, which is in stark contrast to the former Kennett government, which in its last term allocated not 1 cent for black spot funding along the Great Ocean Road.

Accordingly, in bringing the growing local community concern about safety, highlighted by the *Geelong Advertiser* Make it Safe campaign, to the attention of the Minister for Transport, I ask: what action can the Bracks government take to further improve safety along the Great Ocean Road?

Anglicare: funding

Hon. A. P. OLEXANDER (Silvan) — I seek the assistance of the Minister for Community Services in the other place. I raise an issue tonight relating to a wonderful organisation that operates in the outer eastern suburbs of Melbourne. The organisation is Anglicare. It provides incredible services for family support. It provides foster care services and a lot of counselling services for people in need in the electorate of Silvan Province. Specifically it operates its services in Croydon, Bayswater and Lilydale.

I point out that the state budget was not one that assisted Anglicare in its community development and welfare work anywhere near to the degree which is needed. A spokeswomen, Allison Brown, from Anglicare has said that the state budget was really disappointing and had left the state's most vulnerable people high and dry. She said that welfare and community development had obviously missed the boat. I refer to an article in the *Maroondah Journal* of 14 May:

> This was a golden opportunity for the Bracks government to do something to meet the growing needs of the vulnerable, but nothing was forthcoming.
>
> The government's —

much-vaunted —

> $88 million Children First funding package included $16 million over four years for increased payments for foster carers. However, Ms Brown said this did not —

nearly begin to approach the costs being faced by Anglicare's foster carers. It is the state's largest provider of foster care services and there are over 1600 children in the outer east of Melbourne who are in foster care sponsored by Anglicare. Ms Brown has said that the amount allocated in the state budget turns out to be about $20 per week extra per carer, which is completely insufficient. She says further:

> When you break it down like that it doesn't do much given that foster carers are caring for the most damaged and abused kids in our society, 24 hours a day.
>
> Expenses such as medical needs, transport and extra specialist care certainly outweigh that $20.

I ask the minister in all sincerity to revisit this issue. Anglicare is a worthy organisation. These children are vulnerable and their carers deserve more than the paltry $20 they have received. I ask my colleagues Carolyn Hirsh and the member for Kilsyth in the other place to support me in that request.

The PRESIDENT — Order! The member's time has expired.

Gas: Vichub interconnector

Hon. J. G. HILTON (Western Port) — I raise a matter with the Minister for Energy Industries that relates to the launching by the minister of the Vichub gas interconnector at Longford. This is a very important piece of infrastructure for Victoria. Vichub enables gas to flow freely between Victoria, New South Wales and Tasmania for the first time, and ultimately it will also link to South Australia.

When the Bracks government came to power in 1999 the Esso processing facility was the only point of supply in the Victorian gas system. Compare that to the situation today. As well as the long-established major pipelines from Longford to Melbourne, under the Bracks government we now have pipeline links from Melbourne to Sydney, a pipeline under construction from Port Campbell to Adelaide and a link through Longford to Tasmania. But Vichub is only a part of a bigger gas story.

Gas explorations in Victoria are proceeding at high levels, in part as a result of the enhanced connectivity flowing from Vichub. For example, I understand that a 4000 square kilometre seismic survey has been completed recently in the Gippsland Basin, representing a $70 million commitment in the future of gas in Victoria.

The minister has made it clear that Victoria has the most advanced and competitive gas market in Australia, and that the Bracks government is getting on with a job of ensuring that Victoria maintains this reputation in the eyes of both consumers and investors.

I ask the minister to ensure that the economic benefits, including investment and jobs benefits, of this project are communicated to the local community.

Mallee Rural Counselling Service: funding

Hon. D. K. DRUM (North Western) — I address my adjournment question to the Treasurer in the other place, with special mention to the Minister for Agriculture. I recently received correspondence from the Mallee Rural Counselling Service which needs assistance to maintain what has become an extremely vital service. The state government appointed and funded a counsellor for the Mallee region in October 2002, but this funding will run out at 30 June this year. To date that counsellor has seen 137 clients, and the nature of his clients is that they have a natural reluctance to attend and make appointments. To have 137 people prepared to do that is significant, further cementing the importance of the counselling service throughout the Mallee region.

The fact is that the financial situation of the Mallee region has not altered with recent rainfall, and when and if it does rain significantly the financial implications will not improve until February 2004 when the first harvest income becomes available. The stress is associated with small business suffering all-time low sales and with farmers being unsure as to how much they should invest in this year's crop. The possibilities of having to cart water for stock and domestic purposes will continue to cause stress at record levels.

The ministers currently have letters with them, and I join with the Mallee Rural Counselling Service, my colleague the Honourable Barry Bishop and the inland rural alliance chairperson in calling for the government to continue funding of this crucial position until at least the end of this year.

Bendigo: tornado damage

Hon. R. G. MITCHELL (Central Highlands) — I raise a matter with the Minister for Energy Industries that relates to the restoration of electricity supplies to the City of Greater Bendigo after a tornado tore across this region at around 6.00 p.m. last Sunday, 18 May. The tornado caused damage to homes and businesses, and it also hit the Powercor substation at Eaglehawk which converts high-voltage electricity to low-voltage electricity, a process which makes the electricity suitable for distribution to homes and businesses.

Seven of the nine feeders which feed the high-voltage electricity in the substation were damaged. This damage resulted in loss of electricity supplies to 18 000 homes and businesses in northern Bendigo. The tornado also brought down powerlines, further disrupting electricity supplies.

Powercor responded quickly to restore power supplies by calling on its crews and contractors, who were marshalled from as far away as Charlton and Shepparton. In fact, just an hour and a half later, at 7.30 p.m. on the same day, power began to be returned to homes and businesses, and by midnight more than 16 000 customers had their supply restored.

I would like to join the Minister for Energy Industries in praising the efforts of Powercor, its crews and contractors. In addition, I would like to praise the work of the emergency services.

I also commend the Bracks government for its role in managing this disaster. The Bracks government has put in place measures designed to achieve this outcome by establishing a regulatory framework under which distribution businesses such as Powercor have incentives built into their licence conditions to act quickly to restore supply to their customers.

I ask the minister to ensure that the local community is informed of how the Bracks government, Powercor and the emergency services ensured that electricity was quickly restored to the City of Greater Bendigo.

Drought: government assistance

Hon. P. R. HALL (Gippsland) — I wish to raise a matter for the attention for the Minister for Agriculture in another place concerning state drought aid. A number of farmers in East Gippsland have contacted me about the criteria attached to the state's drought aid package. To qualify for a grant of up to $20 000 farming business must, among other criteria, demonstrate that they expect to suffer a 33 per cent drop in gross income for the 2002–03 financial year. Rather ironically, because of drought and bushfire, many farmers in East Gippsland have had a one-off boost to income in their 2002–03 financial year which has made their bottom line look quite reasonable. That one-off event has come about because of the need to sell off stock. When you have a time of drought and there is no feed for stock these farmers have been forced to destock — that is, sell some cattle and sheep to keep the others alive. The same occurred with the bushfire event in East Gippsland, where many people had to sell stock because standing and stored fodder was lost in the fire. Some of the stock were injured in the fire and had to be sold off quickly. Once again, there was a one-off capital injection to their income because of that event.

The impact of drought and bushfire will be felt greatest in the 2003–04 financial year because next year for many of those farmers there will be no wool cheque and they will have no stock to sell and will incur considerable expense in restocking. My constituents in East Gippsland who have been affected by drought and fire believe the drought aid should be also assessed on their estimated 2003–04 income. My suggestion and request to the Minister for Agriculture is that he alter that criteria for qualification for the state's drought aid package, and I suggest that the 33 per cent drop in income be applied to either the current 2002–03 financial year or the expected income for 2003–04. I believe there is a very strong case for compassion being presented by farmers in East Gippsland, and I ask the Minister for Agriculture to earnestly consider that request.

Metropolitan Meat Market: refurbishment

Hon. KAYE DARVENIZA (Melbourne West) — I wish to raise a matter for the attention of the Minister for the Arts in the other place, and I take this opportunity congratulate the minister on the recent announcement that the government plans to refurbish the former Metropolitan Meat Market in North Melbourne.

This is an historic building, and its refurbishment will result in a vibrant arts venue that will continue to support independent artists and cultural organisations. This building was originally saved and developed into an art and crafts workshop with a great deal of support from the former secretary of the meat workers union, Mr Wally Curran.

Many in this chamber may not be aware of Wally's love for, support and promotion of Australian artists, including a great deal of support for local artists. The meat market certainly owes a debt of gratitude to Wally

Curran for its establishment as an art and crafts workshop.

Over the years the meat market has provided a range of facilities for artists and craftspeople to create their works of art, as well as providing retail outlets. Since 1999 some 20 artists and crafts organisations have had workshops and accommodation at the meat market.

I understand that the refurbishment brief will be to create an arts centre that will build on the rich cultural and historical legacy of the building as well as creating an accessible multipurpose space designed to provide for rehearsals as well as performances, a refurbished gallery space, redesigned conference and meeting rooms, and access to amenities for the disabled.

The matter I raise with the minister goes to the processes she intends to put in place for consultation with art and crafts organisations, as well as with other stakeholders, regarding the planned refurbishment of this metropolitan meat market, which is a very valuable asset to artists and craftspeople here in Victoria.

Child care: funding

Mr SOMYUREK (Eumemmerring) — I refer a matter to the Minister for Community Services in another place concerning the plight of families seeking child care. Family needs and commonwealth government decisions are pulling in opposite directions. The lack of new funding from the Howard government leaves around 4000 children in Victoria unable to get a place in child care — 180 in the City of Casey and 120 in the Shire of Cardinia alone. In my electorate of Eumemmerring Province there is a lack of services offered for children over the age of 12. In respect of family day care I am informed that the City of Casey's scheme is currently operating at capacity.

Unlike the Howard government, the Bracks government is meeting its responsibility as the regulator of child care services in Victoria. For example, the Bracks government will provide an additional $250 000 to provide better support and monitoring of preschools, long day care centres and occasional child care centres.

The funding boost will provide more staff to monitor children's services across Victoria to ensure our children are getting the best care possible. The staff will assess compliance with the regulations and provide practical advice to help facilities meet care and education standards. Importantly, this initiative will strengthen the capacity of the Department of Human Services to take action when services fail to meet the regulations.

The Bracks government is demonstrating its commitment to children's services with an $88 million boost in the recent state budget. The package includes $8 million over three years to provide seed grants to establish up to 30 children's centres and $8 million over three years to provide capital grants to establish new kindergartens and preschools in growth suburbs.

The Bracks government is delivering on its election commitments and taking action to build a brighter future for our children. I ask the minister to put pressure on the commonwealth government to take some action and responsibility in an area which is so important to families in Victoria and to the people of the Eumemmerring Province in particular.

Schools: languages other than English

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter tonight for the Minister for Education and Training in another place. A report entitled *Languages for Victoria's Future* was written by a steering committee advising the government on languages other than English analysis. The committee was chaired by the Honourable Theo Theophanous two years ago.

The chairperson's foreword in the document states, in part:

> The Victorian government's commitment to providing a world-class education for all students includes providing comprehensive and effective language programs in Victorian schools.

This report produced a lot of recommendations. One recommendation was to help the Victorian School of Languages and the after-hours ethnic schools. There are almost 200 community after-hours ethnic schools providing over 50 languages, and we have about 31 000 students attending each week. That shows how important they are.

We have multilingual subjects in high school, and in this budget the government announced it would establish three centres of excellence in languages in secondary schools — two metropolitan and one country. The government is also establishing five additional Victorian School of Languages centres in regional Victoria.

The government is also developing online teaching materials for middle years language students, and beginning in January 2004 the government is increasing to $100 per student the grants for students attending the after-hours ethnic schools. The government is also providing opportunities for rural and regional teachers

to retrain as language teachers through the rural teachers retraining program.

The federal government had nothing in this year's budget for language skills, and in December 2002 it cut about $90 million of funding nationally over three years. We lost about $4.2 million a year from our state schools, about $1.4 million from our Catholic schools and about $600 000 from our independent schools.

I ask the Minister for Education and Training to talk to her federal counterpart with a view to the commonwealth government contributing half the cost of the funding we have to carry.

Deer Park bypass: funding

Ms HADDEN (Ballarat) — I raise a matter with the Minister for Transport in the other place. The 2003 budget papers confirm this government's commitment to further improving the transport links between Melbourne and regional centres. The government's document *Growing and Linking Regional Victoria* will see a commitment of $70 million for the upgrade of the Calder Highway between Melbourne and Bendigo.

The Calder Highway is a road of national importance, which means the funding is a fifty-fifty split — that is, matching funding between state and federal governments. Today saw the announcement by Mr Batchelor, the Minister for Transport in the other place, that work would commence on the Kyneton to Faraday section of the Calder Highway, despite there being no federal funding commitment in the recent federal budget handed down on 13 May.

The Bracks government has just awarded a $7 million contract for the 2.2 kilometre North Kyneton section of the Calder Highway, and work is to commence in May. The upgrade will significantly improve safety along the Calder Highway and reduce travel times for freight, motorists and tourists alike.

The Calder Highway is a key transport link to regional Victoria, and any failure to fund its upgrade to a high standard, four-lane divided highway would seriously disadvantage Bendigo and the many rural communities along this corridor.

Another equally important highway upgrade that is desperately needed in my electorate is the Deer Park bypass at the eastern end of the Western Highway. The Western Highway is a national highway and Victoria's second busiest. It runs from Deer Park, west across country Victoria to the South Australian border. I am very familiar with this highway due to my very regular travel on it in my duties as a member of Parliament.

The Deer Park bypass is on Victoria's priority list for federal funding and is the missing link between Melbourne and Ballarat. It is an estimated $250 million project and would reduce travel times by between 15 and 30 minutes at least, given the expansion of the Caroline Springs housing estate. The Deer Park bypass proposes to bypass some 10 kilometres of residential and commercial developments and currently six sets of traffic lights.

I therefore ask the minister to make urgent representations and to impress upon his federal counterpart, John Anderson, the absolutely critical urgency of funding his federal responsibility for the Deer Park bypass now and not after 2008.

Responses

Hon. T. C. THEOPHANOUS — The Honourable Ron Bowden asked a question for the Minister for Environment about the Gunnamatta outfall and finding a clean water solution. I will pass his comments on to the minister for direct comment back to him.

Mr Pullen asked a question for the Minister for Community Services about the redevelopment of the Kew Cottages and made reference to comments that had been made by the Honourable David Davis. He drew to the attention of the house the possibility of some inconsistencies in what the Honourable David Davis might have said. I will certainly draw his comments and those of the Honourable David Davis to the attention of the Minister for Community Services for direct comment.

The Honourable Richard Dalla-Riva raised an issue for the Minister for Planning in relation to restoration funds of $300 000 for a couple of projects, including the Trades Hall. I will refer his request to the Minister for Planning for response.

Mrs Carbines directed her question to the Minister for Transport and pointed out the high level of carnage that had occurred on the Great Ocean Road over a number of years, the black spot program and the reduction in the number of accidents that had occurred on that road as a result of speed limits that had been introduced by the government. She sought from the Minister for Transport an additional response. I will pass her comments on to the Minister for Transport for direct response.

The Honourable Andrew Olexander asked a question for the Minister for Community Services relating to comments made by Anglicare. He quoted a Miss Brown extensively in relation to her concerns

about foster care. I will pass those comments on to the minister for her response.

The Honourable Geoff Hilton raised an issue with me in relation to Vichub. He wanted me to address the question of ensuring that the economic benefits of Vichub were communicated in the community. I certainly intend to do that because we now have a hub that is able to pass gas coming either from Longford or from other fields and going backwards and forwards through this hub. That means that we have a national market for gas. It has stimulated a large degree of investment in the gas area, some of which was mentioned by the honourable member. It is important that the economic benefits for Victoria are pointed out. These will develop over time. The gas extensions, which have been referred to already, are part of ensuring that those benefits are spread throughout Victoria and that gas is available to Victorians for a very long time into the future as a result of this significant economic investment.

The Honourable Damian Drum asked a question to be passed on to the Treasurer in relation to funding of a particular counsellor for a service in the Mallee region. I will pass his concerns on to the Treasurer for comment.

The Honourable Robert Mitchell raised an issue with me in relation to the Eaglehawk substation and the response which had occurred to the blackouts in Bendigo and surrounding areas on Sunday night and how they had affected a significant number of residents. His question was to ensure that I communicated to the community the advantages of the new systems that are being put in place to ensure that energy companies are required to have response capability in relation to these kinds of incidents, how that new regulatory structure has resulted in a very quick response time and, further, with the facilitation of the other emergency services, how well that particular issue was handled and how things were able to be dealt with in a way that ensured that residents were not unduly affected.

The Honourable Peter Hall asked a question for the Minister for Agriculture about state drought aid. He wanted to find out whether the minister would consider calculations based on the 2003–04 earnings as well as the 2002–03 earnings of farmers in deciding whether they should get drought aid. I will pass his request to the minister for consideration and answer.

The Honourable Kaye Darveniza raised a question for the Minister for the Arts about the refurbishing of the meat market. She referred to Wally Curran, who I understand is a constituent of Ms Darveniza, and a constituent who she frequently speaks to in the electorate. He is also well known as a patron of the arts, and that is what the member has referred to. More recently he is well known for giving Dr Napthine a bit of a head kicking when he went down to Williamstown to have a friendly latte with the people of Williamstown — the willy people of Williamstown! I will pass on her request to the minister for a response.

Mr Somyurek raised an issue for the Minister for Community Services about the lack of services for children over 12 years in his electorate and asked that the minister place pressure on the federal government to come to the party to help deliver these services. I will pass that request on to the Minister for Community Services for response.

Mr Nguyen raised an issue with me in relation to *Languages for Victoria's Future*, a report in which the chairperson in his foreword mentions all the members of the committee, which included the Honourable Kaye Darveniza, Mrs Carbines and Ms Romanes, to mention a few, so three members from this house, and the honourable member for Brunswick in another place. As the honourable member pointed out, this report made some recommendations last year, one of which was that the government should establish three language centres of excellence. This was a very innovative idea, which was discussed at length by the committee members and ultimately agreed to unanimously by the committee to put up to the minister.

The honourable member mentioned that the three centres of excellence are now part of the budget and will be delivered by the government. He asks the Minister for Education and Training to ensure that this is done in a timely fashion and that the aims outlined in the report for those three language centres will ensure that the government delivers effective centres of excellence for language, particularly the one in regional Victoria, which will I believe make a significant difference.

Hon. Andrea Coote interjected.

Hon. T. C. THEOPHANOUS — And they will still be able to catch buses there as well, that is right. I will certainly pass on the member's request for consideration by the minister.

Ms Hadden asked a question of me for the Minister for Transport in relation to a range of transport issues. She mentioned the transport links, the $70 million on the Calder Highway, and specifically asked that pressure be put on the federal government to assist in the funding of the very important Deer Park bypass, perhaps using

some of the funds which it had promised to the state and which it had recently withdrawn for that very important purpose. I will pass on her request to the Minister for Transport.

House adjourned 10.51 p.m.

Thursday, 22 May 2003

The PRESIDENT (Hon. M. M. Gould) took the chair at 9.32 a.m. and read the prayer.

BUSINESS OF THE HOUSE

Adjournment

Mr LENDERS (Minister for Finance) — I move:

That the Council, at its rising, adjourn until Tuesday, 3 June 2003.

We have a large legislative program left with some 23 bills that the government would like to have passed after the conclusion of this week. I have had discussions with the leaders of the other parties and anticipate that by agreement we will get through that by sitting for three days, Tuesday, Wednesday and Thursday, on each of the remaining two weeks and commencing at 9.30 a.m. on all days in the second week. The first week would be regular but go to a 10.00 p.m. adjournment on the Tuesday, Wednesday and Thursday. In the second week it will be a 9.30 a.m. start on the Tuesday, and sitting until 10.00 p.m. on the Tuesday, Wednesday and Thursday.

There is a heavy legislative program, but in flagging this I anticipate that we will be able to get through the legislation by agreement. I give members as much notice as possible because there has been some confusion as to the change of sitting patterns and where we stand.

Hon. PHILIP DAVIS (Gippsland) — I shall make some general observations. Firstly, in acknowledging there have been some detailed discussions over the last couple of days in relation to the remainder of the legislative program, a sense of cooperation has been achieved, which I welcome. It is a change from the heavy hand of the new sessional orders under which we now operate.

I am delighted to indicate that the opposition will continue to cooperate in that manner. I have discussed these matters this morning with my colleagues and they are agreed that the program we have discussed is achievable and that they will work conscientiously to facilitate that program being delivered.

I would like to just say that it presumes there will be no government business program. If we are going to operate on the basis of cooperation, it needs to be understood that we therefore do not really need to have a guillotine hanging over the chamber.

Secondly, I would like to observe that, while on the issue of establishing in principle a legislative program we have come to an accommodation, opposition members would like the chamber to note their concern with, frankly, the way in which the sitting arrangements for this parliamentary session have become shambolic — that the on-again — —

Hon. T. C. Theophanous — You have been statesmanlike until now!

Hon. PHILIP DAVIS — Theo, I have been observing you for 10 years. What I would really like to say is that now we have found a formula for cooperation and agreement, I would hope that in future sittings of this house that level of cooperation will be maintained and that it will not be necessary to have the uncertainty prevailing which has emanated as a result of the program — setting an agenda and then determining to change it and bringing the Parliament back on Fridays and on weeks in which it was not scheduled to sit.

With the cooperation we have established and which I anticipate will be sustained for the next three weeks, I think the Leader of the Government will contemplate ensuring that we do not have to resort to the heavy hand of government business programs again.

Motion agreed to.

MINISTERIAL INTERVENTION IN PLANNING MATTERS

Hon. J. M. MADDEN (Minister for Sport and Recreation) — By leave, I move:

That there be laid before this house a copy of a statement on ministerial intervention in planning matters for the period May 2002 to April 2003.

Motion agreed to.

Laid on table.

MEMBERS STATEMENTS

Mitcham–Frankston freeway: local traffic

Hon. A. P. OLEXANDER (Silvan) — I rise to make a statement on the continued concern with the proposed tolling on the Mitcham–Frankston freeway.

I have received a large number of representations from local councils in the affected areas which have expressed, among other things, grave concerns over the

effects on arterial roads and residential streets of the proposal to toll the freeway. The significant concern of these councils is the absence of consultation with them prior to the Bracks government's decision. In particular, the mayor and chief executive officer of Knox council were invited to a briefing by the Minister for Transport after the decision had been publicly announced.

Maroondah council is very concerned that many people will now bypass the new freeway, which will negate many of the benefits envisaged from the Mitcham–Frankston freeway in the first place. Roads such as Springvale, Stud and Wantirna roads will become more congested than they are already.

Manningham council has expressed similar concerns and has demanded that appropriate research and planning be undertaken for the potential impacts of toll avoidance and that appropriate funding be allowed in the project budget to meet the requirements for toll-avoidance works.

There is absolutely no doubt in the minds of local representatives on affected councils that this proposal will have a severely negative impact on traffic congestion and use of roads other than the freeway in their local areas. I call on the minister to urgently institute an impact study to assess the effects on local arterial roads in the municipalities of Knox, Yarra Ranges, Maroondah,
Manningham — —

The PRESIDENT — Order! The member's time has expired.

Bell Park North Primary School: community

Hon. J. H. EREN (Geelong) — I wish to congratulate Bell Park North Primary School in my electorate on being pictured on the cover of the newly distributed Telstra *White Pages* telephone directory in the Geelong region. It is always great to see our community shown in a good light, and to have a school from the northern suburbs in Geelong pictured on the cover of the phone book is truly a great honour. The school was chosen in recognition of the school's community spirit and its great achievement in taking part in the Jump Rope for Heart program. For over eight years the school has participated in the program, which aims to raise awareness of as well as fund research into the causes of heart disease and stroke. To date Bell Park North Primary School students have raised almost $14 000, which is an incredible feat because the school is not that big.

I would like to point out what a great initiative Jump Rope for Heart is, because I am always eager to help promote healthy activities for young people — especially in these days of junk food and lack of exercise. But these kids at Bell Park North are showing immense pride in their community and, as a result, have been rewarded by this great achievement — their picture being placed on the front cover of the local telephone book. Congratulations go to the principal, Ray Kozaczek, teachers, staff and students for this great achievement. Well done!

Kew Residential Services: site development

Hon. D. McL. DAVIS (East Yarra) — The matter for my 90-second statement today relates to Kew Residential Services and the draft urban design framework that the council and state government working party has put forward. That draft urban design framework is a very worrying one, a framework that aims for very high-density development on the Kew Residential Services site and will actually see towers of between 7 and 10 floors built.

Mr Pullen interjected.

Hon. D. McL. DAVIS — The framework says 7, but in a briefing a council officer has said 10.

Mr Pullen — No, no.

Hon. D. McL. DAVIS — You should understand that, and the government should understand that the plan is to ensure that this area is developed at the highest density as part of its 2030 plan. The residents will be moved out, some of them without sympathy and without proper regard, and the site will be developed into a very high-density site that will change the character of Kew. People in the surrounding area have not been fully and properly consulted, and the council has in fact admitted on occasions that the consultation has not been full and complete. Further than that, the traffic issues around the area will be very significant, as will be the issues relating to schools and other services in the area. But the fact is that this development will be highly inappropriate for Kew. It will see towers of up to 7 floors on the framework, but the council officers have admitted that it could be up to 10 floors.

Mr Pullen interjected.

Hon. D. McL. DAVIS — At a briefing. I can provide that to you later, Mr Pullen.

Mr Pullen — Thank you.

The PRESIDENT — Order! The member's time has expired.

Ardoch Youth Foundation

Mr SCHEFFER (Monash) — I wish to give recognition to the work of the Ardoch Youth Foundation, its director, Kathy Hilton, and her staff, who have for some 15 years contributed to the education and wellbeing of the local community across my electorate of Monash Province.

The Ardoch Youth Foundation works in early childhood centres and in primary and secondary schools with young people and families who are facing issues relating to early school leaving, substance abuse, family breakdown and youth suicide. Very importantly, out of its long, on-the-ground experience, Ardoch has developed a number of models that can be taken up by other communities to assist them to better support children and families managing these very difficult circumstances. Over 300 volunteers of all ages actively support the work of the foundation, and they do a fantastic job.

Kathy Hilton and her team run basic needs programs, including clothing and food provision; before and after-school clubs; education access programs and scholarships; and a range of programs dealing with healthy relationships, student referral and support, parental support and referral, the provision of breakfast and lunch, tutor/mentor/buddy programs, literacy and numeracy programs, vocational pathways, personal development and life skills, and professional development for staff and the school communities.

The Ardoch Youth Foundation is a great practical example of community building, and I commend its work to this house.

Commonwealth Games: funding

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Last week during a hearing of the Public Accounts and Estimates Committee the Premier tabled what he claimed was Victoria's formal submission to the federal government for funding for the 2006 Commonwealth Games. The submission is in the form of a letter to Senator Kemp, which reads:

> …
>
> Thank you for meeting with Ron Walker and me last week to discuss commonwealth government involvement in the Melbourne 2006 Commonwealth Games. I think that the meeting demonstrated the goodwill and common purpose between us and I look forward to working with you as we develop the plans for Melbourne in 2006.
>
> I write to confirm my understanding that your government is prepared to consider a contribution to the Melbourne Commonwealth Games at a level pro rata to your contribution to the Sydney Olympics. I also understand that your government prefers to find specific activities relevant to your policy objectives and that of course, you require due recognition of any contribution.
>
> Finally, I understand that your government wishes to consider this matter in the context of the 2004–05 commonwealth budget, although we did agree that it might be possible to consider an earlier in-principle agreement if there were specific benefits accruing to the commonwealth from this approach.
>
> I am advised that our officers have arranged to meet to discuss these issues.
>
> As you are aware, we intend to announce our budget commitment shortly and, from my point of view, the earlier we can agree on our partnership arrangements, the earlier the benefits can accrue to both governments and, more importantly, the Victorian and Australian people.
>
> Yours sincerely
>
> Justin Madden MLC

It is an indictment of the Premier that he regards this letter as a formal submission to the commonwealth and as the basis on which a multimillion-dollar funding decision will be made.

Only the Bracks government would treat public money in such a reckless manner.

Multicultural affairs: racial and religious tolerance

Hon. S. M. NGUYEN (Melbourne West) — I encourage members to read the article entitled, 'Interfaith in multicultural Australia' which appears in the latest issue of *Australian mosaic,* a magazine of the Federation of Ethnic Communities Councils of Australia. The magazine highlights the very important role of the diverse range of religions in Australia. It features stories from Muslim, Baha'i, Buddhist, Catholic and other religious communities. It is important to see Australians recognise the differences in their society. The magazine tries to make people understand more about what other people believe.

A week ago I went to a Buddhist function in Braybrook. A lot of people talked about peace and living together in one society, and it encouraged people to — —

The PRESIDENT — Order! The member's time has expired.

Employment: community jobs program

Hon. W. R. BAXTER (North Eastern) — I want to protest that the Minister for Employment and Youth Affairs has axed a program servicing 1200 job seekers in north-east Victoria. This community business employment program has provided extraordinary advantage and benefit to people seeking work in my area. I am at a total loss to understand why it has been abolished, particularly as prior to the election the Labor Party said that it was one of the most successful employment programs in existence.

A constituent of mine, who has been deeply affected, is reported in the local paper as saying:

> I was shocked, probably devastated, because it is such a good product, a good service and I've never come across it before when you're out there trying to find work.
>
> …
>
> I was just impressed with the professionalism, the friendliness and very impressed with the one-on-one interview I received.
>
> …
>
> At … other … agencies … you only got handed a piece of paper to fill out, you very rarely got past reception.
>
> Here you feel like a person and not a number.

That seems to me to sum it up. Here is a program that has the runs on the board, that is actually working, that is finding jobs for people, and that is encouraging unemployed young people to keep seeking work and here we have a government pulling it apart because it believes it wants to put some other system in place. Why destroy something that has a proven track record?

I lodge my protest as strongly as I am able.

Police: Eildon and Mount Evelyn stations

Hon. R. G. MITCHELL (Central Highlands) — Last week with the Minister for Police and Emergency Services I attended the opening of the Eildon police station. It was good to see the station opened after the good work of the former member for Benalla, Denise Allen. It was a very successful day.

I also attended the opening of the Mount Evelyn police station. This was another good result because under the former coalition government the station was earmarked for closure. In a growing area it seems crazy that such a move was considered.

Euroa: Rotary playground

I attended the official opening of the Rotary playground in Euroa. The park was funded by the state government, the Shire of Strathbogie and Rotary. Rotary also donated in-kind labour to complete this project.

I encourage all members going through Euroa to stop and have a look at the park. It is a wonderful asset for the community and I hope that kids enjoy it for a long time.

Warrior Women exhibition

Ms ROMANES (Melbourne) — I am sure it has been a little confronting for some members of Parliament and some members of the public to pass through Queen's Hall over the last couple of weeks and see a large collage of women's breasts and other exhibits that are part of the Warrior Women exhibition that has been touring Victoria over some time to draw attention to breast cancer of women.

I discovered at the launch on Tuesday that amongst the coloured photographs on the collage of women who have had mastectomies was a photograph of a friend of mine whom I knew from university days. I have since had the opportunity to read some of the stories of women who have been struggling with breast cancer and to be inspired by the enormous courage that is portrayed in the way they have tackled the adversity facing them. I would like to pay tribute to all the women whose stories have been portrayed so graphically in the Warrior Women exhibition and urge members to read those stories and to become more aware of the problem of breast cancer in our community.

Central Highlands Community Legal Centre: funding

Ms HADDEN (Ballarat) — The Central Highlands Community Legal Centre was first established in Ballarat in Eureka House in the late 1980s and was the first community legal centre established west of Deer Park to the South Australian border. The Central Highlands CLC responds to local needs and provides a range of services to the Ballarat and Central Highlands communities. For the past three years the Central Highlands CLC has piloted a court intervention order support service at the Ballarat Magistrates Court, which was its own initiative, in response to community need and with no extra funding. It provides a much-needed service to those who fall through the gap of legal aid eligibility and private legal assistance. With no funding loading by the commonwealth government for a rural CLC, the Central Highlands CLC has always experienced difficulty in servicing the whole Central Highlands region.

The Victorian Parliament Law Reform Committee, of which I have been a member since 1999, recommended increased funding for regional CLCs in its rural legal services review in 2001. I am very pleased to note the Bracks government's funding boost of $11 273 to the Central Highlands CLC as part of a budget allocation of $350 000 to Victoria's CLCs, and I congratulate the Bracks government and the Attorney-General for their constant funding boost to CLCs in this state.

Housing: Officer sustainable development

Mr SOMYUREK (Eumemmerring) — I rise to congratulate the Bracks government for its vision in its development of a new sustainable community in Melbourne's outer south-eastern suburbs in Officer. The residential community to be developed by the Urban and Regional Land Corporation will build on the existing community structure of the township of Officer between Beaconsfield and Pakenham. The large 300-hectare development will include dwellings to accommodate between 10 000 and 12 000 people in line with the broad aims of the Bracks government's Melbourne 2030 strategy. It will use environmentally friendly, sound concepts, including water sensitive design, recycled building products, and employment of clean and renewable energy sources.

The development will embrace the sustainable design initiatives already being developed by the landmark Aurora project at Epping North. For example, the Officer train station is centrally located in the development area and is complemented by other forms of public transport as well as comprehensive pedestrian and cycling paths.

Together with council, key agencies and the local community, the government will create a sustainable development which incorporates the elements that people want in their communities — to live, to work, to play and to educate their children.

AUDITOR-GENERAL

Fire prevention and preparedness

Hon. PHILIP DAVIS (Gippsland) — I move:

> That the Council take note of the Auditor-General's report on fire prevention and preparedness, May 2003.

Before speaking specifically on that report, I would like to congratulate the Auditor-General for his innovative approach in having a look at performance audits, and especially this particular report.

There have been many such reports tabled in recent times by the Auditor-General and it is worth the house noting what a significant contribution they make to public administration. I also thank the Auditor-General for the briefings provided to members on a regular basis.

Regrettably the time I have to contribute to this discussion is very limited, so I urge members to read the report which deals with a huge range of issues including policy and planning, the fire hazard management, community preparedness, stakeholder involvement, wildfire prevention, firefighting personnel and infrastructure management. I would like to concentrate my remarks specifically on the area of wildfire management. This report, tabled on 8 May, was commenced before this year's summer fires, but presumably it will be the basis of decisions and recommendations by the Emergency Services Commissioner who is conducting an inquiry into the summer fires.

I will not concentrate further on that matter, but I will say that one of the issues the report particularly highlights is worth the house noting — that is, in relation to a cultural problem which manifested during the summer alpine fires. Specifically I allude to the comments on coordinated planning on page 37 in respect to a statewide fire strategy. The Auditor-General highlights the fact that the Office of the Emergency Services Commissioner (OESC) is working towards a statewide fire safety strategy to ensure that Victorians are better prepared. In terms of priorities, paragraph 3.24 on page 37 of the report states:

> The OESC expects that the initial work on the fire safety strategy will be launched by mid-2003. The first release is to include a risk analysis methodology, a profile of structure fire risks across Victoria and a performance measurement framework. However, the development of wildfire risk profiles will commence only when this initial work is completed.

In having made that observation can I say that the problem is reflected in the perceptions of fire-affected communities that fire management is about structures — that is, about houses in the context of asset protection being defined as only protecting assets which were residences. The consequence of that is that the large number of people in farming communities felt their assets were unprotected because they were not defined as a structure — I refer specifically to broadacre grazing land, pastures, fences, haysheds and other farm buildings.

I was intrigued to note the comments of the captain of the Dartmouth fire brigade, John Scales, in his submission to the federal House of Representatives inquiry; he said in part:

> You cannot fight a fire from an office. You cannot manage a forest from an office. You cannot spray weeds from an office. You cannot trap wild dogs from an office. And none of these skills along with all that goes with bush lore can be found in a consultant's brief. It can't be learnt at university and it sure as hell can't be learnt in Parliament House Canberra or Spring Street.

I highlight that because it summarises the great concern which all Victorians have in respect to the way that the alpine fires were managed this summer. The Auditor-General's report clearly articulates that — —

The PRESIDENT — Order! The member's time has expired.

Ms MIKAKOS (Jika Jika) — I rise with great pleasure to speak on the Auditor-General's report on fire prevention and preparedness of May 2003.

At the outset I say that the Bracks government welcomes reports from the Auditor-General. It restored the independence of key democratic institutions like the Auditor-General and enshrined the independence of the Auditor-General in the Victorian constitution. As a result of legislation passed by this house only recently, in future the independence of the Auditor-General will only be able to be changed by referendum with the support of the Victorian people. Unlike the previous Kennett government we support properly resourcing the Auditor-General in order to ensure that that key office is able to conduct its very important work.

I particularly welcome this report, because it focuses on the important issue of fire prevention and preparedness. It is of fundamental importance to Australia given its topography and proneness to bushfires. At the beginning of his report the Auditor-General acknowledges that the inquiry that he commissioned that forms part of this report actually began before the recent summer bushfires. He also makes the point that his inquiry was restricted to looking at particular issues and that the government has announced another inquiry into bushfires and fire preparedness that has broader terms of reference. The government expects that report in September. The Auditor-General's report is not intended to be all-encompassing but is intended to form part of the process and feed into the Emergency Services Commissioner's report to be handed down later this year.

This report is very important in ensuring that government and all agencies involved in fighting bushfires learn from every bushfire that occurs. The government and all relevant agencies have learned a lot over the last decade or so, particularly in response to the Ash Wednesday fires many years ago now and more recently the Linton tragedy in 1998. We are seeing appropriate internal reviews by these agencies to see how they can tackle fires more appropriately in the future.

I want to focus on some of the key findings of the Auditor-General's report and in particular the concerns raised that only 22 out of 64 municipalities across Victoria have wildfire management overlays controlling and guiding new development in wildfire-prone areas. This is of particular concern in areas on the fringes of my electorate going out into outer metropolitan Melbourne and rural Victoria where lots of new housing developments are springing up. It is important that those municipalities identify existing fire hazards on private land and look at ways of addressing them when they are approving future housing developments.

The report makes a number of recommendations, and the government takes them very seriously. In consultation with the relevant agencies, and in particular the Office of the Emergency Services Commissioner, it will take on board the Auditor-General's findings as part of the overarching bushfire inquiry that is currently under way. I therefore commend the report to the house.

Hon. P. R. HALL (Gippsland) — Once again the Parliament is the beneficiary of an excellent report produced by the Auditor-General, in this case a report on fire prevention and preparedness. I congratulate the Auditor-General on a very comprehensive, useful and timely report.

I also thank the Auditor-General for making himself and the staff of his department available for the parliamentary briefings on each of the reports that have been published. This has once again been a very useful innovation which has allowed members of Parliament to talk to staff who have been involved in compiling the reports and therefore further examine them. I went to the parliamentary briefing offered on this report and found it very useful to further explore some of the issues contained within it.

I said this was a timely report, and it is particularly timely, as mentioned in the foreword, that an inquiry into this summer's fires is currently being undertaken in Victoria by the Emergency Services Commissioner. The Auditor-General says:

> I expect this report to provide valuable information for the inquiry —

'this report' meaning the report on fire prevention and preparedness. Having read this report I concur wholeheartedly with that. It will provide valuable input to the state government-initiated inquiry, and I also add that it is very helpful for those who are making submissions to that inquiry. I for one have been compiling a submission on behalf of the National Party to go to that inquiry, and I have relied upon certain sections of this report to assist me in my submission because I do not think anybody can dispute the independence and veracity of the arguments put forward by the Auditor-General.

There are a number of areas canvassed in this report. It goes to the issues of policy and planning for fire prevention and preparedness; it looks at fuel and fire hazard management and community preparedness; and it also has an important section about key stakeholders and wildfire prevention, particularly with regard to powerlines and wildfire mitigation. It also looks at resourcing firefighting personnel and infrastructure management — all important areas.

I will comment on part 4 of this report, which is about hazard management. In the introduction to this section at page 49, the report states:

> The recent wildfires of 2002–03 brought the significance of hazard management, particularly fuel reduction burning, into public focus.

And so it did. In all the consultations and visits to bushfire-affected areas I have undertaken, one of the main criticisms and issues being put forward by people affected by the fires was the lack of fuel reduction burning in their localities. If we look at the charts on pages 56 and 57 of this report, the Auditor-General proves that their views are indeed correct. On page 56 chart 4C demonstrates that in the period between 1994–95 and 2001–02 the Department of Sustainability and Environment has achieved only 36 per cent of the optimal prescribed burning target set in its fire protection plans. It also says that only 54 per cent of fuel reduction burning in the annual area identified and advised to stakeholders in the fire operation plans had been achieved.

In chart 4D on page 57 it says how much has been achieved on a regional basis. In Gippsland, I am disappointed to note, less than 50 per cent of the target for fuel reduction burning has been achieved. The Auditor-General then lists some of the reasons why perhaps those achievements have not been made. I suggest that one of those is critical for the government to take on board — that is, the competition for physical resources. Simply, the department does not have enough people to undertake the appropriate level of fuel reduction burning required, and that is pretty disappointing.

I wish to say something about hazard management, and I questioned the people at the parliamentary briefing on this issue. I was surprised that the Auditor-General tackled the issue of fuel reduction burning only as a means of hazard management. In my view there are two other ways to manage bushfire hazards: firstly by grazing and then by clearing. It has been amply demonstrated that where cattle grazing is taking place the impact of fire is much less, and in my submission to the inquiry I will suggest that the department should be making greater use of cattle grazing to reduce fuel loads. It is a free service that can help in hazard management. The other area, as I mentioned, is clearing. I strongly believe appropriate fire breaks should be cleared, particularly on the perimeter of public land. This would also help with hazard management. It is an excellent report, and I commend the Auditor-General for it.

Ms HADDEN (Ballarat) — I too wish to speak on and welcome the Auditor-General's report on fire prevention and preparedness tabled this month. I am also pleased to note that the Auditor-General has concluded that improvements in fire prevention and preparation have been made by both the Department of Sustainability and Environment (DSE) and the Country Fire Authority (CFA) since that terrible tragedy in 1998 at Linton in my electorate.

The Auditor-General has praised a number of areas including the cooperation between DSE and the CFA in joint operations, the implementation of common incident control systems and the cooperative approach of DSE and CFA to implementing nationally accredited training competency standards. The Auditor-General also praised DSE's code of fire practice for fire management on public land. He also identified areas for improvement.

This government — unlike the Liberal opposition in its last term, which nobbled the Auditor-General — welcomes the independent advice and the independence of the Auditor-General. It welcomes his reports tabled in this Parliament, which certainly are thought provoking and assist the relevant departments in further improving their performance.

In relation to hazard reduction, for instance, the Auditor-General made a number of findings. On page 55 the report states:

> … prescribed burning on public land is conducted and managed safely.

On page 6 it states:

> … there has been a consistent failure to achieve hazard reduction targets.

It is important to look at the report on that aspect, when it says on the same page:

> The necessary strict conditions governing fuel reduction burning mean that considerable advance planning must be conducted for these burns.

One of the recommendations on page 7 is to provide:

> … increased public information regarding the fuel reduction burning program and the measures taken to protect the environment.

Certainly the Wombat State Forest in the Midlands forest management area in my electorate was most fortunate in not having to go through a fire this past summer, but there has been no real burning-off done in the Wombat forest for some eight or nine years. Unfortunately we have some greenies in the electorate who do not like the smoke in their eyes and cause all sorts of problems. They raise every pathetic excuse. We cannot afford to have a fire in the Wombat forest. The Hepburn shire cannot afford it; it would devastate if not raze Hepburn Springs and Daylesford.

The Auditor-General also said that performance should be measured by the degree of risk and cost-reduction achieved. He also called for greater flexibility in funding arrangements to allow for seasonal variations. The Auditor-General's report will of course form a very important component of the independent inquiry being conducted by the Emergency Services Commissioner, Bruce Esplin. The submissions, as have been noted by previous speakers, are being made to the ESC's inquiry and his report is due out in September.

Together with the commonwealth inquiry the Auditor-General's findings will assist in the learning process on preparedness, fire prevention and fighting fires. Whilst fires are part of our history and our environment, they need to be better managed and the department has acknowledged that. We are and will be working towards further improvements.

We all must acknowledge that the fires experienced in January, February and early March this summer were the worst in this state in 100 years and were certainly much worse than the Ash Wednesday fires although there was not the loss of life and not quite the loss of property this year. Certainly the impact and fire damage done to our north-east and Gippsland areas has been devastating. We all acknowledge that.

I want to pay tribute to all those people who were involved in fighting the fires this summer. They did so voluntarily and willingly, and came from all parts of the state.

Hon. E. G. STONEY (Central Highlands) — In my short contribution I shall concentrate on fuel reduction burning. The Auditor-General addresses this issue head on, which I am sure will be greatly appreciated by rural Victoria. I congratulate the Auditor-General for this good, comprehensive and necessary report.

The report indicates that further work needs to be done in a number of critical areas, and at page 3 he states that there should be:

> Increased focus on strategic management of hazard reduction on public land, to ensure that appropriate targets are set, resources are provided for their achievement and performance is monitored.

Page 6 of the report talks about prescriptions. It is well known that over the years prescriptions have been tightened by the former Department of Natural Resources and Environment (DNRE) and the Department of Sustainability and Environment (DSE) to the point where they are badly interfering with their own management programs and ability to burn enough forest each year. Their own prescriptions are interfering with their management. It is important to understand that in that process one must be as safe as possible, that nature is unpredictable and sometimes things happen. The government should have more courage in this area in order to achieve more protective burning.

At page 6 the report states:

> … there has been a consistent failure to achieve hazard reduction targets. The significance of this underachievement cannot be easily assessed, because the DSE reports in terms of hectares burned, and does not report on the level of residual risk resulting from failure to achieve hectare targets.

This is clearly picked up in one of the submissions to both the federal and state inquiries from the people of Mount Beauty under the name of Simon Paton, the convener of the local committee and the Eureka project. That report at page 17 states:

> Residents do not believe the amount of burning off which the DSE frequently claims to have completed. The DSE figures include areas where the DSE has attempted to burn off.

The report at page 20 continues:

> The DSE continues to insist that it conducts a rigorous back-burning program aimed at reducing the fuel load on the

> forest floor. Whilst large acreages are claimed by the DSE to have been burned-off, further questions reveal doubt about the accuracy of their figures.
>
> The DSE admits for example, that an area is considered to have been back-burned once the incendiary devices have been delivered. So even if it begins to rain, or if the vegetation is too green to burn, and no fire is ignited, the area is still deemed to have been burned-off.

That is plainly ridiculous, but anecdotal evidence supports the view of the people of Mount Beauty. It is certainly confirmed in research commissioned by me last year entitled *Bushfire: the Protection Imperative. The Implications of fuelReduction Burning in Australia.* I pay tribute to my parliamentary intern, Mr Simon Wallis from Monash University, who did a great deal of work on this last year and who has become very interested personally on the subject and may do more on it this coming year.

The report quotes a senior DNRE manager as saying:

> It is no secret that over the last decade or so, that we are not meeting the fuel reduction targets of our own making and there is a variety of issues tangled up in that.

He later states:

> The DNRE has an ageing skill base. We downsized dramatically during the 1990s and most of our best operators in terms of knowing when they can light fires safely and how to manage them and how to deal with wildfire are well into their 40s.
>
> …
>
> The DNRE are suffering from the downsizing and the failure to recruit in the last decade or so. There is no substitute for experience in this area. The real issue here, I think, is skills.

The house heard Mr Phil Davis quote John Scales saying that you cannot manage forests and you cannot manage forest fires from your desk, from Spring Street or from Parliament House in Canberra. I totally concur.

I congratulate the Auditor-General on the report and encourage the government to take heed of the inquiry evidence. The evidence presented is reflected in many submissions. I have been sent a few submissions from experienced, retired foresters with high reputations expressing grave concern about management of forests over the last perhaps 20 years. The theme throughout is fuel reduction burning coupled with grazing, both of which are integral in the management of our forests.

I have read many of the reports, and the themes are consistent. I hope that the state government takes heed of this. I congratulate the Auditor-General on his very brave report and hope that what comes out of the state and federal inquiries will improve future management of fire and our forests in general.

Hon. R. G. MITCHELL (Central Highlands) — I rise to speak on the Auditor-General's report and congratulate him on the independent report, which is well detailed. There is good information in the report that will help regarding future fires. The introduction states:

> The combination of climate, vegetation and topography means that southern Australia is one of the most wildfire-prone regions in the world. The wildfires that occurred throughout Victoria in the summer of 2002–03 are a stark reminder that wildfire remains a significant threat to life and property in rural Victoria.

The Auditor-General has recently completed his fire prevention and preparedness performance audit of the Country Fire Authority (CFA) and the Department of Sustainability and Environment (DSE). The audit focused on planning, prevention and preparedness measures to reduce the severity of wildfire and whether those measures are being effectively implemented.

The audit examined legislation, policy and coordinated planning; hazard management on public and private land; community preparedness, misconceptions and education programs; wildfire mitigation by powerlines, plantation and railway stakeholders; firefighter preparedness — recruitment, succession planning, training and development; and infrastructure preparedness — firefighting equipment and fire access roads.

The report concluded that the CFA and DSE had made significant advances in coordinated strategic planning for joint operations; implementation of common incident control systems; DSE's risk-based approach to resource allocation under its model of fire cover; CFA's community education programs; provision of minimum training to CFA volunteers; and DSE and CFA's cooperative approach to implementation of nationally accredited competency standards within a joint training framework.

In my travels and talking with many locals, community preparedness becomes a problem with people who are not aware of the risks of bushfire, particularly those new to the area who do not understand the severity of how fires burn. In the event of a large wildfire the community cannot rely solely on emergency services to protect lives and property. There is a need to understand wildfire behaviour to carefully replan a response and prepare households accordingly. These actions can make the difference between loss and preservation of buildings and, importantly, between life and death of the occupants involved.

The Auditor-General's report is an important one and one which all members should take the time to read and

understand. Although we have passed this summer bushfire period, there will be more ahead. I hope we will not see the same problems of large bushfires that occurred over the past summer period.

Motion agreed to.

CORRECTIONS (AMENDMENT) BILL

Second reading

For **Hon. T. C. THEOPHANOUS** (Minister for Energy Industries), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

This bill makes several miscellaneous amendments to the Corrections Act 1986 (the act).

Transport provider immunity

There is currently a difference in the act between the immunity afforded to an escort officer who uses reasonable force to compel a prisoner to obey a lawful direction and a police prisoner transport provider who uses similar reasonable force in the same circumstances.

Section 55E of the act provides that where an escort officer uses reasonable force to compel a prisoner to obey a lawful direction, the escort officer will not be liable for injury or damage caused by the use of that force. However, section 9CB(3) of the act only provides that a police prisoner transport provider who uses reasonable force to compel a detained person to obey a lawful direction is not liable for injury caused by the use of that force. In the case of police prisoner transport providers, there is no immunity where damage is caused.

Therefore, section 9CB(3) of the act will be amended to insert the words ‘or damage’ after the word ‘injury’. It is intended that the amendment of the immunity given to police prisoner transport providers will vary the jurisdiction of the Supreme Court. I will make a section 85 statement later in this speech.

Testing prisoners for use of alcohol

Detecting alcohol use in prisons and taking action to deter its use is an integral part of the Victorian prison drug strategy 2002. Alcohol use in prisons raises a plethora of complex management issues that affect corrections authorities’ ability to maintain the good order and security of a prison. In keeping with the objective of the Victorian prison drug strategy toward proper prison management, good order and security, an emphasis is placed on detection of alcohol and drug use in prisons. Given this emphasis on detection, and therefore the high level of testing that occurs, it is important that there is clear power of authorities to be requiring prisoners to undergo these tests.

Corrections authorities currently engage in a regime of testing prisoners for alcohol use under authority derived from sections 20 and 21 of the act. Sections 20 and 21 of the act impose on the governor and officers in charge of a prison or part of a prison responsibility for the management, security and good order of the prison and the safe custody and welfare of the prisoners. It is to achieve these purposes that alcohol use must be detected and punished, and future use must be deterred.

However, the power for corrections authorities to require prisoners to undergo tests to detect alcohol use is not expressly clear in the same way that it is clear that the governor of a prison may require a prisoner to undergo a test to detect consumption or use of a drug of dependence as defined in the Drugs, Poisons and Controlled Substances Act. The power for a governor to test a prisoner for a drug of dependence is expressly provided for in section 29A of the act. It is preferable that a governor’s power to require a prisoner to undergo a test for alcohol be provided for in the same way as drugs of dependence. Therefore, a new section 29A of the act will be inserted to give express recognition to testing for alcohol and to tidy the provision, which currently refers to the now repealed ‘drug of addiction … as defined in the Drugs, Poisons and Controlled Substances Act’.

To avoid any arguments about the power of a governor to require prisoners to undergo tests for alcohol, the bill will insert a new section 29A(3) of the act. The provision will ensure that any direction for a prisoner to undergo a test for alcohol given prior to the commencement of the new section 29A(1) will be deemed valid.

Interstate leave of absence

For technical reasons concerning the complementarity of jurisdictions laws, it is not currently possible to grant Victorian prisoners leave for temporary attendances interstate in spite of the provisions in the Corrections Act purported for that purpose. This means that even if the corrections authorities have no concerns about granting a prisoner temporary leave, the prisoner cannot travel interstate for a family member’s funeral, cannot travel interstate to visit a person who is seriously ill, cannot travel interstate for urgent medical care. In short, the person cannot travel interstate for any

compassionate purpose. This bill addresses that problem.

The bill also enables the recognition of special kinship and family obligations of Aboriginal prisoners and the need to support attendance at funeral services, burials, and other occasions of special family significance in line with recommendation 171 of the Royal Commission into Aboriginal Deaths in Custody.

The bill recognises the government's commitment to enhancing community safety. It will ensure that Victorian prisoners travelling interstate on leave remain in lawful custody. In almost all cases, prisoners travelling interstate will be escorted. In appropriate circumstances, however, this requirement need not apply.

The safety of the community is further protected by this scheme as it enables prisoners from their states on leave in Victoria to be apprehended and returned to their state of origin if they fail to return or fail to comply with conditions of the permit. Victorian prisoners who escape whilst on leave interstate may be apprehended under the provisions in the interstate legislation and returned to Victoria.

The vast majority of current prisoners from other states held in Victorian prisons are from NSW. It is important that the current technical problems concerning the need for substantial correspondence between Victoria and NSW's laws, which have prevented the operation of the scheme in NSW are overcome, provided that it does not compromise the safety and security of prisoners or the community. The amendments in this bill will overcome the technical problems whilst at the same time maintaining the safety and security of prisoners and the community.

It is also expected that the scheme will operate effectively in most other jurisdictions.

Section 85 statement

As mentioned earlier, I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons why section 9CB of the Corrections Act 1986, as amended by this bill, is to alter or vary section 85(5) of the Constitution Act 1975 in relation to the jurisdiction of the Supreme Court.

Clause 11 inserts a new section 111(3A) into the Corrections Act 1986, which states that it is the intention of section 9CB, as amended by this bill, to alter or vary section 85(5) of the Constitution Act 1975.

Clause 3 amends section 9CB(3) of the Corrections Act 1986 by adding 'or damage' after 'injury' in that section.

As I pointed out earlier, the immunity afforded to an escort officer who uses reasonable force to compel a prisoner to obey a lawful direction is different to the immunity given to a police prisoner transport provider who uses similar reasonable force in the same circumstances. Police prisoner transport providers currently only have immunity for injury caused when using reasonable force to compel a detained person to obey a lawful direction.

The proposed amendment to section 9CB(3) is intended to remedy this anomaly by ensuring that all transport powers of those undertaking escort functions will be consistent under the act. To ensure that this amendment will have the effect intended it is necessary to vary the jurisdiction of the Supreme Court to extend the existing limitation on that jurisdiction provided in respect of section 9CB.

The reasons for this limitation on the jurisdiction of the Supreme Court are as follows.

The provision of prisoner transport services under agreements with the Chief Commissioner of Police will at times require authorised persons under those agreements to use reasonable force to ensure that detained persons comply with the authorised person's lawful directions. Persons undertaking transport duties need to be confident that in acting in accordance with the section they, like escort officers, will be protected from proceedings against them when acting properly. This amendment will ensure that the protection and safety of the community remains a paramount consideration.

On balance, the criminal justice system will operate more effectively and compassionately as a result of this legislation. It is a small, but significant measure in addressing the needs of prisoners, whilst being ever-mindful of the primary consideration of community safety.

I commend the bill to the house.

Debate adjourned on motion of Hon. R. DALLA-RIVA (East Yarra).

Debate adjourned until next day.

WATER (VICTORIAN WATER TRUST ADVISORY COUNCIL) BILL

Second reading

Debate resumed from 21 May; motion of Ms BROAD (Minister for Local Government).

Hon. B. W. BISHOP (North Western) — I am pleased to again rise to make a contribution to the debate on the Water (Victorian Water Trust Advisory Council) Bill.

As an aside, I had a bit of a tough day yesterday. With just a few minutes to go to finish my contribution on the Transport (Miscellaneous Amendments) Bill, we had a fire drill, which was quite effective. That was a bit of a stop, and it was quite interesting. Then, at 2½ minutes to 10 last night, I was asked to start my contribution to the debate on this bill. I must admit that I looked with some anticipation at the Leader of the Government in the house and was rather hopeful that he might say, 'We will start the adjournment process a couple of minutes early'. However, he was not prepared to sway and adopt flexibility in the sessional orders to allow that to happen. I had to spend a bit of time bagging the sessional orders and then started to make a contribution on this bill. So I feel the need to briefly recap where I was on this bill last night when we had just a couple of minutes to go.

I will briefly run through the Water (Victorian Water Trust Advisory Council) Bill. The major purpose of this bill, on which the National Party has consulted quite widely, is to amend the Water Act 1989 to establish the Victorian Water Trust Advisory Council, of which there will be three to five members appointed by the minister for periods of up to three years. Its purpose is to advise the minister on the allocation of water trust funds appropriated by Parliament; to advise the minister on additional sources of funding and other matters; to provide information to the public on how to apply for the above funding, including the principles and guidelines for submissions; and also — an interesting one — to promote public awareness of the water trust. I think — —

Hon. P. R. Hall — This isn't tedious repetition, is it?

Hon. B. W. BISHOP — No, this is not tedious repetition; I am just briefly recapping my small contribution last night, Mr Hall, thank you very much.

In the few minutes I had last night, I just made the point that the Victorian Water Trust Advisory Council was an unusual name, because it is not really a trust — because trusts have trustees, they make decisions, and they have money — whereas this particular trust advisory council gets its money from the government which is appropriated from time to time.

I also said last night that this particular trust advisory council could certainly provide an overview of the water industry to the minister. When I thought about the money I considered that if the government was really fair dinkum it would have that money most of the time, in fact, to allocate to the water industry across Victoria, which is a very important industry and one this state very much relies on — be it the metropolitan, regional, or country area.

It is the National Party's understanding that in fact this trust advisory council has had allocated to it $320 million, about half of which is left because the other half has already been committed. That is about where we got to last night.

The National Party has the view that the trust advisory council will not be able to have the same sharp focus in relation to the water industry as our rural water, urban water and catchment management authorities have. But we urge the government to give the trust advisory council a real purpose because we certainly believe it can be very beneficial if it does have a real purpose relative to the water industry in Victoria. But if it does not have a real purpose it will be simply another organisation reporting in to the ministerial area.

I think we have enough reporting now. Not long ago members debated a bill in this house relating to the Commissioner for the Environment. The National Party was rather critical of that legislation, because it thought the money could well have been spent somewhere else, whereas the reporting process from water authorities — be they the rural, urban or catchment management authorities or various other organisations — is quite well done in this state now; it did not believe any more was needed.

We urge the government to take a positive view in relation to the trust advisory council and give it teeth, if you like, to ensure it plays a major role in the water industry in Victoria. To be positive, the trust advisory council has some really good and quite positive targets. One of those is to increase by 25 per cent the efficiency of our irrigation systems by 2020. That is a very good target, and the National Party supports that. It would probably suggest, in fact, that if that time span was shortened it may even be of greater advantage to the areas in country and regional Victoria that we represent.

I might take just a snapshot of the Sunraysia–Robinvale area, where this government has allocated $20 million over four years. Obviously it will take a lot more than that to upgrade the irrigation infrastructure in that particular area, and there are some extremely good precedents in relation to how governments, both state and federal, put forward excellent proposals for those irrigation infrastructure upgrades. One that comes to mind quite readily is the South Australian model, where there are now pressurised systems throughout most of the state. They are world-class systems, and that infrastructure upgrade has been made possible by 40 per cent input from the federal government, 40 per cent input from the state government and 20 per cent input from the irrigation authority — and those costs, of course, are met by the growers. That is a very good principle and one the Victorian state government should be moving towards even more quickly than the target of 2020.

In the particular areas I am talking about, I believe both the Sunraysia Rural Water Authority and the First Mildura Irrigation Trust are well under way in planning for the infrastructure upgrades that both those organisations believe should take place. The National Party could see work start right now, and it believes that should happen. It will be interested to see what the trust advisory council will have to say in its advice to the minister on that particular issue.

Another very good target given to the advisory council is to improve the ecological health of Victorian rivers by 2010. Those of us in the National Party who represent the people in those areas would like to ensure that the studies are done properly and that we use the science that is available to ensure that the health of our rivers is approached in a scientific and practical way in the future.

A further target the National Party notes is the reduction of Melbourne's per capita water use by 15 per cent by 2010. The other good target was to increase Melbourne water recycling to 20 per cent by 2010, and I will come back to those targets in a few moments.

As I said, the National Party believes these targets are excellent and are certainly positive disciplines which could be applied to the Victorian Water Trust Advisory Council in the future as it gets on with its job. As the National Party has said, the council consists of three to five members appointed by the minister. I understand Professor Peter Cullen has been appointed chairperson of that council. He is known to many of us in the irrigation areas. He is well recognised as a leading scientist on water quality. I would go so far as to say that he is internationally recognised in that particular area. The other members will have expertise in the environment, finance, water infrastructure, community services and other interests, so that should provide a reasonably wide range of disciplines.

The National Party notes that the advisory council will be charged with consulting. Where it would be consulting was not particularly clear to the National Party, but it believes it is an absolutely essential part of the process to ensure the council consults widely right across Victoria, not only with the authorities but with water users right across the whole spectrum.

I note the advisory council will work with the catchment management authorities, we assume the rural water authorities, and the urban water authorities as perhaps the main focus.

I return to the target of reducing Melbourne's per capita water usage by 15 per cent. The National Party agrees that is a good target. Its policy in the last election campaign was to apply a cap to Melbourne's water use. We believe it is reasonable to apply a discipline to an area which will, as the city expands, have a real — if I might use the words — thirst for water. The National Party believes that policy would put some rigour and discipline into that area.

As a suggestion we believe the trust advisory council would be well employed to have a look at the process that was gone through in Sharing the Murray, which was undertaken some years ago. It took over two years, and it would certainly be an educational process for the trust to look at the cooperative manner in which that was achieved. It worked out how the water would be allocated throughout Victoria after the Murray-Darling Basin Commission applied a cap on the water usage in the Murray-Darling Basin, and of course it was a particularly good exercise.

During the debate on the Commissioner for Environment legislation, the National Party said it believed metropolitan Melbourne is a fertile field for the Water Trust Advisory Council to have a look at, where it believes some rigour should be applied.

I almost by accident came across some comments in the *Melbourne University Magazine*, which I thought were quite interesting. I quote a couple of excerpts from the article headed 'Life without water is not on':

> Of the water extracted from rivers in Victoria … Melbourne uses 8 per cent, irrigation 77 per cent and the remainder (15 per cent) is used by rural cities and industries. The prudent use of water is thus a statewide responsibility that must be embraced by all users.

A little further on it 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 miscellaneous non-revenue consumption.

It is interesting to note the next excerpt:

> Within the household, 35 per cent is used outdoors, 26 per cent in the bathroom, 19 per cent for the toilet, 15 per cent in the laundry and 5 per cent in the kitchen.

They are interesting statistics. They would make a particularly strong target for the Water Trust Advisory Council, in its target of 20 per cent water reuse by 2010 in the metropolitan area. We believe it has a really fertile field to work on there. It could go fairly hard in that area in reusing grey water and getting together the recycled water system and in ensuring that something is done now in that particular area. We believe that with the technology available in today's modern world we could certainly pick up our use of recycled water quite substantially.

If anyone has been fortunate enough to look at the irrigation systems in places like Israel, where the rigour and discipline applied to water use is extremely high through the sheer necessity created by the scarcity of water, they will be aware that that is where we too ought to be going, using some of that technology. Some of us who have had the opportunity to travel in the Middle East have also noticed the desalination plants there, which of course have had pressures applied to them other than we have had. They have had less water. They have probably had more resources in a monetary sense to compensate for that but in Victoria, indeed Australia, we are fast getting to that position as well. Again, with superior technology, we should be looking at desalination as well as recycling. We make the point that it is a good target for the Victoria Water Trust Advisory Council to pick up the reuse of water and something it ought to concentrate on quite strongly.

We are a bit nervous about the role of the advisory council in the Living Murray debate. This debate is about one of the biggest issues that we believe irrigators in Victoria and New South Wales — in fact Australia — will face for many years.

Three reference points have been put forward in the Living Murray proposals under which water will in effect be clawed back, if you like, out of the system. They are 350 000 megalitres, 750 000 megalitres or 1.5 million megalitres of water. Those involved in the debate are looking at what is achievable in that environmental thrust.

A lot of water is involved so we want to make absolutely sure that whoever makes the decision gets it absolutely right and they make it following proper research.

The first thing that the National Party would like to make a point of today is that we had better get it straight on the health of the Murray River, about which there has been a lot of discussion. We now have a Murray River that is far different from what it was years ago. The river has changed primarily because we now have dams across it; we have a controlled river.

I have some notes made after a discussion with the Victorian Farmers Federation (VFF). One of the squares on the discussion paper has a photograph taken in 1923 of Sir Ronald East standing astride the stream of the Murray River at Nyah. Obviously the river has changed substantially since that time and we should recognise that.

The same briefing notes contain an excerpt from the *Living Murray* document:

> Poor water quality, loss of native plants, animals, fish, forests and wetlands and an increase in pests such as carp, all point to a landscape in decline. Scientific advice indicates that if we do nothing the river's health will inevitably get worse.

Another extract from the briefing notes quotes comments made by Dr Tim Flannery on ABC radio:

> The river is dying; trees that have been growing for 300 years are now pegging it; they're dying because of the poor and declining water quality. The loss of biodiversity in that river, the salination, it is clearly unsustainable.

We challenge those comments quite strongly. We want to see some decent, practical scientific studies done to ensure those sorts of comments do not go unchallenged in this debate.

Further information from the VFF substantiates what the National Party is saying. If you look at the graph headed '5-year salinity rolling average for the River Murray at Morgan — 1975 to 2002', you can see salinity levels have gone down substantially. The same applies for the identical graphic indicator at Swan Hill — again, those levels have dropped substantially. We challenge some of the emotive remarks that have been made in relation to the Living Murray process. We think that it is absolutely essential that practical scientific work is carried out.

I have taken the time to go to a couple of quite good meetings on this issue. The first was at Mildura and was mainly directed to the New South Wales side of the river, but of course it had some relevance to Victoria. There was a reasonable number at that meeting, but certainly not the number I expected. I noted at that time that irrigators are just getting an idea of what has been

put forward to them, and we in the National Party urge irrigators to take an extreme interest in this particular issue of the Living Murray.

I attended a further meeting at Mildura a few days ago which was put on by the First Mildura Irrigation Trust action group, a group of growers. About 500 people attended that meeting, which was a really good attendance on a particularly difficult subject, the Living Murray. The meeting passed some resolutions. Whilst it is often difficult at a public meeting to get some good constructive resolutions, I believe these two resolutions which apply to the Living Murray are excellent, and I would like to include them in my contribution.

The first resolution was:

> That this meeting of Sunraysia irrigators and other community members urgently requests that:
>
> 1. The MDBC —

Murray-Darling Basin Commission —

> and the ministerial council adopt the proper scientific process of first identifying the river health needs that are of agreed concern to irrigators, the community and scientists.
>
> 2. These agreed needs be prioritised in their order of urgency to be addressed.
>
> 3. There be an analysis of the most cost-effective means of dealing with these issues which may or may not include the need for increased environmental flows.
>
> 4. A proper monitoring panel consisting of stakeholders including irrigator, scientific and community members be put in place to establish whether the issues are being addressed satisfactorily, replacing the current process which is flawed and has pre-empted the debate by nominating environmental flows as being the solution to all the river issues.
>
> 5. In the event that additional environmental flows are identified as being necessary, if this water is to come from existing users, there be full and agreed compensation paid.

A second resolution pertaining to these issues was:

> That this meeting of Sunraysia irrigators and other community members recognises the vital importance of the health of the Murray River system to our community and our economic survival. Consequently we demand that governments, both state and federal, immediately raise the level of investment in infrastructure to create water savings and reduce system losses as the primary means to find water for additional environmental flows, if required.

These are two quite good resolutions which are now showing the interest that the irrigator community is taking on this particularly difficult issue.

We in the National Party are working with these groups, whoever they may be, and trying to find out how this is going to work. We think the saving of water by infrastructure upgrades is a great idea — we have absolutely no problem with that at all — but if the governments, wherever they might be, step into the water market and buy water to increase environmental flows down the rivers, we think that will corrupt the water market and make it very difficult for future development. In fact irrigation development may cease in many areas if the government does enter the market.

In relation to the Living Murray, it raises more questions than answers of when, where and how, and we are pleased to see there has been some stay in the process. It is a little uncertain. Some mixed messages have come out from the communiqué from the particular meeting that looked at extending the time frame. We certainly want a good long time frame to ensure that whatever comes out of this will be equitable for all parties.

It is interesting to look at the natural environmental flows. We have been through some really difficult years with water catchments and droughts across Victoria, but I would suggest that in fact the Murray River is in good condition, it is in good order, and I am delighted with its health at this time, even though it has been through a tough time. We have to note that environmental flows, if they occur naturally, do not occur during the drier years, but they certainly do occur during the wetter years, so we have to have a practical look at this to ensure we get the right results.

That is the most important issue that we face in Victoria. We need to have, in relation to the Murray River and the other rivers in Victoria, a whole-of-river approach, and that must be a sensible and practical one that is formed by all of the stakeholders involved in that particular system.

I must say that the National Party is concerned — probably you could say fearful — that the Victorian irrigation system could get a bad deal out of all these issues that are now rolling up. We could get a bad deal relative to our water entitlements and rights.

Victoria has done an excellent job. The sharing of the Murray, which I spoke about briefly before, was a responsible exercise that was led by the former member for Swan Hill in the other house, Barry Steggall. He did a great job in leading that. It took a long time, it was a cooperative effort, as we have said before, and to have those results challenged now would be almost beyond consideration after all the work that has been done.

In fact Victoria did a really good job there, but in doing that it may very well have exposed itself in relation to its water industry uses. It has been rumoured around the sales pool that we in Victoria would be a soft target for some grab for environmental water flows.

I would like to make the point that during that sharing of the Murray process the sales pool became an integral part of the irrigation system in this state, and people want to understand, as they move forward in relation to this, that the sales pool is an integral part of the irrigation system and they should take strong note of that. So it is a huge challenge for, I would suspect, the water industry as a whole and particularly a huge challenge for the Victorian Water Trust Advisory Council as well. We believe the trust is going to work, but it must take a hard line, as I have tried to convey in my contribution in relation to protecting the productive sector in the irrigation areas throughout Victoria.

The National Party does not oppose the bill, but it makes the point in conclusion that water is without any doubt the most important issue that we have in our electorates. We are concerned that the trust could become another layer of bureaucracy. We urge that that not happen because we think it could do some really good work right across the whole gamut of the water industry in Victoria. We urge the government to appoint the right people to this Victorian Water Trust Advisory Council. They do need a wide range of skills, and the National Party will be interested to keep a close watch on the operation of the Victorian Water Trust Advisory Council to ensure that it advises the minister well and that it also protects the productive sector of the water usage in our state.

Mrs CARBINES (Geelong) — I am very pleased to rise as a member for Geelong Province and as the Parliamentary Secretary for Environment to speak on the Water (Victorian Water Trust Advisory Council) Bill before us today. This house has heard me say before that the Bracks government takes very seriously the issue of water in our state, and that is the very reason that it is at the forefront of our agenda for our second term.

The issue of ensuring sustainable water supplies for today and for future generations is the greatest challenge facing our state today. Water supplies underpin our economic security and our economic prosperity, and if we do not take steps to address this greater challenge we will risk the economic security of our state and also the social values that Victorians enjoy about living in our state. So it is a great challenge, as has been acknowledged by our speakers, and I am very proud that our government is leading the way in the nation to addressing the challenge confronting not just our state but the whole of Australia.

A few weeks ago the Minister for Environment, who is also the Minister for Water, the Honourable John Thwaites, delivered in the lower house a ministerial statement, *Valuing Victoria's Water — Securing Victoria's Future*. At the time the minister was setting out the Bracks government's vision on water and outlining our 10-year plan. This morning we have heard the Honourable Barry Bishop talk about targets, and the ministerial statement outlined the targets the government has set for Victoria over the next two decades. Those targets, which I am pleased to hear the National Party supports, include reducing Melbourne's water use by 15 per cent by 2010 and increasing our water recycling by 20 per cent by 2010. Importantly, we are also working towards a target of increasing the efficiency of our irrigation systems by 25 per cent by 2020. When all of these targets are met they will go a long way to ensuring the sustainability of our water supply.

In his ministerial statement the Minister for Water detailed his plan to ensure that Melbourne introduced water conservation by-laws by next summer. This follows the lead taken by the water authority in my electorate of Geelong Province, Barwon Water. Earlier this year, after almost two years of community consultation, Barwon Water introduced a by-law, which the minister approved, aimed at increasing water conservation across the Barwon region. That by-law involved banning the use of sprinklers between the hours of 10.00 a.m. and 5.00 p.m.; banning the hosing down of all impervious surfaces such as driveways; and making trigger hoses compulsory for washing cars. These are very sensible restrictions that have been warmly embraced by the community in which I live, and we are very pleased that Melbourne will follow our lead. I suggest that other water authorities across the state conduct similar consultations to that which Barwon Water undertook with our community.

Last week when I was on my way to the Horsham community cabinet meeting I stopped off at McDonald's in Ballarat for a coffee. I was very disturbed to see one of the people at McDonald's in Ballarat strenuously hosing down the footpath and driveway for over half an hour. Today most of us would find it quite abhorrent that water was used in such a way when it would not have been too hard to get out a broom and sweep. I encourage other water authorities to consult with their communities in regional Victoria in relation to implementing such by-laws.

The ministerial statement also outlined our legislative program on water for this session. In his statement the minister outlined five key bills, one of which we are debating this morning and one of which has already been passed by this house. I would like to speak briefly about the bills. One of them, which we will debate in a few weeks, will give the Essential Services Commission the power to regulate price and quality issues. Another bill will enshrine water services in public ownership. The bill we have already debated and passed protects Victoria's water rights in relation to flow from the Snowy and the Murray rivers. We will also debate a bill to ensure the safety of drinking water.

The bill we are debating today, the Water (Victorian Water Trust Advisory Council) Bill, delivers on an election commitment we made to the Victorian people last year that, if elected, we would establish a Victorian water trust with a budget of some $320 million over 10 years.

The purpose of the Victorian Water Trust is to improve the health and sustainability of the state's water resources. I am pleased that the opposition supports it. The Victorian Water Trust will make sure that we improve efficiencies in the use of water and encourage water reuse and recycling with the setting of targets I have already discussed. The bill also establishes the Victorian Water Trust Advisory Council. This council will have a crucial role in advising the government and the minister on priorities and initiatives for water infrastructure across the states. It will also advise on additional sources of funding that the government can access. It will attempt to leverage money from the private sector willing to invest in Victoria's water infrastructure. That is essential.

The Water Trust Advisory Council will have three to five members who will be representative of the environmental movement, financial expertise and water infrastructure. We have already announced the appointment of Peter Cullen to head up the Water Trust Advisory Council. I am pleased that the Honourable Barry Bishop acknowledged the worthiness of Professor Cullen in this new role. We look forward to seeing his work as the chair of the council. He is a world-renowned leader in river health and waterway management, and everyone who has discussed his appointment with me has been very approving of his new role. It is pleasing to see that he has come on board with the Bracks government's agenda and will be working with us to ensure the future sustainability of our water supplies.

Importantly, the Bracks government has already promised some $160 million of funding for a range of initiatives and capital projects which will commence in the next financial year. The first round of these projects will involve regional water initiatives such as sustainable irrigation, improving the health of our rivers, water conservation and water reuse and recycling.

The trust will provide seed funding for new projects to reach the targets that the government has set. Some of the money has already been allocated for specific projects, and again the Honourable Barry Bishop welcomed the allocation of those funds. Forty million dollars has been allocated to improve the irrigation system on the Goulburn and the Broken rivers; $20 million to upgrade systems in Sunraysia; $30 million for the country towns water supply and sewerage program; $20 million for the Gippsland Lakes and Macalister River; and $10 million for the Werribee Plains vision.

Last year the Bracks government announced $77 million for the Wimmera–Mallee pipeline which will replace over 17 000 kilometres of open earthen channel systems with a pipeline system. Replacing the open channels with pipes will save 93 000 megalitres of water every year because it will prevent evaporation and seepage. This is a very important project to meet our target of increasing the efficiency of our irrigation systems by 25 per cent by 2020.

In Horsham last week for the community cabinet, the Premier and the Minister for Water announced the signing of a $7.7 million contract with Connell Wagner as the preferred project consultant to design the system and the business case. I was fortunate to attend a forum in the morning where the Wimmera–Mallee pipeline was being discussed. I came away with the impression that the community is solidly behind the project, as are the local water authorities and the catchment management authorities. The government has come in and promised and allocated the $77 million in the budget. The most disappointing thing is that it is not being matched by a commitment from the federal government. This government made its announcement a year ago; last week in its budget the federal government still did not allocate any money towards the Wimmera–Mallee pipeline, and that is an absolute disgrace. I call on the federal government to get behind the Wimmera–Mallee communities and water conservation in our nation and put its money where its mouth is. It talks about water conservation but it does not put in any money.

Hon. W. A. Lovell interjected.

Mrs CARBINES — The Honourable Wendy Lovell has a role to play in this, as does the Honourable Barry Bishop. If they support the government's target of increasing the efficiency of irrigation, they need to get behind its lobbying of the federal government and play a part with their own colleagues to make sure they chip in and improve water conservation in this state.

Although the Wimmera–Mallee pipeline is not a project under the auspices of the Water Trust Advisory Council, it is the sort of project that the government wishes to encourage and is keen to invest in to protect our water supplies for the future.

In establishing the Victorian Water Trust and the Victorian Water Trust Advisory Council, the Bracks government is taking a major step towards ensuring the sustainability of Victoria's water supplies and resources. I commend the Minister for Water in the other place for the great work that he is doing to address the greatest challenge facing not just our state but our nation today. He is taking a lead role in this. I commend the bill to the house and wish it a speedy passage.

Hon. W. A. LOVELL (North Eastern) — Thank you, Acting Speaker. I rise to speak on the Water (Victorian Water Trust Advisory Council) Bill.

Mr Lenders — Wrong house, Wendy. It is the Acting President!

Hon. W. A. LOVELL — I apologise, Acting President.

The purpose of the bill is to establish the Victorian Water Trust Advisory Council and implement a water trust purportedly of $320 million. The function of the council is to allocate the funds provided to enhance the sustainability of the water resources of Victoria. Further functions are to plan and implement efficiencies in water use and the recycling and re-use of water. The council is to consist of three to five members appointed by the minister, and members are entitled to remuneration and allowances.

The fact that we are being flooded with water bills and that we have more water bills than we have water at the moment is an indication that water and the way we manage it in this state are as important to this state's future as any other challenge Victoria has before it.

The establishment of a Water Trust Advisory Council is a good idea; it will bring together the views of different people outside government and outside the department; and people who liaise with the community and who wish to be involved with the water industry and people who will have a great wealth of knowledge on how we may improve the way we manage water in this state. Water is the no. 1 issue for my electorate, whether in the upper catchment or in the irrigation district in the lower catchment. Water is our lifeblood and underpins a regional economy of $8 billion.

Victoria has led the way in water legislation since 1886. We have much to thank our forefathers for. Over 100 years ago men like Alfred Deakin recognised the importance of harnessing and managing Victoria's water supply. Through their vision Victoria's rural regions have prospered. That is not to say that our forefathers got it right the first time. We have learnt many lessons over the years. We have learnt the hard way that many of our water management practices have done a great deal of damage to our environment, and we have had to change our ways in order to manage such things as environmental flows and salinity.

Regional Victoria, where 80 per cent of Victoria's water is used, has learnt those hard lessons. We have learnt that water is a finite resource and that we must use it wisely. We have learnt the value of better irrigation practices and the value of recycling as much water as possible. But metropolitan Melbourne has not yet learnt that lesson.

I am pleased that one of the roles of the advisory council will be to assist with the long-term planning and sustainability of the water industry including reducing Melbourne's water use per capita by 15 per cent by 2010 and increasing water recycling to 20 per cent by 2010. However, I am disappointed that the target is only 20 per cent rather than much higher, as it should be. My other disappointment with this bill is that although the government says it is committing $320 million for the establishment of the water trust, this is not nearly enough. If the government is serious about securing Victoria's water future it must invest in water savings measures that require in excess of $1 billion to be successful.

Mrs Carbines spoke about the federal government's non-commitment to the Wimmera–Mallee pipeline, but she forgets that her own government actually promised $40 million to the Goulburn irrigation system for an upgrade of the irrigation infrastructure in the lead-up to the state election. Now where is that $40 million? It is on the never-never list.

Mr Pullen — It will happen.

Hon. W. A. LOVELL — It is on the never-never list, Noel. Shame on the Bracks government! A key election promise of $40 million that has not been delivered.

I support the bill. It provides the opportunity to introduce greater expertise into the water industry, but I am disappointed that the Water Trust Advisory Council will be severely under-resourced.

Hon. S. M. NGUYEN (Melbourne West) — I would like to make my contribution to the Water (Victorian Water Trust Advisory Council) Bill. I think the importance of the bill is to point out the Bracks government's commitment to make the people of Victoria aware of the uses of water. The bill mentions clearly why we want to do this and the reasons for establishing an independent advisory council. Such a council can look independently at rainfall issues and how we can manage water better. At the moment in Victoria we need to save water as much as we can and also re-use it and not waste it. The Labor government wants to deliver on this commitment, which will implement the $320 million Victorian Water Trust to secure Victoria's future water needs.

At the beginning of this year the Deputy Premier, John Thwaites, and I visited Werribee to launch a program of tree planting using recycled water. The minister will appoint five members to the advisory council who have experience in the environment, finance, water infrastructure and community services and whose understanding of those things will help them do a good job for Victoria. The terms of appointments will be about three years, and after that the minister will review them.

As we can see, in the last 12 months Victoria has not had enough rain, and so the government has to make tough laws to try to save water. The people of Victoria will have to use water carefully, because a lot of water is wasted in washing cars and watering gardens. These days we have to be more careful. We cannot use what we want to use and we have to know when we are allowed to use it and how much we can use. At the same time we have a drought problem in country Victoria. There is not enough water in our rivers and creeks, so this has become an issue for the Deputy Premier, John Thwaites, in his new portfolio as Minister for Water. The problem is going to be much greater if we do not start to address it now. We have to do it as soon as we can. The people of Victoria have to be advised on how much water they can use and how not to waste it.

In an article in the Altona *Times* of Tuesday, 20 May, the Minister for Environment, John Thwaites, launched the Sustainability Street program at Altona. The program aims to encourage western suburbs residents to reduce the impact of daily living on the environment. The minister said the program teaches techniques that can lower energy and water bills without impacting on living standards. That is very good. You can save water and not have a negative impact on your life. The program is run by City West Water at a cost of $190 000. This is a good example of how the minister and the government are trying to make the community aware of the program.

The program encourages people to water gardens with water from the shower, compost garden waste, use kitchen scraps to feed worm farms that will help to fertilise plants and catch rainwater in a tank. This is what the government wants to do — to get the community to understand how to use water. The bill mentions what we have to do to help the community. The spokesman for the minister analysed many important matters in this year's budget. He mentioned that $10 million had been allocated over four years for smart farms, which will help many people in rural areas. That is aimed at conserving water on gardens, healthy reserves, resourcing and recycling and the pensioner program. This is what the minister mentioned in his budget speech last week.

The government's $10 million investment into smart farms is aimed at encouraging Victorians to better utilise our precious water resources, and the government has committed $60 million to support the implementation of the Victorian river health program.

The pensioner program is to assist the replacement of home plumbing for pensioners. The government has committed $2 million over two years to help pensioners replace their inefficient plumbing and appliances in their homes. That sounds good because a lot of old ladies or pensioners would not know how to fix plumbing if there is a problem.

An Honourable Member — And men, too.

Hon. S. M. NGUYEN — And men, too. The fund will allocate up to $500 per household. People can apply for it, although they must be concession holders including low-income family units. This is a new program and the community should be aware of how they can use it to make sure people do not waste water simply because they cannot afford to pay to fix their plumbing problems. This will help to fix things in their homes. This is an example of the government's commitment to fixing water problems in Victoria.

The advisory council will have a lot of ideas. It can talk to the community, business sectors and environment groups that will know the best way to tackle the problems. Also the council will be able to introduce new ideas. I am sure the minister will look at the

council's view after it has got together and worked out the best way of working with the minister to do that. The government will look at the potential for future funding in Victoria because country Victoria has had drought problems. We have to know how to tackle problems without a lot of cost. Farmers will play an important role in their consultation with the advisory council.

The government wants to deliver on its promises. I was approached by a visiting overseas group that came to Victoria and asked what Victoria had done to save water. Many countries do not have similar models and many farms have suffered for too long because of drought. They would like to learn how we do it. Especially in Werribee in my electorate we reuse waste water to help farmers. The government is looking to farmers who are keen to tackle the project. In conclusion, I support the bill.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

FAIR TRADING (AMENDMENT) BILL

Second reading

Debate resumed from 21 May; motion of Mr LENDERS (Minister for Consumer Affairs).

Hon. A. P. OLEXANDER (Silvan) — I rise to put the opposition's position on the Fair Trading (Amendment) Bill. In doing so I put on the record that the opposition will not be opposing the bill. We have not taken an outright support position on it, but I point out to the chamber that in negotiations with the minister we have decided to expedite the passage of the bill in a timely manner. We understand that the minister has made commitments to certain industries for certain things to take place. One of the precursors to those actions is that the bill do pass Parliament in this sitting, before the winter break.

The opposition has taken a cooperative approach at that level. However, we do have concerns about the potential impact of the bill on both consumers and business, and I will point those out in the course of my presentation, notwithstanding that our position is not to oppose it. Our key concerns on the bill relate to three key areas. The first is the ability of the minister to exempt recreational service providers from the requirement to obtain signed statutory waivers from consumers of their services; we are concerned about that provision. We are also concerned about the increased powers of the director of consumer affairs, which are quite wide ranging. We believe there is a lack of commensurate increase in scrutiny of those powers; that is of concern to the opposition.

We are also concerned about and interested in the capacity of the minister to immediately suspend the business licence of a goods or service provider for 14 days pending the carriage of a cancellation application. These three key areas are what I and my colleagues have discussed and which concern the opposition. However, they have led to us taking a position of not opposing the bill. Before I elaborate our concern about the bill, I shall put the legislation into some context for the chamber. I have said before that very few pieces of legislation stand in isolation from other things that have been done by successive governments. This legislation is no exception to the rule.

There is a very long history of consumer and business trading reform in the state, and many of those reforms and initiatives have been undertaken by the previous government. The second term of the Kennett government was characterised by its forthright and progressive initiatives in the areas of consumer affairs, business and market reform.

Those reforms, which were undertaken from 1996 onwards, ensured a much more equitable marketplace for traders and consumers alike and instituted many new protections for Victorian consumers which had previously not existed. Some examples of this were the Motor Car Traders (Amendment) Bill, which addressed the concerns of both consumers and the industry in relation to the operation of unlicensed motor traders. The jurisdiction for complaints before the Small Claims Tribunal was also increased from $5000 to $10 000 to recognise and accommodate the higher value of individual transactions taking place in the marketplace. That was the key reform.

The Shop Trading Reform Bill obviously saw the extension of retail trading hours in the state, and that was a huge boon for consumers and businesses alike. The Hire Purchase (Further Amendment) Bill was another key initiative and reform which has been undertaken in the past, again by the Kennett government, which saw the retention of the existing statutory protection of farmers while additional time was taken to consider the enactment of a specific purpose act for rural finance. This was an important initiative. It temporarily limited the archaic provisions of the existing hire purchase agreements which were

operating at that time in Victoria, again another very important consumer reform.

The Gas Industry (Amendment) Bill and the Electricity (Miscellaneous Further Amendment) Bill established a competitive market and a regulatory framework to ensure that all consumers of energy were well served and that competitive pressures in the market were maximised to ensure the lowest sustainable prices, and that service standards continued to meet consumers expectations. There was a very deliberate price quality motivation, a price quality trade-off, which benefited consumers in that legislation.

The Consumer Credit (Finance Brokers) Bill, another initiative of the Kennett government, implemented the recommendations of the national competition policy review by removing unnecessary restrictions on the finance broking industry but at the same time retaining and indeed improving essential protections for clients and consumers in the industry sector.

The Fair Trading (Inspectors Powers and other Amendments) Bill, another initiative of the previous government, is a direct precursor to what we are debating today. That resulted from the government's commitment to reviewing the legislative framework relating to fair trading and consumer affairs in total. Specifically, it ensured that powers given to inspectors under the fair trading portfolio were appropriate and necessary. This was in response to the confusion that existed at the time surrounding the various matters in which inspectors were appointed and empowered in the past. That confusion was corrected to the benefit of both business and consumers in the state.

The Fair Trading Act which is being amended today and which was another initiative of the Kennett government was the product of very extensive consultation with industry and consumer groups in the life of the Kennett government. It involved liaison with key agencies and fair trading agencies across the country, not only in Victoria, and effectively consolidated four existing acts at that time, the Consumer Affairs Act 1972; the Ministry of Consumer Affairs Act 1973; the Fair Trading Act 1985; and the Market Court Act 1978.

The rationalisation process, which is continuing today, was commenced directly by the previous Kennett government. We are pleased to note that this process continues, and we see this bill representing a further continuation of that process. This is serving to reduce the burden on both business and consumers in ascertaining their respective rights and obligations legally within the framework of consumer affairs.

There were also important Kennett government initiatives with the Office of the Regulator-General which again complemented regulatory power and augmented and enhanced consumer rights in the state. The legislation was supported by all sides of the Parliament at the time.

We understand the bill has come to us as a result of the Fair Trading Act review reference panel, which worked during 2001 and 2002 and has made a very comprehensive series of recommendations on further improvements to the Fair Trading Act to government, many of which have found their way into this amendment bill. We acknowledge that the key stakeholders who participated in that process were the Australian Retailers Association of Victoria, the Victorian Employers Chamber of Commerce and Industry, the Consumer Law Centre of Victoria, the Financial and Consumer Rights Council and the Law Institute of Victoria as well as various academics from the law faculty at Monash University. There was also a representative from country Victoria who gave that perspective to the panel. Generally speaking, having consulted with these groups, the opposition is aware that they are generally supportive and comfortable with the bill and most of its provisions. Our three key concerns, which I mentioned earlier, have been raised privately with us by some of the participants. They share those concerns.

It is beholden on me at this time to elaborate on those three areas. I mentioned before that one of them was an area relating to statutory rights and the limitation of liability. The Fair Trading (Amendment) Bill is touted by the government as continuing on the work of the former government, which is certainly true, but it says that it will specifically focus on the transformation of the act into the most advanced consumer protection legislation of any state or territory.

It is said to implement a majority of the recommendations provided to the minister by the review reference panel, which I have just mentioned. The resulting bill claims to protect so-called vulnerable consumers from rogue traders but this, to us, seems a flimsy distraction to the more severe changes which are being implemented with relation to liability in the state.

New section 32N of the bill permits the supplier of recreational services, as they are termed, to limit their liability with respect to injuries or death sustained by a consumer where they have signed a waiver prior to the receipt of those services. Recreational services for the purposes of this bill mean services that consist of participation in, firstly, a sporting activity or similar leisure time pursuit, or secondly, any activity that

involves a significant degree of physical exertion or physical risk and is undertaken for the purposes of recreation, enjoyment or leisure.

So there is a very deliberate and clear exemption or waiver power on the statutory rights of consumers who contract for these types of activities.

At present insurance companies are either refusing to insure these recreational service providers or charging a premium of such magnitude as to preclude the great majority of operators from taking up their product. This is due to recent developments in the common law that fail to limit the liability of operators in the event of death or injury.

Given the public liability insurance crisis that Victoria now faces, the government has been forced to underwrite the public liability of various organisations at considerable taxpayer expense. By limiting the liability of providers, insurance of recreational service providers once again becomes an attractive prospect for insurance companies and it increases the likelihood of their return to the market. As such, it will serve to reduce the burden on the state government.

The opposition is keenly aware, as are many in the industry, that many of the waiver provisions in this bill will have a direct impact on not only consumer rights but the attractiveness to the private sector of re-entering the market, which would thereby reduce the government's exposure in the public liability area. Where risk is reduced when consumers are limited in their claims against a service provider, obviously an insurer will find that a more attractive and reasonable financial prospect to cover and to underwrite.

That is certainly the case with this bill, and the opposition has a concern about that measure. Trading off consumer protection and rights for a bottom-line financial result is not always the best way to operate in government, particularly where there is no scrutiny of that trade-off and information about it is limited — and that is certainly the case with this bill.

Essentially the bill provides that, in the provision of goods or services, recreational or otherwise, the provider may require the consumer to sign a waiver removing the statutory rights of the consumer whilst limiting the liability of the provider. Under this bill providers are within their rights to refuse provision of a service if the consumer refuses to comply. If a consumer does not sign the waiver form the provider of the service can say 'Well, sorry, I cannot contract with you; you cannot get on the ski lift', or 'You cannot get into the boat to do the whitewater rafting', or 'We will not allow you to do the bungee jump' — or to go up in a hot-air balloon or whatever activity the consumer wants to undertake.

The implications of the waiver are that insurance companies that have removed themselves from the market due to the uncertainty surrounding public liability are likely to return to the market, given the favourably altered conditions this bill will create. Whilst it is concerning to us, the waiver of statutory rights does not prevent — and this is an important point — the victim from seeking recompense at common law. If there is a clear case of negligence, or a consumer believes there is, consumers can still take an action at common law to enforce their rights. But that waives certain statutory rights which consumers have or which are read into all contracts as a result of Goods Act provisions. Those statutory rights are at issue here.

The greatest concern the opposition has is with the section 32NA exemption from waiver form requirement, which allows the minister to assert the discretionary power to exempt either entire industries or specific businesses from the requirement to obtain waivers from their consumers. I have explained to the chamber that the government's seeking to allow businesses to obtain these waivers and limit consumers rights says something about its motivations. But there is an added provision in the bill which allows the minister, on a discretionary basis — and, we believe, potentially on an arbitrary basis — to decide that they do not even have to do that. So consumers are not actually required to give their written consent to a waiver on their rights. This is probably the key issue that concerns opposition members.

This means that in circumstances that might arise the statutory rights of consumers could be removed without their knowledge and without them being provided with the opportunity to decline the service or its conditions. That is a serious worry in this instance. Consumers have the right at least to be informed of what their rights are in any given circumstance. Unfortunately this bill does not provide for that if a ministerial exemption is granted. We hear often and loudly from the Bracks government, particularly from the Minister for Consumer Affairs, that the Bracks government's whole motivation in the area of consumer affairs is the protection and empowerment of consumers. We protect them by making sure they have recourse to the law for their protection and we empower them by giving them the information they require to make informed decisions. Both of those tests are obviously not satisfied with this legislation, and in the most serious of ways.

The government has asserted both publicly and privately that this provision is intended for use only in the ski industry, where it contends it is impractical, given the sheer volume of people who will be visiting the slopes this season — and we believe some 400 000 Victorians will attend a ski slope in the winter season this year — for each and every one of them to sign a waiver declaration to acknowledge and give consent to their rights being signed away.

The government is telling opposition members and everybody else that this is a provision that would be used just in the context of the ski industry and that that would be for a very limited time — perhaps one ski season. The minister has articulated that he is reticent to use the mechanism of providing the exemption to the written waiver but considers it important to allow industries such as the ski industry to determine the best manner in which to proceed with the requirements of this legislation.

That is an interesting point for the minister to have put. If that is actually his belief, the opposition questions the need for such a general provision in the bill. Why put in the bill a very general provision that could be used in a wide variety of circumstances, at the minister's discretion, if there is only one specific issue at stake here? For example, why would the government not have just exempted the ski industry in the statute, rather than determining that the power should apply — or could apply, potentially — to a whole range of others? This is a curious question which has not been answered and is the reason why the opposition is principally concerned with this abrogation of consumer rights in the bill.

The obvious concern is that once legislated the ministerial capacity to exempt certain providers could be used arbitrarily. Indeed, ministers change over time, as do governments and the circumstances surrounding the marketplace. Subsequent ministers, or indeed this one, could potentially use this provision to abuse the legislation.

It is also of concern to the opposition that the original bill did not include any mechanism for the scrutiny of that process. Under the original bill Parliament was not allowed to scrutinise that process. We on the opposition side have negotiated with the government and with the minister for an amendment to be made in this area which will at least provide the Parliament with some scrutiny power to oversee those exemption rulings. We will do that later in the committee stage by moving an amendment to the provision so that the exemption will exist as a disallowable instrument.

Discussions with the government so far have led me to believe that the government will support that amendment. If that is the case, the opposition congratulates the government. The opposition believes that type of scrutiny for such a serious power, which would impact on business and consumers alike, is justified.

Given that the government has indicated it will support the amendment, the opposition understands the government has come to a similar conclusion. However, the opposition is realistic about the ability of either house to obstruct such a ministerial exemption, because obviously the government has the numbers in both houses.

Hon. S. M. Nguyen interjected.

Hon. A. P. OLEXANDER — The opposition is fully aware that the Bracks government has a majority in both houses of Parliament, and if the minister decides to exempt an industry from its requirement to inform consumers of their rights it can do so with the support of both houses. But the opposition also sees that it is important for all members in Parliament, both houses, to be alerted when consumer rights are abrogated in this way because at least as an alert mechanism the Parliament can fulfil its role to inform consumers that something has taken place which could impact on them and their safety in a very real way.

This exemption power would mean that in order for an industry or business to be exempted from the requirement to get written waivers from the consumers the exemption would need to be tabled. That is the subject of the opposition's amendment. It would need to be tabled in Parliament and lie there in both houses for a total of 18 days, during which time either house could potentially disallow the motion. As I mentioned, the opposition is under no illusions about the likelihood of disallowance occurring given that a minister makes a decision and that would probably be backed by the cabinet and probably by the majority of numbers in both houses. But I repeat that the opposition believes this is an important alert and scrutiny mechanism so that where this occurs the community can certainly be informed that there is an added risk to them or their safety if they undertake certain types of activities.

The second issue that I mentioned at the outset is that we are also very concerned about the increased powers of the director of Consumer Affairs Victoria. In some cases the opposition acknowledges these are sensible and practical measures; in other cases it has added concerns. In a general sense the amendment of section 100 of the principal act serves to extend the

functions of the director of Consumer Affairs Victoria to legislation other than the Fair Trading Act; and it also limits the director's ability to delegate newly delineated powers. Specifically, the director will now be able to continue to pursue legal proceedings against the provider of a good or service even if the original complainant themselves either withdraws their consent or requests that the action or sanctions be dropped. So this actually augments and enhances the power of the director of Consumer Affairs Victoria considerably. It removes the link between consumer-driven actions and the power of a bureaucrat in the government to actually take independent action and come down on the side of independent action.

Sections 106C and 106D will provide for the director to suspend a business licence and other trading and employment rights under the Business Licensing Act which are administered by Consumer Affairs Victoria (CAV). I am unsure as to who currently has the capacity to suspend licences, but it seems concerning that an individual should be able to take such a decision in isolation. It would be helpful to the opposition if that issue were clarified in the debate because it would certainly like to know whether it is the authority or whether it is the director of CAV or both of them working with each other.

The director and the minister have a new ability to issue public warning statements with regard to unsatisfactory goods and services, unfair business practices and unsatisfactory or unfair suppliers. The opposition believes this is problematic to the extent that there exists no burden of proof on the part of the director. The burden of proof is important, because when you are issuing public warnings and doing things of that nature you can very seriously impact on the viability of a business and on the reputation of that business in the public domain. The opposition would have thought that burden of proof would have been a precursor to that type of power, but unfortunately it does not seem to be. So their ability to issue a public warning with the potential to have a large impact on business and on consumers alike is entirely discretionary and is, the opposition believes, without accountability. That is also a serious concern to the opposition and many in the private sector.

There is a divergence between the bill we saw introduced in 2002 and this one — this is the second go. The opposition believes this one is better, but not perfect. The original bill provided for telemarketing to be subject to the same restrictions as door-to-door sales. During an extended period of consultation, which has just concluded, the government agreed to withdraw that amendment until such time as a more equitable solution for utility industries — such as gas and electricity — could be worked out. The government has expressed its desire to come back to the matter of telemarketing in the spring sittings. The opposition would certainly welcome that: a close eye has to be kept on the cooling-off provisions in this area because consumers are often pestered or hounded and often make decisions on the spur of the moment, for which there should appropriately be cooling-off periods. The opposition wants that to be revisited and certainly supports the government's intention to do so.

The original bill did not allow the minister to provide a waiver exemption for any industry or individual business, but this one does. There were changes that would have required the print media to identify both the name and address in any classified advertisement of a business that is advertising. That requirement was removed due to strenuous representations outlining the financial impacts on the media and the lack of privacy that it provided for sellers, many of whom were private individuals. By way of a compromise, under this bill the print media are now required to keep a record of the name and address of any person placing a classified advertisement so as to enable tracking if that becomes an issue, but certainly it is not required that that be in the advertisement itself. That has certainly put many people's minds at rest.

The government has also made changes between the last bill and this bill based on the consultations with the direct sellers associations. Party plans, which mean events such as Tupperware or Nutrimetics parties in people's homes, have been exempted from the door-to-door sales requirements due to a lack of feasibility.

Given the fairly significant changes this bill brings forward, in particular with the minister's capacity to exempt certain recreational service providers from the requirement to obtain statutory waivers, the opposition believes it would have been prudent for the government to allow both the industry and consumer groups the opportunity to respond to the likely impact of such a change specifically, and the fact that the government chose not to do so is of concern. It does not seem to the opposition that that is the transparency required in a situation like this and it has some practical implications which will have to be dealt with after the passage of this legislation.

If there is no issue around the corner that we are going to be faced with because of an expansion of these exemptions in the industry and if the government believes the bill it has presented us with truly offers greater protection for Victorian consumers, we ask the

question: why not allow the key stakeholders the opportunity to both view and comment on its contents? What is the motivation in not allowing that to occur? There are practical issues now that a business has to face if it is granted an exemption. One of those is how, then, it informs consumers of their rights because there will still be a requirement to inform them — it is just that you do not have to get their written consent. So is signage going to be the mechanism? Is something written on the back of a ticket going to be the mechanism?

None of these questions has been answered. They are practical implications. They could potentially affect the viability of businesses and the lives of many consumers. They have not been but need to be dealt with. If the stakeholders had been able to consult on this particular provision to a greater degree these things might have been sorted out.

Given that the government is purporting that the bill is going to do two things — increase protections for consumers and create a more conducive environment for the return of private sector insurance companies of recreational services and other industries affected by public liability — we say that the truth is that the government cannot provide that type of guarantee in this bill. You cannot claim that you are doing both simultaneously, because one is facilitated by the other. A return by private sector agencies to insuring adventure tourism activities, for example, would necessitate a reduction in the risk they are exposed to, and that reduction in risk is facilitated by this bill. Consumers will be, in certain circumstances, at much greater risk than they were before.

This provision tells the people of Victoria that the state government is going to take it upon itself to abrogate certain statutory protections that it already has access to. It seems curious to us that in a democratic society that was going to be done without any scrutiny by the parliamentary process.

Indeed, even once waivers are granted and businesses decide their mechanism of informing consumers of these waivers of their rights, the truth is that nobody is going to understand whether at law that is sufficient or not. That will have to be tested in many respects in the courts. Nobody — not insurance companies, not consumers and certainly not the state government — is in a position here and now to make any guarantees about that issue. The opposition is certainly very concerned by that. There will be litigation surrounding some of these issues, and there probably should be, because they need to be clarified and consumers obviously are going to be the ones taking action to clarify them.

In conclusion, we need answers in this debate to questions about the waivers of rights and the steps the minister will be taking to ensure those affected will be informed. We believe that informing process is extremely important. We want the minister to answer in this debate how he will require industries to inform consumers about the diminished protection of their consumer rights.

We are, however, delighted to see that the government is going to support our amendment for some scrutiny of the minister's exemption power and the requirement that the capacity of the minister to waive the statutory rights of consumers be a disallowable instrument.

As I have said before, that means that 18 sitting days after the exemption is promulgated it has to rest on the table of both houses of Parliament and that either can move to vote to disallow the exemption. At least that will allow an opportunity to debate whether it is an appropriate exemption. We are realistic about our ability as an opposition to prevent any exemption being granted in the short term and that probably bestrode much of the government's thinking in supporting the amendment because it is also acutely aware that we would not be able to stop an exemption being granted, but we are of the hope that at least this mechanism of parliamentary scrutiny will at the very least serve to alert the Parliament and the people of Victoria to the potential abrogation and increased risk to their safety in undertaking certain activities.

The opposition, as I said, does not oppose the legislation. I foreshadow that when we reach committee stage we will be moving the amendment I have spoken of. We encourage the government to support it. To the extent that the government has indicated it will, we congratulate the government on accepting it.

As an opposition we will be watching very closely how the exemption power of the minister is used. We will be watching the way in which the director of Consumer Affairs Victoria exercises new and significant powers. We will be bringing issues of concern with the practical operation of this bill back to the Parliament on a regular basis. Notwithstanding that, the opposition does not oppose the legislation, and I wish it a speedy passage.

Hon. D. K. DRUM (North Western) — It is with pleasure that I rise to contribute to the Fair Trading (Amendment) Bill debate. I will run through some parts of the bill that are of special interest. As we have heard from the Honourable Andrew Olexander, the bill

advances the consumer protection aspects of the Fair Trading Act 1999 in an attempt to engender greater confidence in Victorian communities.

By bestowing increased pressures on the director of Consumer Affairs Victoria in relation to substantiation of product claims he will have additional powers in the public naming of rogue traders, the suspension of business licences of rogue traders and the ability to obtain a cessation of trading injunction. He will also have the ability to issue a show-cause notice as to why a rogue trader should be allowed to continue trading once it has been established that its practices have been questionable.

The bill increases the maximum penalties for companies and individuals to $120 000 and $60 000 respectively, which is over a 100 per cent increase on previous maximum penalties. As we have been told, this is simply to bring the ratio back in line with the Trade Practices Act of 1974 which has had its maximum penalties subsequently increased.

There is an aspect of the bill that deals with the prohibiting of unfair terms in consumer contracts. This is very welcome news, especially to many of our young people who find themselves acting on impulse quite often and entering into contracts, such as contracts with mobile phone companies that may be offering up-front phones for no dollars at all, only to find that they commit themselves to monthly quotas they may or may not be able to afford and sustain.

Some of the issues that also come to mind are the infamous book clubs, record clubs and CD clubs, where these contracts are instigated by a consumer looking for the cheap freebies up front only to realise that despite consistent and persistent sending back of the goods, writing to the companies, ringing the people up and telling them you are no longer interested or that you are only interested in the trial period — that you were only interested in the look-and-see options — and despite the best efforts of consumers to return these goods, these companies continue to lump their goods on your doorstep. So if we were able to help many of our consumers with their understanding of what is deemed to be unfair terms, then we think it is going to pressure these businesses into operating in a generally more ethical fashion. We hope it has that desired effect.

Consumer contracts will also need to be written in plain English, which is another welcome aspect. We could probably introduce some of those aspects to some of our bill writers. If we could have someone from the government take that back, that would sometimes help the mere mortals. If we could have them written in plain English, that would be certainly beneficial to everybody trying to work through some of these *War and Peace* contracts that we get every now and again.

The bill offers significant restrictions to door-to-door salesmen, and the working hours they will be now be permitted to work will be from 9.00 a.m. to 8.00 p.m. throughout the weekdays and 9.00 a.m. to 5 00 p.m. on Saturdays, and they will be prohibited from working at all on Sundays or public holidays. I think this is a good aspect of the bill in relation to families and family time. They will also have further restrictions placed on the length of time they can present themselves at any one address to an hour. These restrictions must be made very clear to potential consumers when they do their doorknocking. This needs to be explained to the customers. There are additional penalties in place should they fail to properly explain those restrictions.

Cooling-off rights have been expanded in the bill, which no doubt will help customers by inadvertently pressuring vendors to sell products and produce goods that offer continued satisfaction to the purchaser and not leave the purchaser with a feeling of 'I have been done over. It sounded good when I heard the words of the salesman. It sounded like I needed it', but in the real cold light of the day consumers may be left with a product they really do not want or need. The extension of the cooling-off period and expanding of the rights certainly has the ability to help many of our vulnerable consumers.

These door-to-door provisions have been extended to include sales seminars where consumers are bussed into particular premises. That also had an interesting aspect to it. The concept is that these consumers are in fact captive — 'prisoner' is not the right word — but they are in what is called a captive market, and effectively they cannot go home until the business or the trader who has brought them into their premises takes them home again.

I do have one question which perhaps the Minister for Energy Industries might be able to pass on to the Minister for Consumer Affairs: where does this provision leave industries like wine tours on a Sunday? If they are going to consider that bussing people into your premises is now being correlated with door-to-door sales work, if a person or a group of people voluntarily offer themselves to go into a premises on a Sunday are they in fact allowed to do that? The provision says that it is now being lumped in with door-to-door salesmen, and therefore that type of thing, that captive audience, as they say, has been prohibited on Sundays and public holidays. I am sure

that commonsense will prevail and there will be a very standard explanation along those lines.

Also with this bill there is what I would call the usual Bracks government name change, and there will be a name change to Consumer Affairs Victoria from what we previously had, which had the word 'business' in it as well. One would hazard to guess the expense placed on Victorian taxpayers with the constant practice of changing the names of government departments and agencies.

There is a provision dealing with pyramid selling and related schemes and the sharing of burden of proof by the prosecutor and the defendant. Consumers Affairs Victoria inspectors will have the ability to make application to the court to retain material seized under a warrant or a court order.

Clause 36 of the bill relates to lay-by agreements and the cancellation process by which lay-by agreements can be terminated. Again it deals with the physical returning of goods over the counter, oral cancellations, phone or postal cancellations, and it stiffens the penalty for any business that might happen to lead a purchaser to thinking that certain goods or items are going to be available at the completion of the lay-by period when in fact it knows those goods will not be available. I think that is a very good part of the bill. Again this only serves to protect genuine people who are going in to purchase goods on the lay-by method.

Clause 51 of the bill deals with the Small Claims Tribunal having exclusive jurisdiction over claims made to it, and any proceedings by the trader in a court with respect to these claims will be disallowed or dismissed. Therefore once a claimant makes his claim to the Small Claims Tribunal, that is where the dispute will stay. This is aimed at protecting the smaller consumer from having their claim taken from the Small Claims Tribunal to the courts, and we know only too well where this action can sometimes lead. We need to protect consumers with genuine claims from being strung out by the larger corporations through a whole legal process which is sometimes the corporations' only defence. The ability of larger corporations to bottle up a particular case with legal process or legal jargon, to threaten huge delays and to forewarn claimants that they will go to appeal should any finding be made against them provides consumers who have taken their claims to court effectively no chance of recompense.

We believe this part of the bill has a lot to offer, and we find that the expected time savings with the leaving of these claims in the Small Claims Tribunal or the Victorian Civil and Administrative Tribunal to be just as beneficial as any future financial savings that we may be able to come across. VCAT's powers will also be expanded to enable it to resolve disputes. The bill gives the tribunal the power to resolve fair trading disputes by enabling it to declare that a debt is no longer owing, or to order a party to do or refrain from doing something. It has the ability to deal with small personal injuries claims attendant on a consumer and trader dispute, and to enable the tribunal to transfer a consumer and trader dispute to court if it needs to do so.

It has expanded the extraterritorial reach of the act to the maximum extent particularly to catch the activities of interstate Internet traders operating throughout Victoria and with the increase in information technology this is a welcome part to the bill. It also clarifies that the director's powers to deal with the breaches of the act extend to other legislation administered by Consumer Affairs Victoria.

The National Party has consulted extensively on the bill with the Australian Consumers Association, the Australian Direct Marketing Association, Coles Myer, the Consumer Credit Legal Service, the Consumer Law Centre Victoria, the Victorian Employers Chamber of Commerce and Industry, the Victorian Civil and Administrative Tribunal and the Financial and Consumer Rights Council.

This bill is minus a couple of clauses from that of the bill that was introduced into Parliament in spring 2002: a telemarketing cooling-off period provision has been taken away and a provision requiring businesses to list their names and addresses in advertising. The first provision has been taken off with the view that it will be reintroduced, maybe in the spring sitting this year, and the second provision has been taken off because of privacy issues. It has been adequately compensated by the requirement for businesses to provide licence numbers and business names. It is no longer seen as necessary to provide individual's names.

There is a serious urgency associated with the passage of the bill due to the implications for the ski industry. Therefore as part of the bill there is a waiver to deal with. The exemption clause which was not initially mentioned in the second-reading speech was a genuine concern in the context of the urgency required in preparing the National Party position on the bill — we had three or four days in which to prepare our position on this bill due to the haste with which the bill was introduced into the Parliament. The second-reading speech is larger than some of the bills we have to deal with. The bill has 134 pages and the relevant issues would normally take up half a dozen pages. In this

instance the notes on the relevant issues have taken up over two-and-a-half pages.

When the bill is passed I hope the government is genuine in its acknowledgement of the work done by the two opposition parties. This is an example of the government finding itself in a difficult situation and it has called in the Liberal and National parties to expedite the passage of the bill. The cooperation shown by the three parties in the house is indicative of how I believe Parliament should work more often.

In the 2002 spring sitting, the Wrongs and Other Acts (Public Liability Insurance Reform) Bill was passed. The legislation provided for the introduction of waivers that would allow people to accept responsibility for their participation in recreational and adventure activities. Standard waiver forms were proclaimed on 1 May 2003 requiring businesses to get participants to complete the form before they engaged in the activity. The ski industry, especially at Mount Bulla and Mount Hotham, has expressed concern that it cannot meet the requirements of getting their 400 000 skiers to fill out the forms and sign the waiver for the upcoming 2003 season. Currently the minister is unable to exempt a single industry from the legislative requirements. The bill therefore proposes to give the minister the power to exempt the industry from the waiver requirements thus giving the ski industry the respite it needs for the 2003 ski season.

Effectively the waiver allows the minister to allow discretionary exemption of the waiver forms in a specific industry. The minister has given the National Party an assurance — and to the National Party this is an area of extreme importance — that the exemption is only for the ski industry. He has also given us an assurance that it is only for one year. The minister has given us an assurance that at the conclusion of the debate today he will make his intentions known to the house and put his response regarding these two assurances in *Hansard*. We expect that to happen. Our position on this bill has been taken in the light of those assurances from the minister.

We support the opposition amendments for a disallowable instrument in relation to this waiver. As the government has indicated it will also support this amendment, we do not oppose the bill. I reiterate my earlier statement that I truly believe this is an example where the government, having found itself locked into a corner possibly through no fault of its own, but nevertheless locked into a difficult situation, has called on the cooperation of the other two parties in the house. That cooperation has been given wholeheartedly and I like to think that due recognition is given to both the Liberal Party and the National Party.

Ms MIKAKOS (Jika Jika) — It is with great pleasure that I rise to speak on the Fair Trading (Amendment) Bill. At the outset I express the government's gratitude to both the Liberal Party and the National Party for assisting in expediting passage of this very important piece of legislation. The government certainly welcomes the cooperative approach demonstrated in the debate today.

This legislation, as I indicated, is very significant because the Fair Trading Act 1999 is the principal piece of legislation for consumer protection in Victoria. These amendments will bolster the protection that Victorian consumers can derive under the legislation and will go along way towards providing greater legal certainty between traders and consumers and greater protection for consumers.

I want to begin by giving some background on how this legislation came before us today because it will indicate the very consultative approach that the government has undertaken.

In December 2000 the then Minister for Consumer Affairs announced a review of the Fair Trading Act, primarily to ascertain whether the act adequately addressed the needs of vulnerable consumers. The minister established a reference panel to review the act which included representatives from consumer groups, including the Consumer Law Centre and the Financial and Consumer Rights Council; from industry, including the Retail Traders Association of Australia and the Victorian Employers Chamber of Commerce and Industry; Dr Elizabeth Lanyon from the Monash University law faculty; retired professor Suzanne Russell; and Michael Redfern, a partner from Russell Kennedy, as a representative of the Law Institute of Victoria.

The panel was chaired by the member for Burwood in the other place and I congratulate him and all members of the reference panel for the significant work they did in reviewing the act and preparing an issues paper that went out for public consultation. The second-reading speech gives an indication of the wide-ranging submissions that were received by that reference panel. The panel presented its report on 18 June 2002 to the then Minister for Consumer Affairs and, as members would be aware, the minister accepted most of the panel's proposals for amendments. A bill was introduced and second read in the spring sitting last year, but lapsed when the election was called. Today we have before us a bill that is substantially the same as

the one that came before the Parliament last year, with a number of changes that were made following further consultation with affected stakeholders.

The key parts of the legislation relate to bolstering the enforcement mechanisms of the Fair Trading Act and in particular giving a number of new powers to Consumer Affairs Victoria to deal with rogue traders. Some of the new powers include the ability of CAV to issue to the public warnings about rogue traders; to temporarily suspend business licences of rogue traders; and to obtain cease-trading injunctions as well as issuing to rogue traders show-cause notices as to why they should be allowed to continue trading.

The new powers also require traders to provide proof of too-good-to-be-true product claims. Members would be aware of a number of claims that have been made in the past relating to alleged weight-loss solutions and disreputable introduction agencies. The new powers will allow a greater ability to deal with such matters in the future.

The legislation also allows CAV to issue infringement notices for breaches of the legislation and significantly increases the maximum penalties for most of the main offences from $60 000 to $120 000 for companies and from $24 000 to $60 000 for individuals. This increase in penalties should act as a significant deterrent to rogue traders in future.

The legislation shifts the burden of proof in pyramid scheme prosecutions to the defendant to overcome some serious problems in the bringing of prosecutions. It also broadens the reach of the referral selling prohibition to catch people involved in schemes other than the supply of the product. The bill strengthens the powers of CAV to investigate breaches of the legislation by, for example, giving the director of CAV the power to require the production of documents and the giving of sworn answers.

Another section of the bill includes a number of prescribed terms that will be prohibited in consumer contracts as being unfair in the future. Some of those provisions are based on United Kingdom legislation but this bill goes further as it allows a number of terms in standard-form contracts to be prescribed as unfair. For example, terms that permit the trader but not the consumer to terminate the contract or penalise the consumer but not the trader for breach of termination of the contract or permit the trader but not the consumer to vary the terms of the contract or to determine the price without the right of the consumer to determinate will all be prescribed as unfair terms.

The most obvious and significant change in the bill is that its express purpose will be the protection of consumers. The bill contains other consumer protection provisions. For example, consumer contracts will be required to be expressed in plain English — and all of us, lawyers and non-lawyers alike, welcome that change. In addition, the regulation of contact selling will include a cooling-off right. The hours of door-to-door selling and the duration of door-to-door visits will also be prescribed. For example, the hours of door-to-door selling will be limited to from 9 a.m. to 8 p.m. on weekdays and 9 a.m. to 5 p.m. on Saturdays. Door-to-door selling will not be allowed at all on Sundays and public holidays.

In addition to that the duration of a door-to-door visit will be limited to 1 hour. I am sure all of us who have had people knocking on our doors at weekends would welcome these changes as they can actually be a major invasion of privacy and quite obstructive to those of us who are limited in our free time these days and who look forward to a bit of recreation on the weekends or to catching up with the required tasks of our busy households. The provisions relating to door-to-door selling also require the cancellation notice to be conspicuously displayed in any material provided by a trader, and there will be a prohibition on payment for door-to-door services before the expiry of the cooling-off period.

I note that the Honourable Damian Drum raised some queries relating to door-to-door sales and situations where traders were bussing consumers into captive environments. I was not quite clear what the member was getting at, but my understanding of the bill is that in both scenarios the consumer will have the benefit of the cooling-off period, and door-to-door sales have additional protections for the benefit of consumers such as I indicated just now in relation to restricting the hours during which door-to-door sales may occur. I do not believe the bill would prohibit the example the member gave regarding visiting vineyards on weekends, because those bus trips would not be covered by the restrictions that relate to traders bussing in consumers to captive environments where they have organised that transport themselves.

The bill before the house also improves the regulation of lay-bys which is something many consumers use these days. It also removes a loophole in the prohibition on demanding payment for unsolicited goods, and requires traders to provide receipts and to itemise bills.

Another key part of the legislation relates to the jurisdiction of the Victorian Civil and Administrative Tribunal and in particular gives VCAT new powers to

declare a debt not to be owing, or to order the doing of or refraining from doing something. It also confers on VCAT a new $10 000 personal injuries jurisdiction if the personal injury relates to a consumer and trader dispute. These are all very important powers, because it has always been the intention that VCAT will operate as a low-cost and informal environment for the resolution of disputes between traders and consumers. For this reason a section 85 statement is included in the second-reading speech because we are seeking to enhance VCAT's jurisdiction to deal with these types of matters without consumers having to have recourse to the courts.

The bolstering of the legislation also includes a shift of the existing provisions of part 4 of the Goods Act of 1958 as they relate to implied terms in consumer contracts. Those provisions of the Goods Act will be repealed and will be relocated to this bill. It is important to note that last year the government, in response to the public liability insurance crisis and problems that adventure tourism operators were experiencing, moved to introduce provisions to the Goods Act that related to the limitation of liability in relation to the supply of recreational services. That provision will now come across to this bill. As I indicated, the whole of part 4 of the Goods Act is coming across to this bill. That provision allowed recreational services providers to limit their liability for death or personal injury if a consumer had signed a prescribed waiver form.

As has already been discussed by other members, I note that the ski industry has indicated concerns to the government as to its ability to introduce written waivers and require all consumers to sign them by the time these changes are introduced and in time for the start of the ski season this year. For this reason the government has moved to include an exemption from the waiver form in the terms of this legislation. I know the minister will be addressing this matter further, but the intention is that it be limited to the current ski season to give the ski industry time to prepare itself for these changes. We have been responsive to its particular needs because of the very important nature and size of the ski industry in Victoria, but I understand the opposition will move an amendment at the committee stage and that the minister has accepted that amendment and will address the matter shortly. I commend the legislation to the house.

Hon. W. A. LOVELL (North Eastern) — The purpose of this bill is to amend the Fair Trading Act 1999 to strengthen the consumer protection measures by giving new powers of enforcement to the director of Consumer Affairs Victoria. It allows unfair terms in consumer contracts to be void, further regulates door-to-door selling practices and increases maximum penalties for certain offences under the act. The bill rationalises Victorian consumer protection legislation by relocating part 4 of the Goods Act 1958 and the totality of the Small Claims Act 1973.

The Liberal Party does not oppose the legislation, but we have three key concerns about it. I will address those three key concerns. Our first concern with the bill is the ability of the minister to exempt recreational service providers from the requirement to obtain signed statutory waivers from their consumers. In the second-reading speech the minister claims that:

> 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 result is that, whilst claiming to protect consumers rights from rogue traders, this bill is a flimsy distraction to the more serious changes being implemented in regard to liability. Proposed section 32N in clause 11 permits the supplier of recreational services to limit their liability in respect to injuries or death sustained by a consumer where they have signed a waiver prior to the receipt of services.

At present insurance companies are either refusing to insure recreational service providers or premiums are so high that most operators are unable to afford them. By limiting the liability of recreational service providers, more insurance companies are likely to provide cover to recreational service providers. This bill will now provide that recreational service providers may require the customer to sign a waiver form prior to the provision of the service, removing the statutory rights of the consumer whilst limiting the liability of the provider. The provider will be within their rights to refuse the provision of the service if the consumer refuses to comply.

I am concerned that this waiver reduces consumers rights under the Goods and Services Act, but it is worth noting that this does not prevent the consumer from seeking recompense through the common-law system. However, the greatest concern is with proposed section 32NA — exemption from waiver form requirement — which allows the minister to assert the discretionary power to exempt entire industries or specific businesses from their requirement to obtain waivers from consumers. This means that the statutory

rights of consumers would be removed without their knowledge and without providing them with the opportunity to decline the service or conditions.

The government asserts that this is only intended for the ski industry because the ski industry would have a major problem processing the number of consumers accessing its services at any one time. If that is true, why does it not simply state that? Why are the words 'ski industry' not included in the clause? I wonder if the clause is purposely worded generally for the minister to use at his discretion. The minister has given us a verbal guarantee that this is not the case, but what about future ministers? This clause remains open for them to use as they wish. Mr Olexander has foreshadowed an amendment that would require this clause to become a disallowable instrument, and I support his proposed amendment.

Our second and third concerns are to do with the increased power of the director of Consumer Affairs Victoria and the capacity of the minister to suspend the business licence of a goods or services provider. In a general sense the amendment to section 100 of the act serves to extend the functions of the director of Consumer Affairs Victoria to legislation other than the Fair Trading Act, and it also limits the director's ability to delegate newly delineated powers.

More specifically, the director will now be able to continue to pursue legal proceedings against the provider of goods or a service even if the original complainant withdraws their consent or requests that the action or sanctions be dropped. Proposed sections 106C and 106D will provide for the director to suspend a business licence and other trading and employment rights under the licensing acts administered by Consumer Affairs Victoria.

The new ability of the director and ministers to issue public warning statements with regard to unsatisfactory goods and services, unfair business practices and unsatisfactory or unfair suppliers is problematic to the extent that there exists no burden of proof on behalf of the director. The ability to issue a public warning with the potential for a large impact upon industry and consumers alike is entirely discretionary and without accountability.

Clearly, with the current insurance crisis we face in this state something had to be done. I am concerned at the loss of consumer rights and about what industries may be exempted under proposed section 32NA. I do not oppose the bill, and I support the amendment foreshadowed by Mr Olexander.

Hon. S. M. NGUYEN (Melbourne West) — I support the Fair Trading (Amendment) Bill 2003. This bill is a step forward. When the Minister for Small Business was the Minister for Consumer Affairs she organised a lot of things in the fair trading area. Fair trading is about making things fairer for businesses and consumers in Victoria. We are talking about protection to make our businesspersons in Victoria do their jobs properly. Consumers have the right to believe that they get what they spend for products or services. Many people are good business people and are doing a good job in running their businesses. At the same time we have bad business people who have done a lot of things wrong and damaged our reputation.

Hon. W. R. Baxter — Con men.

Hon. S. M. NGUYEN — Con men — I agree, Mr Baxter. There are a few con men around in our society. We have to ensure the government keeps an eye open to protect our consumers. Consumers are always looking for good products at cheap and affordable prices. A lot of business people use misleading advertising. They try to attract people to buy their products. People tend to believe what they read in the paper, what they hear on the radio or what they see in advertising. I feel sorry for many of them. They buy the product but do not realise they are being tricked or taken in by a con man or a shonky business person.

We have to protect the consumers. All the products should be right and everything advertised should be correct to avoid conflict or legal disputes. Many businesses do not last long. They organise something and then run; you see a business there one day, but it will have gone the next day. It happens in many places.

I am sure the bill is designed to deal with the details carefully. Before introducing the bill we organised the review of the Fair Trading Act 1999. We invited people to make submissions — the public, consumer groups, business people, academics and people from the Law Institute of Victoria. The panel was chaired by the member for Burwood in the other place, Bob Stensholt. We received many submissions, phone calls, letters and emails. People raised matters of concern, and they want things to be fairer.

Retail is important for the economy because it employs many people, and we acknowledge their importance. That is why we want to protect good business people — those who create jobs for Victorians. Many businesspeople mislead consumers about their products, and the bill alerts consumers to their rights, the process of making complaints or suing the shonky businesspeople.

Consumer Affairs Victoria will have new powers such as warning the public about rogue traders. It can also issue infringement notices to or suspend such traders. Penalties have been increased from $60 000 for companies and $24 000 for individuals to $120 000 and $60 000 respectively. The bill also limits door-to-door selling because the sellers are sometimes never seen again. Consumers buying goods from a door-to-door salesman will now have a 10-day cooling-off period.

When consumers buy products and sign contracts those contracts must be in English. Many in the ethnic communities have complained to me because of businesses advertising in other languages. They find it hard to sue those shonky businesspeople because of that. The bill will ensure that contracts must be in English. The government will ensure that those who advertise in other languages understand what is required of them.

In conclusion, this bill will protect the interests of consumers, inform them of their rights and will ensure that shonky businesspeople will not get away with it. I commend the bill to the house.

Sitting suspended 1.00 p.m. until 2.01 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Budget: rural hospitals

Hon. PHILIP DAVIS (Gippsland) — I direct my question to the Minister for Finance. I refer to the scheme to consolidate the bank accounts of 70 rural hospitals into one central account. Does this scheme comply with all ministerial directions issued by the Minister for Finance relating to the management of bank accounts by government bodies?

Mr LENDERS (Minister for Finance) — Mr Philip Davis asked a question about, if I recall — —

An Honourable Member — It was only a couple of seconds ago!

Mr LENDERS — It was about rural hospitals and about a scheme of rural hospitals — —

Hon. Bill Forwood — It was about ministerial directions!

Mr LENDERS — Ministerial directions — —

Hon. Bill Forwood — Your ministerial directions. You're the Minister for Finance.

Mr LENDERS — Thank you for your assistance, Mr Forwood.

Mr Atkinson — You were struggling to recall, as I recall.

Mr LENDERS — We have a rather frisky question time today. Mr Philip Davis asked a question about whether a scheme regarding rural hospitals met all the requirements of the Financial Management Act. I will certainly consult with my colleague the Minister for Health on any scheme and report back accordingly.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — That was an amazing response, just as yesterday's response was amazing. The minister yesterday refused to answer questions about rural hospital bank accounts, and he has done so again this afternoon, implying that it is not his responsibility but that of the Minister for Health. Given the existence of ministerial directions by the Minister for Finance relating to the management of such bank accounts, has the minister misled the house in relation to his responsibilities?

Mr LENDERS (Minister for Finance) — Mr Philip Davis asked whether I had misled the house. He has asked the question. He has not made the accusation, but it is a statement. I thought I would have answered absolutely clearly yesterday here when I had a series of questions put to me — hypotheticals some of them, or statements some of them — about whether certain funds were aggregated, about other ministers' portfolios and my responsibilities under the Financial Management Act.

I absolutely do not resile from the fact that the Minister for Finance has responsibilities under the Financial Management Act to monitor schemes that are in place. Questions asked yesterday primarily were about schemes, and seeking answers of specific ministers — and hypothetically others — that the financial directions were the responsibilities of the Minister for Finance. I think my answer to Mr Philip Davis was quite clear that so far as — —

The PRESIDENT — Order! The minister's time has expired.

Federal budget: Aboriginals

Mr VINEY (Chelsea) — I refer my question to the Minister for Aboriginal Affairs, Mr Jennings. Will the

minister advise the house on the impact of the recent federal budget on Victoria's indigenous community and a number of projects that the Bracks government is pursuing in partnership with the Aboriginal and Torres Strait Islander Commission and the Victorian indigenous community?

Mr GAVIN JENNINGS (Minister for Aboriginal Affairs) — I thank the member for the question, and I encourage all members of the house, including those members of the Liberal Party who show a complete disinterest in any matter that is raised by the Labor Party about the important areas of aged care and Aboriginal affairs, to take note. Any observer in the gallery will notice that the minute I rise to my feet the Liberal Party frontbench turn, en masse, to the backbench. Why, you may ask, do they turn to the backbench? Clearly they are looking for leadership! Clearly the frontbench is looking for the leadership that they cannot provide to the Liberal Party during the course of question time! The only leadership that is provided by the Leader of the Opposition is that he is an expert in agriculture; he is actually well qualified in agriculture. So perhaps the leadership he is providing is like what happens with sheep under stormy conditions. They turn and group together, talk among themselves and huddle together to limit their exposure to the prevailing weather conditions that do not suit them!

What I would suggest to the Liberal Party is that it should take notice of important policy areas, in both aged care and Aboriginal affairs, because it has an obligation to the Parliament to take notice of those important policy obligations. They cannot turn their backs and hide from the issues that the government and I intend to raise within this place.

Yesterday I gave a cautionary tale about the absolute abrogation of responsibility demonstrated by the commonwealth government in terms of aged care — absolute abrogation of responsibility! Today it is not a caustic critique of the commonwealth; it is a cautionary tale of obligation in relation to Aboriginal affairs. I have received a package from the federal minister, Mr Philip Ruddock. It is very clear that those in the Liberal Party are hiding their heads in shame! They are engaging in tactics within this place. They have been shamed into not listening to the question that affects the commonwealth's response to Aboriginal affairs.

May I say in this cautionary tale to any member of the Liberal Party who is listening, both in this Parliament or across the nation: make sure that when you allocate funds to Aboriginal affairs the commonwealth government is respectful and mindful of its obligations to Aboriginal communities rather than treating them in a way that members of the Liberal Party are demonstrating now through their absolute petulant, juvenile behaviour by not listening to the answer.

What I say about the cautionary tale is that Mr Ruddock has written to me and sent a package about the commonwealth budget. In fact it is not all bad news; it is not all gloom and doom. But there is a cautionary tale. The size of the budget is reasonable; in historical terms the size of the budget is reasonable. The key test is the way in which the new administrative arrangements between the Aboriginal and Torres Strait Islander Commission (ATSIC) and the separation of powers, in terms of the commonwealth funding regime in the future, will be respectful of projects that are already in place! There are a number of key projects in the state of Victoria — —

Hon. B. N. Atkinson — Who are you yelling at?

Mr GAVIN JENNINGS — I am clearly not yelling at the Liberal Party — thank you, Mr Atkinson — because the Liberal Party is not listening. Regardless of the truth, regardless of the volume, and regardless of the intensity of the debate within this place or in the Victorian and the Australian community the Liberal Party is not listening. I want the federal minister to listen. I want the federal minister to know that in terms of important community projects that ATSIC has worked on, I want it to work in cooperation with the commonwealth and the Victorian government to deliver them.

Supplementary question

Mr VINEY (Chelsea) — I have a supplementary question. Given that the rump of the Liberal Party after the last election was not actually listening to the minister's answer and were showing such disregard for the important funding programs of indigenous community programs in Victoria, I wonder if the minister would be able to expand on the partnerships the Victorian government is building with the indigenous community in those program areas?

Mr GAVIN JENNINGS (Minister for Aboriginal Affairs) — I thank the member for his spontaneous supplementary question, because he knows and has a degree of confidence that there are a number of projects that the Victorian government is working on in cooperation with ATSIC, and hopefully with the commonwealth government, into the future to ensure that the programmatic outcomes deliver the goods to communities right across Victoria.

There is a great project up in Halls Gap involving the Budja Budja Cooperative, which was the beneficiary of

a grant from the Victorian government of $250 000 which will establish a new commonwealth facility. But it is contingent upon, for service delivery — particularly important service delivery in relation to men's health — ATSIC-recommended funds to flow to make sure there is a service delivered to the facility the Victorian government has provided.

A second example of the government's support is *Kool N Deadly*, the radio program. The government has established it and it wants the commonwealth to come up, on the advice of ATSIC, and fund that program.

Home and community care: funding

Hon. W. A. LOVELL (North Eastern) — I direct my question without notice to Ms Broad, the Minister for Local Government. This year Victoria will receive $709 for each person in the home and community care (HACC) target population compared to $588 per capita nationally. Why is it that Victorian councils are all struggling to meet their HACC service responsibilities when federal grants to Victoria are nearly 20 per cent higher per capita than the national average?

Ms BROAD (Minister for Local Government) — As Minister for Local Government I am aware of the significance of the home and community care (HACC) program to local government, and I was very pleased to see the funds that flowed to local government in the recent state budget. However, I am not the responsible minister in relation to the HACC program. In relation to that I am — —

Hon. Philip Davis — Do you take responsibility for anything at all in your portfolio?

Ms BROAD — In relation to the interjection, I am very happy to take responsibility for everything in both of my portfolios, as I did in my former portfolios. I think I have been generous in my response, given that the member opposite has clearly asked a question which is not in my portfolio. I am very willing to take that question on notice and refer it to the responsible minister and ask for her to give a response. But I prefer to be able to do it without yelling.

For those members opposite who are not clear about the responsibilities of ministers in the government, the administrative orders are publicly available; they clearly set out each act of Parliament for which every minister is responsible. There is no room for confusion about these matters. I would suggest that those members who are not clear about our responsibilities should consult those administrative orders.

Supplementary question

Hon. W. A. LOVELL (North Eastern) — Will the minister agree that the main reason for the funding shortfall in Victoria has been that Victorian councils have experienced massive expenditure increases due to Workcover premium rises and changes to industrial awards, and yet the Bracks government has failed to adequately protect councils from the massive increases they have incurred as a direct result of decisions made by this government?

Ms BROAD (Minister for Local Government) — In response, there has been no cost shifting under this government, unlike the last Liberal-National party government, which capped rates and which forced local government into a position from which it is still recovering. Because of the cuts to revenue inflicted on local government by the last Kennett Liberal-National party government, this government is concerned about the financial viability of local government, and it is doing everything in its power to work in partnership with councils to ensure their viability, including the capacity to raise the revenue they need to deliver services to their communities.

Commonwealth Games: environment strategy

Mr SCHEFFER (Monash) — I refer my question to the Minister for Commonwealth Games, the Honourable Justin Madden. Will the minister outline to the house the groundbreaking steps the Bracks government is taking for the 2006 Melbourne Commonwealth Games to be a carbon-neutral sporting event and the benefits this will provide to the people of Victoria?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question and his interest in environmental issues in particular. I am delighted to be able to inform the house that Melbourne's 2006 Commonwealth Games will be the first major multi-sports event in the world to be carbon neutral.

On Friday, 9 May 2003, I had the great pleasure of launching our government's environment strategy for the games. This initiative is part of our commitment to deliver an event that is carbon neutral, water wise and low waste. One key element of this strategy is our commitment to plant 2.5 million trees over the next three years. The government believes the Kyoto protocol provides a responsible framework for international action on climate change and that Australia should ratify that protocol as soon as possible. However, we are not waiting around for the federal

government to be environmentally responsible. That is why we are implementing a strategy that is carbon neutral as the underpinning of our delivery of the 2006 Commonwealth Games.

This commitment will be achieved by minimising harmful emissions and offsetting any emissions with carbon-reduction activities. Our commitment to plant 2.5 million trees in areas affected by salinity and environmental degradation will help to achieve a carbon-neutral games. This means that any marginal greenhouse gas emissions caused by the games will be offset, ensuring the games will not produce more emissions than would be produced normally.

The government will also implement several other strategies to minimise emissions, including measures to increase public transport usage during the games and by using renewable energy at a number of games venues.

Other key measures include: minimising waste generation and maximising diversion of waste from landfills; implementing comprehensive public place and litter management systems; recycling 95 per cent of construction and demolition waste from the major games infrastructure projects; minimising use of potable water and maximising recycling of stormwater and waste water at venues; and waste water and grey water recycling, stormwater recycling, and water efficient appliances as part of the infrastructure developments. The games village will also include rainwater, stormwater and grey water harvesting and recycling for toilet flushing and irrigation. These activities will be delivered in partnership with government, community groups, environmental bodies and local Landcare groups.

This strategy that we have announced will demonstrate that a fundamental change in environmental practices and lasting legacies can be achieved as part of the ordinary activities of people engaged in staging the major event of the 2006 Commonwealth Games.

Our environment strategy is just one more reason for people to get on board — and I say that to the opposition — and fully support the 2006 Commonwealth Games here in Melbourne.

Local government: superannuation

Hon. W. R. BAXTER (North Eastern) — At the risk of receiving a lecture, I have a question for the Minister for Local Government. The minister will be aware of reports of a severe deficiency in the Local Authorities Superannuation Fund. What action is she taking to protect ratepayers from savage rate increases being imposed to overcome this deficiency, especially in light of the fact that the shortfall is not of the ratepayers' making?

Ms BROAD (Minister for Local Government) — I thank the honourable member for his question. This is a very serious matter for local government. The local authorities superannuation scheme was in the past a public sector scheme. It is no longer a public sector scheme and has not been so since, I think, around 1998. It is now regulated by the federal regulator, the Australian Prudential Regulation Authority, along with other similar schemes.

The advice which I have received about the performance of the local authorities superannuation scheme is that rated against other schemes it is not performing badly; however, it is suffering the same effects as many other schemes are in relation to what has happened to equities markets nationally and internationally. My understanding is that the Municipal Association of Victoria (MAV) has convened a number of meetings, including meetings this week, with affected councils to discuss what is the best way forward in terms of managing the impact of the calls that have been made on councils to contribute to that part of the scheme which is ongoing — it provides preserved benefits, but was closed off to new entrants some years ago — and that they are considering over what period of time and what is the best way that councils can cover off this liability.

My department is staying closely in touch with the MAV and with councils on this matter. However, it is very clear that the trustees of this scheme are the responsible persons in relation to the scheme, regulated by the federal regulator, and this is not a liability for the state government which it is in a position to contemplate covering off.

Supplementary question

Hon. W. R. BAXTER (North Eastern) — I have a supplementary question to the minister on that information. I think councils in Victoria expect their Minister for Local Government to be a champion of local government, in the same way that Porter, Hamer, Wilkes and Hunt, as ministers, always were. I listened with interest to the minister's comments about what everyone else is doing. She cannot just wash her hands and walk away from it and say the Municipal Association of Victoria will do it. I ask the minister: is she prepared to convene and chair a meeting of mayors so that ways through this crisis can be explored?

Ms BROAD (Minister for Local Government) — I can assure the member that I am indeed a champion for local government and intend to continue to be so. I have already had meetings with the Municipal Association of Victoria on this matter and I have met with a number of councils that have raised it with me, as you would expect. So I do not accept that in any shape or form I am washing my hands of being a supporter and an advocate for local government in terms of dealing with this matter. However, I have also not done anything to mislead councils or to indicate to them that there is any prospect of the state government picking up this liability, because that is just not going to happen. What is being considered here is what is the best possible way for local government to deal with this into the future.

Libraries: funding

Hon. J. H. EREN (Geelong) — I refer my question to the Minister for Local Government, Ms Broad. Last Wednesday I attended a funding announcement for the redevelopment of the Corio Library at Norlane, in Geelong, with the minister. Will the minister comment on the significance of this project for the local community and what the Bracks government is doing to assist libraries across the state to meet the demands of the 21st century?

Ms BROAD (Minister for Local Government) — I thank the member for his question and for his participation in that terrific event at Norlane. The $212 000 grant to the Corio Library, also known as the John Drysdale Library, in Norlane from the Bracks government's Living Libraries program will certainly help to modernise and refurbish that 30-year-old library, making it easier for everyone to enjoy the services that it has to offer. I congratulate also the City of Greater Geelong for its vision and commitment to upgrading the library, which will allow the Geelong Regional Library Corporation to provide even better services from the library. The project is an excellent example of how the state government and local government are working together in partnership to create better facilities in local communities.

Last week was Library Week and I was able to deliver grants to a number of libraries from the Bracks government's Living Libraries program. On Tuesday, 13 May, I had the pleasure of presenting the Mount Alexander Shire Council with a cheque for $800 000, which is the Bracks government's second and final instalment towards the $1 million pledge made during the 1999 election campaign towards the redevelopment of the Castlemaine public library and the Phee Broadway Theatre complex. It was particularly appropriate to present the cheque during Library Week in Castlemaine — a community with one of the strongest histories of library support in country Victoria. I was very pleased to do that alongside the member for Bendigo West, the Minister for Agriculture in the other place, Bob Cameron.

In addition to that, I am pleased to say that Mount Alexander Shire Council has also attracted a grant of $195 000 from Arts Victoria's regional arts infrastructure fund towards the cost of renovating the Phee Broadway Theatre.

Also during Library Week on Friday 16 May I was pleased to announce $500 000 in funding from the Bracks government's Living Libraries program to Maribyrnong City Council to replace the existing library at West Footscray. I was pleased to be able to make that announcement at the West Footscray library, alongside the member for Footscray in the other place, Bruce Mildenhall. The West Footscray library plays an important role in the cultural life of its community, and this grant to Maribyrnong City Council will provide a modern and versatile building that meets community needs.

I am pleased to also advise of a further funding announcement, also made during Library Week, from the Living Libraries program, in Horsham on Monday, 12 May. That was a grant of some $265 000 to Horsham Rural City Council to renovate and extend the existing library to twice its size. That announcement was made following the Bracks government's community cabinet meeting at Horsham last Monday.

The Living Libraries program funded from the Community Support Fund has provided $12 million to renew, refurbish and upgrade public library buildings across Victoria. The Bracks government is committed to working with local government to provide better facilities. We are getting on with the job of building better facilities for the future for all Victorians.

Unions: membership

Hon. BILL FORWOOD (Templestowe) — My question this afternoon is to the Minister for Energy Industries. I refer to a letter of 15 May from Senator Stephen Conroy to the disputes tribunal of the Labor Party challenging the credentials of four trade unions. Senator Conroy claims that these unions have exaggerated their membership numbers to the Australian Electoral Commission. In Senator Conroy's words, and I quote — —

Ms Mikakos — On a point of order, President, the question clearly is not within the purview of the

minister's portfolio. It possibly relates to an internal Labor Party matter and is completely out of order in question time.

Hon. Philip Davis — On the point of order, President, the member has not completed developing his question. Until such time as he does it would be inappropriate for there to be a ruling in relation to the relevance of the question. I ask that you rule the point of order out of order on the basis of the member finishing his question.

Mr Lenders — Further on the point of order, President, standing order 6.01 is quite clear regarding a minister's relationship to a matter of administration for which he is responsible. The Minister for Energy Industries is not responsible for the regulation of political parties nor public organisations. I would say Mr Forwood is fishing. I would urge you to rule him out of order because his question has nothing to do with the administration of Mr Theophanous's portfolio.

Hon. BILL FORWOOD — Further on the point of order, President, like other ministers of the Crown, Mr Theophanous has been sworn in by the government and has responsibilities in that capacity. I make the point that Mr Theophanous is also on the public record as a member of the administrative council of the Labor Party.

Ms Mikakos — No, he's not.

Hon. BILL FORWOOD — He is.

The PRESIDENT — Order!

Hon. BILL FORWOOD — Hang on, let me debate the argument.

The PRESIDENT — Order! Mr Forwood, at the moment you have not got to the minister's portfolio responsibilities. Raise your point of order on that matter, please.

Hon. BILL FORWOOD — The point that I am making is that Mr Theophanous has been sworn in by the Governor to uphold the laws of the state, and he is aware of serious breaches of the Electoral Act, as alleged by Senator Conroy — —

The PRESIDENT — Order! Do not debate your point of order, Mr Forwood.

Hon. BILL FORWOOD — I am not debating the point of order at all.

The PRESIDENT — Order! When the member is on his feet making a point of order he should speak to his point of order and not debate the issue. To date the member has not got to the matter before the house, which is whether his question is actually a question on ministerial responsibilities. At the moment there are about three points of order. I am prepared to rule on the original point of order put by Ms Mikakos.
Mr Forwood, you have the floor, but I ask you to speak to the point of order dealing with the minister's portfolio responsibilities.

Hon. BILL FORWOOD — Thank you for your guidance, President. As far as I am concerned we are dealing with one point of order — the point of order raised by Ms Mikakos — in which she says that this question does not fall within the ministerial competence of Mr Theophanous. I am arguing to the house that the minister, as sworn in, is sworn in to uphold the laws of the state. When an accusation inside his purview as a sworn-in minister comes up then he has an obligation to address the issues that are raised.

The issue is that this is an important breach, as raised by Senator Conroy, and I have every right to ask Mr Theophanous what his response to the accusations are.

Hon. T. C. Theophanous — On the point of order, President, yes, it is true that I am sworn in as a minister of the Crown, and in fact I am given a commission as a minister of the Crown. In this instance, President, as I am sure you are aware, I have one commission in relation to energy industries and I have a second commission which is, without pay, for resources. I have no commission from the Governor in relation to the internal machinations of the Labor Party, and I have no commission from the Governor in relation to any of the matters that have so far been raised by the honourable member.

Now, if Mr Forwood is so incompetent as an opposition spokesperson on energy that he cannot think up an energy question to ask me, then that is not my fault, but I would only be too happy to answer any energy questions.

Hon. B. N. Atkinson — Further to the point of order raised by the Honourable Jenny Mikakos, the only issue in the point of order that needs to be determined is whether the member has exercised his right properly to ask a question of the minister and whether that question is within the bounds of the minister's ability to answer as a minister of the Crown.

The house is not in a position to judge the question when it has not been heard. The member is part way through his question. A point of order has been raised

part way through that question. Until he has actually expressed the question, I do not see that members of this house or anyone else can anticipate what the question is and it may well be that the member actually asks the minister a question that is quite within the bounds of the minister's responsibilities. That is how the house ought to judge it.

The PRESIDENT — Order! The Honourable Bill Forwood has taken up 30 seconds of his 1 minute allocation to ask the minister a question. To date in that 30 seconds he has not linked anything to the minister's portfolio responsibilities, so I urge the member to come very quickly to his question with respect to the ministerial portfolio responsibilities.

Hon. BILL FORWOOD — Thank you; I appreciate your guidance. Given that these four unions are in breach of the Electoral Act, what actions will the minister take to ensure that they comply with the law?

Ms Mikakos — On a point of order, President, I again ask you to rule the question out of order. The Electoral Act is not within the responsibility of the minister, and this question is therefore clearly out of order under the standing orders of this house.

The PRESIDENT — Order! I will leave it to the minister to answer the question.

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — President, this question is not within my area of responsibility. If anything, it could only be directed to the Attorney-General.

Bushfires: management plan

Hon. H. E. BUCKINGHAM (Koonung) — I refer my question to the Minister for Energy Industries.

Honourable members interjecting.

The PRESIDENT — Order! I would like to hear Ms Buckingham's question, and I am sure Hansard and the minister she is directing it to would also. At this point I have not even heard it, so I ask the member to start her question again.

Hon. H. E. BUCKINGHAM — Thank you, President. I refer my question to the Minister for Energy Industries. In light of the recent Auditor-General's report, can the minister advise the house what steps are being taken to mitigate against bushfire risks involving the electricity industry?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I thank the honourable member for asking me a question on my portfolio area. Perhaps she might do better as a spokesperson on energy than the current spokesperson for the opposition on energy!

The Auditor-General in his report has noted that there have been no bushfire events from powerlines since 1983, partly due in recent years to the combined efforts of the Office of the Chief Electrical Inspector and the electric companies.

Whilst the Auditor-General has found that this process is well managed by the OCEI, there is always room for improvement. The Bracks government has responded quickly therefore to the Auditor-General's suggestions to minimise the future risk of powerlines starting bushfires.

The Auditor-General's report notes that the Office of the Chief Electrical Inspector, in conjunction with the power companies, has produced a set of guidelines, a code of practice and established standards and time lines for power companies to meet.

Each year power companies are required to prepare a bushfire mitigation plan for the next 12 months and submit it to the Office of the Chief Electrical Inspector for review and consultation. These plans are subject to audit prior to the opening of the fire season.

The regulations we are proposing will build on this work. They will set firm time frames for powerlines to be inspected and works completed for the prevention of bushfires. It might be interesting for members to note, if they are not aware of this, that similar requirements to the ones that we are putting in place actually existed prior to privatisation of the electricity networks by the Kennett government, so they were in fact in place in the previous State Electricity Commission of Victoria and had been in place since 1983. Unfortunately, the Kennett government's actions created commercial incentives to stretch out inspection cycles.

The Bracks government is addressing this by introducing regulations to ensure that high standards of bushfire prevention are maintained. The regulations, in seeking to address emerging areas of fire risk, will also provide for consistent and minimum reporting standards on fire risk for electricity suppliers, better documentation for landowners and when powerline inspections will occur, greater certainty on the requirements for completion by the electricity network companies of their bushfire mitigation plans for the Office of the Chief Electrical Inspector to approve, and improved coordination with other fire authorities on the declaration of the degree of bushfire risk in rural areas.

This government is getting on with the job of ensuring that Victorian electricity consumers continue to enjoy a reliable, secure energy supply and, most importantly, one that is safe.

Consumer affairs: advertising scams

Hon. A. P. OLEXANDER (Silvan) — I direct my question without notice to the Minister for Consumer Affairs. I ask: is the minister aware of serious allegations of misleading and illegal practices which have been made on the ABC *Four Corners* program and which pertain to real estate wealth creation seminars and schemes which operate in Victoria?

Mr LENDERS (Minister for Consumer Affairs) — I genuinely thank Mr Olexander for his question. It is delightful in question time to finally get one that actually asks a minister a question on his or her portfolio, so, Mr Olexander, come on down. Welcome!

The issue he raises, though, is very serious. Anything to do with scamming or misleading advertising and exploiting of vulnerable consumers is something that this government takes absolutely seriously and something that I know Mr Olexander also takes absolutely seriously.

Consumer Affairs Victoria will always be monitoring any of the get-rich-quick schemes or any forms of scheming or any forms of misleading conduct. In the financial services and financial advice areas Consumer Affairs Victoria continues to advise me of activities in industry, and there are a number of areas where we are responding in assisting with that as a government and department.

I have not seen the particular *Four Corners* program, but the generic issue that Mr Olexander raises is certainly one we will follow up.

As I said to this house before, the things that absolutely drive this government in consumer affairs are actually empowering consumers to look after their own affairs and, where we cannot do that, protecting consumers, particularly vulnerable consumers. Certainly among the most vulnerable consumers are elderly people in particular who are concerned about their retirement incomes and who will go to some seminars on schemes that are portrayed to them as a way of dealing with their retirement income. We are acutely conscious that this is a group of vulnerable consumers that we need to assist.

We are also aware of pressure tactics that are often put in place to get people to come to seminars. There have been seminars where people have been asked to sign up on their credit card for some thousands of dollars outside in a hallway to pay for some of these costs.

These are particular areas that the government and Consumer Affairs Victoria will monitor. The legislation we are now debating deals with some of these areas. I congratulate the member for his question and assure him that the government will continue to work to empower consumers.

Supplementary question

Hon. A. P. OLEXANDER (Silvan) — I thank the Minister for his answer, and I welcome his assurance that Consumer Affairs Victoria is concerned about scams being perpetrated through seminars and schemes of this type. The ABC *Four Corners* program to which I refer made some very specific allegations for which it claims it has evidence. I encourage the minister and his department to review the program. It specifically states that it has evidence of the widespread use of things called 'deposit bonds'; the systematic and deliberate overvaluation by valuers of property to buyers of property; and the overvaluation of property by valuers to banks and subsequent schemes known as rebating schemes. These three specific allegations are serious and have negatively affected many consumers in Victoria. I ask: is the minister prepared to investigate those things and act on them?

Mr LENDERS (Minister for Consumer Affairs) — Absolutely! Again I am not in a position to give legal opinions in these areas, but we will investigate, pursue and chase people down if they exploit consumers, particularly vulnerable consumers.

Consumer affairs: yoyo balls

Mr PULLEN (Higinbotham) — I refer my question to the Minister for Consumer Affairs. Can the minister advise the house what we are doing in Victoria about the new yoyo balls which have been banned in the United Kingdom but are being sold in our shops?

Mr LENDERS (Minister for Consumer Affairs) — I thank Mr Pullen for his question and his interest in this issue, because it is an area of great concern to the government. The government takes strong measures to protect the Victorian community from potentially harmful, unsafe products and services. On Friday last week the government moved to ban the sale of the yoyo ball following evidence that it poses a strangulation risk to children. The government acted quickly and in the best interests of Victorian consumers after hearing some serious reports from overseas and around the country about the toy.

In the United Kingdom the yoyo ball was banned because of eight incidents reported in one month. One of the incidents we have heard of closer to home is of a three-year-old girl playing with a yoyo ball when the elasticised cord wrapped around her neck causing her to choke. The cord had to be cut by her parents.

Victoria was the first state to permanently ban the yoyo ball while New South Wales, Queensland, Tasmania and Western Australia have introduced interim bans. Some of the banned brands include the yoyo water hammer ball, the yoyo sports ball, the yoyo water ball, the yoyo squeeze ball, the yoyo meteoric ball, the yoyo light ball, the water yoyo and the yo ball.

Yoyo balls are liquid-filled novelty balls with or without nodules connected by a stretchable or elasticised cord. The cord is capable of stretching in excess of 50 centimetres. As I have said before it can wrap tightly around the user's neck or around another person.

I have asked Consumer Affairs Victoria to conduct random inspections across the state to ensure retailers are not selling this banned product. Retailers and distributors risk fines of up to $60 000 for defying the new banning order. Banning products removes them from point of sale. However, parents and adults should be extra careful when buying toys that can be dangerous. Consumers who have purchased these banned products can return them to the place of purchase for a full refund. We must do all we can to protect children from dangerous products like this one.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 82, 91, 92, 227, 228, 332, 349 and 383.

Hon. B. N. ATKINSON (Koonung) — On the matter of questions on notice, as I indicated yesterday, I am loath to follow the formal procedures. The minister has given me assurances on two occasions, including most recently yesterday, that my questions would be followed up. Can he report to me on what happened with his follow-up yesterday and when I can expect my answers?

Mr LENDERS (Minister for Finance) — As I responded yesterday to questions from Mr Atkinson and Mr Stoney, I will follow through and return more answers to questions on notice. There are more answers to questions on notice today. The member's point is: when will the others come? I have started the process of trying to bring forward more of these answers. As I said yesterday, the government is serious about this because it made a conscious choice to leave the procedure in place when, with the review of the sessional orders, it could have done the contrary.

Hon. B. N. Atkinson interjected.

Mr LENDERS — I can give Mr Atkinson an assurance that I will chase it up vigorously.

Hon. E. G. STONEY (Central Highlands) — I similarly have an issue with this matter. I have questions 230 to 308 inclusive that have not been answered and I seek an assurance that I will get answers before the Parliament rises for the winter recess.

Mr LENDERS (Minister for Finance) — The same answer applies to Mr Stoney as to Mr Atkinson.

FAIR TRADING (AMENDMENT) BILL

Second reading

Debate resumed.

Mr LENDERS (Minister for Consumer Affairs) — I thank members for their contributions to the bill. As indicated in the second-reading speech the bill is the culmination of a process and a lot of good work has been done by the member for Burwood in the Legislative Assembly, Bob Stensholt, and a great committee of people who assisted him. In particular I would like to acknowledge and thank Mr Olexander and Mr Drum for their support in expediting the bill through the house. It is an important issue particularly the provision dealing with the ski industry waivers.

I also put on the record what the government is seeking to do with the ski industry waiver. We are particularly seeking to have a device in place that allows the government to give a waiver to the ski industry for this ski season.

This is not something the government intends to extend to other industries or to use year after year. This is something we are specifically asking the Parliament to support that will be applied to the ski industry for this ski season. Again I thank all members for their contributions. This bill deals with a lot of important issues, and I thank the house for its cooperation in dealing with this one-off exemption for the ski industry for this season.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 10 agreed to.

Clause 11

Hon. A. P. OLEXANDER (Silvan) — I move:

1. Clause 11, page 35, after line 7 insert —

'(6) On or before the 6th sitting day after an Order under this section is published in the Government Gazette, the Minister must ensure that a copy of the Order is laid before each House of the Parliament.

(7) A failure to comply with sub-section (6) does not affect the operation or effect of the Order but the Scrutiny of Acts and Regulations Committee of the Parliament may report the failure to each House of Parliament.

(8) An Order may be disallowed in whole or in part by either House of Parliament.

(9) Part 5 of the Subordinate Legislation Act 1994 applies to an Order as if —

(a) a reference in that Part to a "statutory rule" were a reference to the Order; and

(b) a reference in section 23(1)(c) of that Part to "section 15(1)" were a reference to sub-section (6) of this section.'.

Do I move the consequential amendments at this time?

The CHAIR— Order! You can canvass your views on the other amendments.

Hon. A. P. OLEXANDER — In moving amendment 1 standing in my name I make the point that this amendment deals with the provision in the bill where the provider of a good or service, recreational or otherwise, may require consumers to sight waivers which remove the statutory rights of the consumers while limiting the liability of the provider. The provider is within their rights to refuse provision of a service if consumers refuse to comply. This amendment deals with the ministerial exemption to that provision. The minister can obviously exempt a business or an industry from the requirement to have waivers signed. This amendment seeks to ensure that that ministerial exemption power, while not challenging its place in the bill, becomes subject to a disallowance of either house of Parliament, commonly known as a disallowable instrument.

In supporting the amendment I want to say a few words about the implications of the waiver provisions. The implications are that insurance companies that may have removed themselves from the market due to the uncertainty surrounding public liability are more likely, the opposition believes, to return to the market given the favourably altered conditions. The waiver of statutory rights while concerning in some respects does not prevent the victim from seeking recompense through the common-law system, and we certainly welcome that they will still have recourse to common law.

However, recourse through this method involves a greater burden of proof than a statutory right and is infinitely more costly than a civil claim. The greatest concern the opposition has in relation to clause 32NA — which is the exemption from the waiver form requirement, which allows the minister to assert a discretionary power to exempt either entire industries or specific businesses from the requirement to obtain waivers from their consumers — is that it might be used in an arbitrary manner. Potentially it might be used inappropriately at some future time by a future minister in a future government of any political persuasion.

There is a concern on our side about arbitrary use of that nature. This means that potentially the statutory rights of consumers would be removed without their knowledge if the industry so exempted did not institute sufficient protections and notification provisions in other ways. So in effect they are exempted from seeking written consent to the waiver of rights. A question that remains for opposition members is how exactly exempted industries are going to be required by the minister to inform consumers that they are waiving some rights and protections under the Goods Act. Would that be done by signage at the point of sale or by provisions or notifications printed on the back of tickets? How exactly does the minister see that proceeding? The opposition thinks that is an important question to be answered.

The government and the minister have told us that this provision is only intended for use in the ski industry, given the sheer volume of consumers each year who visit the slopes. We understand something like 400 000 people a year visit ski fields and the government contends that it is impractical for consumers to individually sign sufficiently comprehensive waivers of their statutory rights that would be upheld in a court of law. There is a logistical problem there, and we understand that. The minister has also articulated that he is reticent to use this exemption mechanism, but feels it is important to allow industries like the ski

industry to determine the best manner in which to proceed with requirements of this new legislation. The opposition again asks: if that is the case, was there another option to this ministerial exemption? Why not just exempt the ski industry specifically by statute with a sunset clause? That would have fulfilled the need for an exemption for one season only.

We would like the minister to deal with that as well if he could. The obvious concern that we have is that once legislated, the ministerial capacity to exempt certain providers could be used without mechanisms of scrutiny. That is the reason I have discussed with the minister the need for this amendment which disallows the instrument and at least allows for some scrutiny.

The opposition is completely aware of the numbers position in both houses of Parliament. This will obviously have no impact on the force of a ministerial exemption given that the government does have the numbers in both houses. We are completely realistic about that, but we believe that it is valuable to have some scrutiny procedure or at least an alert mechanism so that the Parliament and the representatives of all Victorian people can be made aware when such exemptions are granted, because they can and do have potentially very serious consequences for consumers and indeed for many businesses across the state.

The practical effect of this is that within six sitting days of the minister's granting such an exemption it must be tabled in both houses of Parliament and it must lie on the table for 18 further sitting days in which either house of Parliament may move to disallow it. However, this does not delay the introduction or the power of force behind an exemption. As soon as the minister makes one it will have the force of law. It is just that the 18-day period exists as a safeguard, a safety valve and a check. With that, I ask the house to support the amendment.

Mr LENDERS (Minister for Consumer Affairs) — The government accepts Mr Olexander's amendment. Again, from our perspective, we were comfortable with the original legislation or we would not have introduced it to this Parliament, but we understand the goodwill shown by the opposition parties in allowing us to expedite this through as the ski season comes towards us, and as part of that we will accept the amendment. As Mr Olexander said, we are all realists about this, but we certainly accept his intention and we will vote for the amendment.

He raised a number of issues and I will endeavour to address them, particularly what will happen in the ski industry if this waiver is given. That is something we will need to negotiate with the ski industry. Plainly, the intent of the waivers is that consumers are clearly aware of what they are waiving, and the form of the waiver that came in place through regulations on 1 May required a signature and made it absolutely apparent with clarity of wording what consumers were signing so that they would be aware of what they were doing in those circumstances.

So while we have obviously not given any waiver to the ski industry, because we do not have the power to do that, amongst other things, we are negotiating with operators, understanding that the practicality of tens of thousands of people, as Mr Olexander said, signing waiver forms as they queue up at chair lifts in the next few weeks is not feasible. The intention is that consumers be clearly advised of what the waiver is, and whether that means signs on the backs of tickets or whatever it is, the ski industry will need to convince us as a government that it is made absolutely clear to consumers what the waiver is before any waiver is given to the ski industry. It must be absolutely transparent to consumers as to what the waiver conditions are before we will agree to a waiver.

Clause agreed to; clauses 12 to 73 agreed to.

Clause 74

Hon. A. P. OLEXANDER (Silvan) — I move:

2. Clause 74, line 17, omit "'97B.' and insert "'97B.".

3. Clause 74, page 117, line 20, omit 'date.".' and insert "date.".

4. Clause 74, page 117, after line 20 insert —

"(6) On or before the 6th sitting day after an Order under this section is published in the Government Gazette, the Minister must ensure that a copy of the Order is laid before each House of the Parliament.

(7) A failure to comply with sub-section (6) does not affect the operation or effect of the Order but the Scrutiny of Acts and Regulations Committee of the Parliament may report the failure to each House of Parliament.

(8) An Order may be disallowed in whole or in part by either House of Parliament.

(9) Part 5 of the **Subordinate Legislation Act 1994** applies to an Order as if —

(a) a reference in that Part to a "statutory rule" were a reference to the Order; and

(b) a reference in section 23(1)(c) of that Part to "section 15(1)" were a reference to sub-section (6) of this section.'.".

Amendments agreed to; amended clause agreed to.

Clauses 75 to 91 agreed to.

Reported to house with amendments.

Report adopted.

The PRESIDENT — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. In order that I may ascertain whether the required majority has been attained I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. In order that I may ascertain whether the required majority has been attained I ask honourable members in favour of the question to stand where they are.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

COURTS LEGISLATION (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

MELBOURNE (FLINDERS STREET LAND) BILL

Second reading

Debate resumed from 7 May; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. D. McL. DAVIS (East Yarra) — I am pleased to make a contribution to debate on the Melbourne (Flinders Street Land) Bill and indicate that the opposition does not oppose the bill.

Ms Hadden — Hooray!

Hon. D. McL. DAVIS — We do not oppose every bill, Ms Hadden. We support some; we oppose some, and we do not oppose some.

The bill divests land from the City of Melbourne that was previously vested by the Melbourne Land Act 1988. It revokes a current reservation and makes provision for the future development of land. I want to make the point that a version of the bill was put to Parliament some time before the election or at least it had been discussed before the election.

This land around the north of the Yarra River is important land in an area of Melbourne that needs to be developed. Back in the 1980s and the mid-1990s a strong effort was made by governments of both political colours to develop areas of land around the Yarra River and turn the city's focus from the northern side of the river to areas of land along the river.

It is a very different vista now along the river, beginning with Southbank and the Yarra promenade and the Crown Casino complex and also the World Trade Centre on the north side of the river, and, in Flinders Street there are refurbished buildings like the Immigration Museum. That is an important area of Melbourne with some of our prized assets in it.

The Melbourne Aquarium is an important facility that has become a popular tourist attraction. It deserves the strong support of members of this Parliament from both sides of politics. That facility sits in the wedge of land just next to the area of land under discussion in the bill. It is a facility that may, in the future, need to be expanded. There are many options for a facility such as the aquarium to expand and instil further life into Melbourne, particularly into the area of land being considered, which is bounded by the river on the south, Flinders Street on the north, Kingsway and the area under the railway lines and north again to Flinders Street. It is a small but important pocket of land that could deliver significantly for Victoria and could significantly add to that whole precinct.

As I understand it, the expressions-of-interest process is under way. That process will guide the future development of the land. It is not clear to the opposition what will occur there but we place on the record our belief that this land has enormous potential to add to the whole precinct, to lift the appearance of the area and the contribution it can make. We hope the government does make that contribution possible.

The point is that there has been a memorandum of understanding with the City of Melbourne on the

transfer of land. I understand that the city council will have an ongoing role in ensuring that the land is developed to maximum benefit not just for the city but for the broader interest of Victorians.

Yesterday I talked about planning in Dandenong. It is important to place this land in the context of government planning and the government's wider development of the city, including the Melbourne 2030 plan which addresses higher density in the suburbs, not just in the inner city area but in the other arms of the city stretching out from it. The Commonwealth Games village, which has been discussed in the house, is one example of that.

Another is in my own area, Kew Cottages, which was the subject of discussion in this place this week. With that development, as I have placed on the record, it is of great concern to me to see plans for greater density with towers of 7 and even 10 floors. I know some Labor members are concerned about the greater density involved in some of these developments linked with the government's Melbourne 2030 plan. I know that Mr Pullen, who spoke in this place yesterday and launched an extraordinary attack on me for my opposition to 7 and potentially 10-storey towers in the Kew Residential Services site, probably supports higher density development in areas of middle-ranking suburbs like East Yarra and similar areas in his area of Higinbotham Province.

I would be concerned if Labor members supported those higher density developments and would be critical of Labor or Liberal members who supported those higher densities that would change the character of areas and be introduced in a way that rode roughshod over the rights of residents who have a legitimate interest in ensuring that those aspects were properly introduced and took account of the legitimate interests of residents and those living near areas, and their demand for services and proper non-congested services such as schools and other facilities.

I note that the bill is one of a series of small government planning bills that seek to fill holes in the city and put in place a process that will deliver useful development on the site. I look forward to what the government will do with the site, to ensuring that the expressions of interest process is properly conducted, that a series of alternatives are examined in a proper way, and that the government allows groups like the Melbourne Aquarium to have the opportunity to put forward proposals that would enable proper expansion that would strengthen the activities of the precinct in and around that area.

I commend several governments over the last 15 years on the work that has been done in and around that area of the Yarra River, in particular for the much greater use and the turning of Melbourne as a city towards its great asset in the Yarra.

Hon. P. R. HALL (Gippsland) — The National Party is an enthusiastic supporter of the Melbourne (Flinders Street Land) Bill and is happy to indicate strong support for it during debate this afternoon. The bill will facilitate the redevelopment of an area of land on the north bank of the Yarra River. The area in question is currently used as a car park and a car-impounding facility. Those facilities are operated by the City of Melbourne.

The land is currently vested in the Melbourne City Council under the Melbourne (Flinders-street) Land Act of 1958. Clause 3 of the bill divests the Melbourne City Council of that particular land. It is of interest to note that none of this bill comes into effect until it is proclaimed, and a guarantee is given in the second-reading speech that proclamation will not occur until an acceptable development proposal is received.

Although we are talking about a bill which will be passed this afternoon there is no guarantee that it will ever be proclaimed. The National Party hopes it will be proclaimed and that it will be soon because there is no doubt that the north bank section of the Yarra is suitable for further development to complement existing developments that have taken place on both the north bank and the south bank.

As has been commented upon, the development of the north bank still has plenty of future, with which I agree. Some good work in the vicinity of the land has been undertaken, particularly with the Melbourne Aquarium under a previous Liberal and National party government which developed the aquarium site. That is a great development. There are also good developments along the north bank with respect to boat-mooring facilities. They have been undertaken in an attractive way which enhances that section of the north bank of the Yarra River. Indeed there is scope for further redevelopment, and the bill, we hope, will facilitate that.

In doing some research for the bill my colleague the Honourable Damian Drum and I donned our running shoes yesterday afternoon to go down to personally inspect this area of land, look at it first hand and note the surrounding amenities. Indeed it has always been a bit of an eyesore with the Flinders Street overpass for cars and the overpass for trains running through that area as well. It certainly could do with some

simplification of the infrastructure around that redevelopment. We agree that better use of that area could be made.

I note in the second-reading speech that the vehicle overpass is proposed to be demolished as part of any redevelopment proposal, but there is no mention made of the railway overpass. I am not sure what will happen, although I suspect, by looking at the Melbourne (Flinders-street) Land Act itself, that that railway viaduct is to remain.

The last point I make is that clause 3 of the bill deletes sections 2 and 3 of the Melbourne (Flinders-street) Land Act. I had a look at that act, which is not a very big act to start with. It only has five sections, and the bill removes sections 2 and 3 so we will be left with an act that has section 1, being a short title, and section 4 of the act which states:

> The Lord Mayor Councillors and Citizens of the City of Melbourne shall be entitled to the use of the spaces under the Flinders-street Viaduct Railway;

Section 5 states:

> Nothing in this Act shall affect the provisions of The Railway Construction Act 1884 or any Railway Loan Application Act in so far as they apply to the Flinders-street Viaduct Railway.

That is the totality of the act that is left. This may be one of those acts that might be the subject of consideration for redundancy by the Scrutiny of Acts and Regulations Committee because the content already is virtually zero following the passage and proclamation of the bill. With those few words, I indicate that the National Party is happy to support the legislation. We believe there is redevelopment potential of those areas along the north bank of the Yarra which will make it a better place, and for that reason we will be supporting the bill.

Ms ROMANES (Melbourne) — I welcome the bill. Like other speakers, I believe it provides a major step towards improvements to one of the ugliest parts of the central activities district of Melbourne because, as previous speakers have mentioned, it is dominated currently by a tram and vehicle overpass, and the area is also dominated by car parks and a car pound operated by the Melbourne City Council.

The bill provides for a change of legal status of the land previously known as the fish market site on the north bank of the Yarra between Spencer and King streets, and will provide for the opportunity for the removal of the Flinders Street overpass and for better pedestrian access to the site and to the riverbank and the north side of Flinders Street and so contribute an opportunity for revitalisation of the western end of the city.

I shall take members of the house back to 1980. Some may remember the *Age* campaign that was run called Give the Yarra a Go. I have with me an article written by Peter Ellingsen. It is interesting to look back to see what was being said about the Yarra at the time. The article states:

> The city section of the Lower Yarra, from Princes Bridge to Spencer Street, is a wasteland awaiting revival.

It furthers says:

> Instead of a twisted jumble of rubbish and tangled undergrowth, the Yarra frontage along the golden mile could become a leisure resource for city commuters, visitors and tourists.

It goes on to make the comment that:

> MCC's parks and gardens landscape designer, Mr Mike Smith, says surveys have shown people will use the bank if it is landscaped and made accessible.

The article also reports:

> … Mike Smith believes there is a need for a continuous walkway along the CBD bank … and some sort of pedestrian access to the area.
>
> At the moment, the public is kept from the city river frontage by a bewildering maze of intimidating viaducts, busy roads and half-empty car parks.

But one of the most interesting things about the article by Peter Ellingsen, which puts forward the case for valuing the Yarra River and tackling the state of health of the banks of the Yarra and making it a place for the people, is where he says:

> The first and most important step is for the Melbourne City Council to transform its northern riverfront car parks between the Spencer and Queen Street bridges to a landscape park.

Part of that has happened. Interestingly, the part of the north bank of the Yarra we are dealing with in this bill is one of the last parts of the river bank to be addressed. It is important to remember, as previous speakers have noted, that since the *Age's* Give the Yarra a Go campaign a number of governments in Victoria have made significant contributions to the wonderful recreational and commercial space we see emerging along both banks of the Yarra today. We can go back to the early 1980s and the establishment under the Hamer government of the Victorian Arts Centre at the Princes Bridge end, and we can applaud the Cain government for beginning the transformation of the south bank of the Yarra, and — —

Hon. D. McL. Davis — And Evan Walker.

Ms ROMANES — And the work of Evan Walker, who was then the Minister for Planning and Environment, who set in train much of the planning and urban design work on that side of the Yarra. That was continued by the Kennett government: we saw some major improvements on both sides of the Yarra under the former government, although I think many people would agree that it was a major mistake to shift the museum from the south bank to the Exhibition Building site, away from the central activities district of Melbourne, where there is heavy pedestrian traffic.

We have seen the benefits of all those changes in increased pedestrian access. Instead of a road along the south bank there is now extensive pedestrian access and a range of activities which have brought people back to the riverfront and have revived what was formerly a very neglected urban area.

The government has learnt from this experience along the south bank of the Yarra and from the successful waterfront and riverfront projects in other parts of Australia and the world and has applied those lessons to what is happening now at Docklands. The centrepiece of the Docklands project includes the provision of a 30-metre-wide strip of public open space for $7^1/_2$ kilometres around the perimeter of the land at Docklands. It provides for the link to the Yarra and for pedestrian and bike access from the western end. Some of the improvements we hope to see flow from the passing of this bill will be the opportunity to link that up through pedestrian and bike access to Birrarung Marr at the other end.

The Bracks Labor government has committed to making the northern Yarra River precinct a priority for further development and improvements in the coming few years of this term of government. The opening up of the north bank is a project that this government wants to complete to join up those two bookends and deliver back that access to the people of Melbourne.

Previous speakers have mentioned that the realisation of this dream, as it were, is dependent on the cooperation of and agreement with the Melbourne City Council. There is in place a memorandum of understanding to move in that direction and to work towards a joint financial strategy which will recognise the impact of a change of use in that part of the Flinders Street northern bank of the Yarra area on the finances of Melbourne City Council and to make some compensation for that.

The project will need agreement from the Melbourne City Council. Therefore its final delivery depends on the outcome of an expression-of-interest process and a suitable proposal being put forward and agreed to by both the council and the state government. At that point the bill will be proclaimed.

It is an absolutely vital project which will complete the picture along the northern bank of the Yarra River. The ultimate removal of the eyesore will add to the beauty of the Yarra and to the liveability and attractiveness of Melbourne. I am pleased it has enthusiastic support from the opposition.

Hon. P. R. Hall — And the National Party.

Ms ROMANES — And the National Party in this house. I commend the bill to the house.

Hon. ANDREA COOTE (Monash) — I would have to say that I am not so certain that the opposition is enthusiastically supporting this bill. It is not opposing this bill is a better way to put it. As other speakers have said, the bill involves divesting interest in certain land in the vicinity of Flinders Street — land which abuts Monash Province. Although I am not overwhelmingly enthusiastic about it, I am very pleased to see this. As the previous speaker said, it will tidy up a vicinity of Melbourne so it will fit into place with what is already a very attractive area.

It is a rather strange parcel of land and difficult to explain. Many of us would have used it without recognising where it is. Perhaps the best way to explain it is that it is just beside the Melbourne Aquarium. Indeed, the Melbourne Aquarium has earmarked the land for some extensions. I am certain all those Victorians and people from interstate and overseas who visit the aquarium, which has proven to have been of huge tourism benefit for this state, will welcome an extension to the aquarium. I am sure it will go from strength to strength.

As I said, the land addressed by the bill abuts Monash Province. The casino, the shopping precinct, the arts precinct, Southbank, the Polly Woodside and the exhibition centre are all in Monash Province and all look out onto this piece of land on the northern bank of the Yarra, which at the moment is an eyesore. I do not think anybody can negate that.

Recently I drove past the area. If you did not know that it is where cars are stored that have been picked up because they have been parked in tow zones, you would not recognise what is behind the barbed wire garages. That is where cars are kept that have been towed away after being parked in the wrong places. I do

not consider that an appropriate place for those cars to be kept; I am certain another place could be found for them. This parcel of land needs to be beautified and extended.

My major concern is the neglect of a mention of the plenary centre. At one stage this area had been earmarked for a plenary centre. I think all Melburnians are looking forward very much to having a plenary centre in this state. Plenary centres are used mainly by conference organisers. The conference business is an enormous business internationally. Thousands of people — 5000 people at a time — can be brought to a convention. What I had not realised until recently was that conventions are planned in the vicinity of 14 years in advance, which is a very long-term plan.

Melbourne is very attractive for conferences. It is considered to be a very amenable city for international tourism. The only thing that is lacking is a plenary centre. But the issue is that we do not have one on the drawing board. As I said, this northern bank had been scheduled or mooted to be the site for the plenary centre, which was to hold in the vicinity of 5000 conference delegates, but I have not seen this in this bill at all. It is of some concern that it may have dropped off the radar; it might have joined all those other issues on page 135 of budget paper no. 2 that have just dropped off the edge of budgeting processes. I hope to see it resurrected and replaced at some stage soon.

I encourage this government to deal with this land sensitively to make certain that it is given the treatment it warrants and that it enhances a part of Melbourne that is seriously beautiful and can link sections of this city. This bill does not fit the part of the puzzle that can make that northern bank something we can really be proud of. I encourage the government to deal with this with the sensitivity it warrants.

Mrs CARBINES (Geelong) — I am very pleased to speak on behalf of the government in support of the Melbourne (Flinders Street Land) Bill. This bill supports the Bracks government's desire to revitalise the western end of the central business district (CBD) and the area north of the Yarra River. The original legislation was introduced prior to the election last year in the Assembly, but was not debated before the election took place, so that is why it was introduced in these sittings and is before us today.

The purpose of the bill is to remove the permanent reservation on the former fish market site and a smaller site on the opposite side in King Street. Currently the land is vested in the Melbourne City Council. This bill will allow for private development of those sites and also for the removal of the Flinders Street overpass. It is envisaged that in the private development of the site, the removal of the overpass will be a catalyst for the revitalisation of what has been a very neglected part of the CBD for many decades.

This will be very welcome indeed and will complement significant development that has already taken place and indeed beautified the banks of the Yarra on the southern side. All of us will have enjoyed, I am sure, the many benefits of Southbank and Southgate and enjoyed many happy times there. I know that certainly I have with my family when we have been in Melbourne. I know from my own electorate that revitalisation of waterfronts is very important. We have had the revitalisation of the waterfront of Geelong, which has been a catalyst for development and also much interest not only from residents but from tourists as well. The revitalisation of the northern bank of the Yarra will, I am sure, be very much welcomed, not just by people who live in the CBD but by all Victorians who take great pride in our capital city.

The government has worked very closely in consultation with the Melbourne City Council in relation to this bill to develop this project. It has entered into a memorandum of understanding with the Melbourne City Council over this project. The memorandum of understanding outlines a joint strategy for the project in terms of finances but, importantly, the bill also contains a sunset clause just in case no sufficient or appropriate development proposal is received for the site, and that provision sunsets at 30 June 2005.

This important and exciting bill will enable the completion of the revitalisation of the banks of the Yarra. It is important not just for Melburnians but for all Victorians who take great pride in our capital city, the most livable city in the world. Hopefully it will see the revitalisation of what has been a very neglected and dowdy area for a very long time. I look forward to seeing what proposals come forward as a result of this bill. With those few words, I commend the bill to the house.

Ms ARGONDIZZO (Templestowe) — I also rise to support the Melbourne (Flinders Street Land) Bill. This bill deals with the parcel of land that lies in the Yarra River precinct and is incorporated in the Yarra River precinct plan, which recognises the importance of the river and its interface. As the Honourable Andrea Coote said earlier, this section of the city clearly needs to be updated and appropriately developed for the future. The initiative is in line with the government's

agenda to enhance the existing qualities of our city, taking advantage of our natural assets to make our city more livable, attractive and safe.

The site is presently used for car parking and for storing vehicles impounded by the City of Melbourne. The Melbourne City Council is supportive of the redevelopment of this parcel of land. The development of the site will connect the river, Batman Park and the southern edge of the city. It is an important parcel of land in a prime location and should be open to a positive and aesthetically sound proposal. I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

SUMMARY OFFENCES (OFFENSIVE BEHAVIOUR) BILL

Second reading

Debate resumed from 20 May; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. R. DALLA-RIVA (East Yarra) — I have pleasure in speaking on the Summary Offences (Offensive Behaviour) Bill. In doing so I indicate the opposition will oppose the bill but will support, I understand, an amendment, which Mr Strong will explain further.

The purpose of this bill is to create a new offence in the Summary Offences Act 1966 relating to the words 'offensive behaviour'. I went to the briefing. I thank the government members and the ministerial advisers and the like who briefed us on the bill. It was quite thorough, and I appreciate their efforts in relation to this important matter.

It is important to consider the backdrop for this bill's presentation to this house because the bill is quite specific. The first page of the explanatory memorandum talks about, in particular, the declaration of an area — for example, certain streets in the City of Port Phillip. It is important in the context of my contribution to the debate to outline why that particular area is an important issue to bring to the discussion here today. It is important to establish why it is that this bill speaks about offensive behaviour. I shall go into that further a bit later, but the Summary Offences Act already contains provisions relating to offensive behaviour.

As recently as last year the then state government — the no-action government — in its first term of office, decided that it would take some action. It decided to look at the issue of placing tolerance zones in St Kilda, which coincidentally happens to be within the area of the City of Port Phillip.

On 19 June 2002 the government proposed to introduce tolerance zones in St Kilda. This went fairly well I would say for about 5 minutes until the public and the council got wind of it. Certainly the opposition came out very strongly and said it would not support the allocation of tolerance zones. This issue is in the context of this bill, and the house will hear a bit later why this is relevant to the debate I am outlining now.

On 20 June the Liberals said they would not support the plans and claimed that sex tolerance zones would become seedy cesspit areas that would attract certain undesirables and would not address the issue at hand. Interestingly on 22 July about 200 residents — and this is important in this discussion — attended the Port Phillip City Council to hear its proposal. It is interesting to note, as members will hear later, that Cr Dick Gross had a bit to do with this. It is important to put his name on the record, because there is some connection still with this new bill that is before the house.

On 28 July about 130 people rallied outside St Kilda town hall, not in support but in protest and opposition to the proposed sex tolerance zones. On 30 July the residents and traders threatened to sue the council if it continued on this path. Shortly thereafter on 6 August representatives of Luna Park got into the act claiming that the proposed zones would jeopardise the park's ability to maintain the perception of a clean, safe environment.

A couple of days later, what happened? A big backflip on the issue. It was one decision that the government probably could have stuck with but no, it went the backflip and shelved the proposed legislation.

The government proposed a sex tolerance zone in the context of what was going on back then. And why? Because it was planning an early election — we know that now. The government went to an election on the earliest possible occasion. The presentation of sex tolerance zones was going to create a significant amount of heat within the community. That is important to note because the government was very concerned for one of its ministers who was significantly under attack from local residents who had threatened to

make this a campaign issue. They threatened this as a significant backlash in the lead-up to the state election. So as the government went into the earliest possible election it could have within Victoria it backed off on the sex tolerance zones that were meant to go into place.

Cr Dick Gross, who had endorsed the government's initiative of sex tolerance zones, was quoted on 1 September 2002 as saying:

> It hasn't gone away —

that is, the issue of sex tolerance zones —

> if people think it has gone away, well then, they are wrong … the council has not taken a backward step but a sideways step.

The councillor was saying the council does not do backflips — the government does backflips — rather, the council takes sideways steps. The tango between the government and the council in relation to sex tolerance zones is the reason why we have this bill which mentions what could only be classed as quasi sex-tolerance, nominated zones.

Proposed section 18 of the bill, which is inserted by clause 3, refers to:

> Offensive behaviour by a person in a motor vehicle in a declared area …

All of a sudden we do not have sex tolerance zones any more. Oh no! They are bad words! The government was severely injured by this issue despite the fact that it went to an election saying that it had withdrawn. It backflipped and the council sidestepped in a little dance that went left, right and centre. The realities are that now Labor is back in its second term of government it has imposed a declared area.

It is important to put on the record what a declared area relates to. An area is declared by the minister and gazetted accordingly. The explanatory memorandum to the bill states:

> In exercising the power to declare such an area, the minister must be satisfied that the area is one where a high level of street prostitution occurs (for example, certain streets in the City of —

Guess where? It says Port Phillip. It is not the shire of somewhere, but the City of Port Phillip! It is the area where the government said it would not impose sex tolerance zones. Within this Summary Offences (Offensive Behaviour) Bill the government has sneakily put in a declared area — a quasi sex-tolerance zone.

It is important for the record to note and it is important for Victorians to understand that when they rejected this issue back in 2002 heading into the election, the Premier and others said they would backflip on this bill that we are now debating in this house about quasi sex-tolerance zones. So clearly on this occasion, as it has on many occasions, the government has failed to take into account the concerns of Victorian communities and has failed to take into account the broader issues confronting street prostitution.

I think it is important to acknowledge that it is a concern and it is a problem, but declaring an area where these illegal activities can be maintained and enforced is quite damaging not only to the social fabric of our society and not only in terms of the message we are sending as a legislature to the community but also in terms of what this government says prior to an election and what it says after an election.

One example of something they said prior to an election was 'no tolls', I seem to recall. They got all these people in the east and south-east to come along and vote for the Labor Party because they said, 'We will give you no tolls'. A couple of months after the election, what happened? They brought in tolls.

Ms Hadden interjected.

Hon. R. DALLA-RIVA — You take away the $445 million, and that is very frustrating, Ms Hadden. The government went to an election promising one thing and delivered another. This is another example. Prior to the election last year, in August, the government removed the quasi sex-tolerance zones and then it put in a declared area. I think the government's approach on this issue needs to be held to account.

I move on to the issues relating to offensive behaviour, because in the guise of delivering the notion of these declared areas, the government has proposed a new offence within the Summary Offences Act. I thought I might go back to some of my old police days and see exactly what the words 'offensive behaviour' mean. I direct the government to section 17 of the Summary Offences Act. It is titled 'Obscene, Threatening, Insulting, Abusive, &c. Words and Behaviour'. There is actually already within an act of Parliament the capacity for law enforcement officers — read police — to charge people for using offensive behaviour in a public place.

It says in proposed section 18(1) of the bill:

> A person is guilty of an offence if —
>
> > (a) the person uses words, or makes a gesture while in a motor vehicle;

The fact that they are in a motor vehicle makes no difference, because section 17 of the act that is currently in operation within Victoria — which a police officer can use to charge somebody with right now as happens on a daily basis — refers quite clearly to 'obscene, indecent, threatening language or behaviour', et cetera, in a public place. A motor vehicle travelling on a highway or a public road in the state of Victoria is, by definition, in a public place. So it is quite annoying to see a piece of legislation before the house purporting to have this new provision of offensive behaviour when clearly section 17 of the current act of Parliament already covers that. Indeed, I suggest that the penalty applied for the first offence of offensive behaviour is 10 penalty units, which is $1000, or imprisonment for two months; second offence, $1500; and third offence, $2500. It is not as though there is a financial disincentive for people committing offences outlined under new section 18 in clause 3 of the bill.

The final thing before I wind up on this matter relates to the issue surrounding the use of penalty infringement notices. I think it is important to put on the record that from my understanding of the briefing — and I checked this, but I stand to be corrected — there is no offence within the Summary Offences Act for which a penalty infringement notice can be issued. Yet what we have within this new section is the capacity for the government to issue a penalty infringement notice to the value of $100. If it were serious about obscene and offensive behaviour, it would get away from this declared-zone stuff. It would get away from that and acknowledge that if you want to deal with those committing offensive behaviour, as the government has outlined, and avoid problems caused by sex tourists, the capacity already exists within the current statutes of this state to do that. The reality is that there is insufficient capacity for the police and others to be involved, and it is really just a sham to have this type of bill before the house to define quasi-declared areas. As I said, the offences outlined are really just a replication of what is already in the Summary Offences Act.

While not opposing this bill, there are a number of major concerns about the modus operandi and the intent of what the bill is subsequently meant to deliver to people in Victoria. It just concerns me — I know I have to wind up — that the government has outlined an area of the City of Port Phillip, which is a small component of all Victoria, and it annoys me that it has been specific. The government has again looked after the minister in the other place who could not deal with the issue. The government could not deal with the issue prior to the state election; it backflipped, it did a side step. The dance will continue, and I tell you, President, that this is just a sham of a bill. We do not oppose the bill, but we will support the amendment.

Business interrupted pursuant to sessional orders.

Sitting continued on motion of Ms BROAD (Minister for Local Government).

Hon. W. R. BAXTER (North Eastern) — Prostitution is an issue which has caused the Victorian community and this Parliament a great deal of tribulation over a long number of years, and we are seeing another example today — a relatively minor example — of the government of the day trying to come to grips with this issue.

I recall, of course, the situation that existed prior to the passage of the Prostitution Control Act which came about as a result of some very good studies done by Professor Marcia Neave when we had in this city a reputation of being the massage parlour city of the world — massage parlour being a euphemism for a brothel. I think the government which legislated as a result of Professor Neave's report and recommendations was a very brave government indeed.

I had hoped, as I am certain the minister at the time had anticipated and certainly hoped, that by putting in place a legislative framework which provided for legal brothels somehow or other we might have seen a lessening of the problems that prostitution had caused this community for so long. Regrettably, that has not turned out to be so.

I think the legalisation of brothels has worked quite well insofar as it has gone, and to some extent it has regulated and cleaned up the trade. It has enabled some women who work in this trade to at least have a workplace that has some controls about it, some degree of personal safety and some degree of attention to health. It has provided some prospect of some women at least earning an income that is somehow commensurate to the service being provided without being entirely ripped off and without being reliant upon pimps and the criminal elements in our community who for so long have, I would have thought, discriminated against, coerced and stood over women who saw that they had no alternative but to be involved in prostitution.

Regrettably, it has not been the end of it. If the report in today's newspapers has any credibility at all, the police are saying there are some 400 illegal brothels in Victoria in addition to those that have been legalised, to say nothing of street prostitution, which we know is endemic in the St Kilda area and possibly in one or two other locations in Melbourne.

The thing I find quite extraordinary about those sorts of figures is the tremendous demand there appears to be in our community for services provided by the sex trade. I find it quite extraordinary that we can have legal brothels, allegedly 400 illegal brothels, and street prostitution and still the demand does not appear to be satisfied.

I have a great deal of sympathy for governments when they attempt to come to grips with this issue. As the second-reading speech notes, the National Party was represented on the advisory group set up by the first Bracks government to look at this issue. It might be concluded or inferred from the second-reading speech that I signed off on the recommendations of the prostitution advisory committee. I did not do that at all and I do not think I was given the opportunity to sign off on it.

However, I do have some sympathy and I compliment the member for Richmond in another place, who chaired the group. The group was far too large — it is impossible to reach a consensus in a short time with a group as large as the one the member for Richmond was attempting to manage and of course the process took a lot longer than was anticipated. Nevertheless the group worked reasonably productively and reached a reasonable consensus. That is a tribute to the members of the group, given the diverse views and opinions which were represented on the group which included residents of St Kilda, representatives of the local council, representatives of the Prostitutes Collective, and various other interest groups in the area.

The recommendations brought down by the committee had some merit — there is no doubt about that — but I am reluctant to accept the concept of tolerance zones, which the committee recommended. For quite a while it appeared the government was going to take up those sorts of recommendations and establish tolerance zones where street prostitution would have been at least tacitly overlooked. It always seemed to me that that was the thin edge of the wedge. It also seemed to me that it would be very difficult to find a zone that could be declared a sex tolerance zone that would meet all the criteria of being in an industrial area and the like and sufficiently attractive to sex workers and their clients.

For quite some time it appeared the government was going to move down that track. However, as Mr Dalla-Riva has pointed out, the election was drawing nigh. There was obviously a great deal of pressure being brought to bear on the member for Albert Park, the Deputy Premier. He and others apparently convinced the Attorney-General to back off — and back off the government did. I am not complaining about that because I think a lot more community discussion needed to be had before the community could have been thought to be ready to move down the track of accepting sex tolerance zones. I say in passing that while I have a great deal of sympathy for the residents of St Kilda I also note that prostitution has been a fact of life on the streets of St Kilda for more than 100 years. So anyone who lives there now went there knowing that this goes on and bought property with their eyes open. I know it annoys them intensely and I understand why it annoys them, why it is distasteful, why it is disturbing, and why they feel a lack of security in being exposed so often to offensive behaviour. However, it ought to be noted that the current residents went to the area knowing that they were likely to observe that sort of behaviour. That in no way exonerates those who perpetrate these offensive acts and conduct themselves in such an offensive manner.

It seems to me the bill is an attempt by the government to be seen to be doing something as a result of the prostitution advisory group's recommendations. I do not oppose the attempt. However, I am concerned that the new offences are being restricted to just St Kilda and declared zones. That seems to be branding the declared streets sex tolerance zones for prostitution. I would have thought that if it were an offence in a declared zone it would be an offence everywhere it occurs. That is the point Mr Dalla-Riva was making. I would be quite happy if the offence created by this bill became a general offence wherever it was perpetrated.

I acknowledge there is a problem in St Kilda with young hoons coming to the area very late at night in hotted-up motorcars, making lewd remarks, generating a lot of noise, creating traffic jams, damaging property and all in all behaving offensively.

As a member of the committee I took it upon myself to visit the locality a number of times at appropriate hours. I walked along several streets as well as driving around the block on several occasions, taking care not to be arrested for guttercrawling myself. I can vouch for the fact that there is offensive behaviour by young men in cars causing a lot of disturbance. We ought to be doing something about it and the Parliament is quite right to legislate against it but I cannot see why the offence is being restricted to declared streets. If people behave like that in my street in Wodonga they ought to be charged with an offence. If they want to make an offensive remark or an offensive gesture along these lines to a female walking along my street in Wodonga, I cannot think why it is not an offence just as much as it would be in the streets that the Attorney-General has in mind to declare in St Kilda. I understand that an

amendment along those lines might be coming from the opposition in due course. If that turns out to be the case, the National Party will be pleased to support it.

I acknowledge that street prostitution is seen as an intractable problem which does not seem to have been properly dealt with in many cities of the world. This state was a leader in bringing in properly regulated legalised brothels. I would like to say that we will come down very hard on anyone who engages in prostitution outside the parameters of the legalised brothels, but as tempted as I am to say that, I then come to the enforcement aspects. How do you enforce it? The police came to the advisory group and explained how difficult they find it not only to deal with the prostitutes but more particularly with their pimps, their clients and prospective clients. I acknowledge all those problems: it is not an easy issue. The Parliament has grappled with it on many occasions in the past. I see this as a minor example, which might do something to help the people of St Kilda. It is worth a try but I do not put a lot of store in it.

Ms MIKAKOS (Jika Jika) — On behalf of the government I am pleased to make a contribution to support the Summary Offences (Offensive Behaviour) Bill. Street prostitution is a difficult issue and a particular problem in many parts of St Kilda. The concentration of street prostitution in some residential streets in the St Kilda area has attracted a great deal of what is referred to as sex tourism. As Mr Baxter indicated, very frequently it involves young males driving around yelling abuse from their vehicles, throwing things and generally conducting themselves in an offensive manner.

In response to complaints from many St Kilda residents, in March 2001 the government established the Attorney-General's Street Prostitution Advisory Group. I take this opportunity to congratulate all members of that group on the work they did in grappling with a very complex issue. The group was chaired by the former Parliamentary Secretary for Justice and member for Richmond in the other house. Members of the Liberal and National parties were represented by Mr Baxter and Mrs Coote. There were also representatives from Victoria Police, the City of Port Phillip, local residents and traders, health, welfare, outreach workers and street sex workers themselves.

The advisory group reported to the Attorney-General in June of last year and provided the government with a range of recommendations, some of which are still being considered. Some of the key recommendations included proposals to do with the establishment of street worker centres in the City of Port Phillip and the creation of a new offence aimed at sex tourism.

In late August 2002 the Acting Premier, the Honourable John Thwaites, publicly announced that the aspects of the proposed bill relating to the establishment of street worker centres would be withdrawn. This government makes no apology for the fact that it is a consultative government; it is prepared to listen to the views of affected residents. When the recommendation was discussed with the local community it became apparent that there was a lack of community consensus on the practicality of the proposal relating to the establishment of street worker centres. The Bracks government appreciates that these are complex and difficult issues. The advisory group's recommendations were designed to produce a solution to a particular local problem and the government was not prepared to impose a solution on the local community without its support. Clearly if the citizens of St Kilda do not support the introduction of street worker centres then the government was prepared to announce that it would not proceed with its plans in respect of those proposals. I welcome the fact that we have been responsive to community concerns. It indicates the very different approach this government has to public policy compared to the previous Kennett government.

This legislation seeks to take up one of the key recommendations of the advisory group relating to a new offence aimed at sex tourism. In particular the bill seeks to amend the Summary Offences Act 1966, to introduce a new offence, punishable by infringement notice, that targets disruptive behaviour of sex tourists who go to St Kilda. The various elements of the offence include the prohibition of the use of offensive words or gestures in a public place, within the view or hearing of another person, from a motor vehicle and in a declared area. I will come to the issue of the declared area shortly.

This is obviously a strict liability offence which means it does not require proof of intention or recklessness. For example, this means that defendants will not be able to escape liability by claiming they did not intend their words or gestures to be offensive. So the offence will be punishable by an infringement notice or on-the-spot fine which may only be issued by members of Victoria Police and which will carry a penalty of $100. As is usually the case with infringement notices, defendants will be able to contest the matter in the Magistrates Court, and the court will have the discretion to impose a higher penalty of up to $500.

I found it quite puzzling, particularly given that the Honourable Richard Dalla-Riva is a former member of

Victoria Police, that in his contribution he questioned the government's use of an infringement notice for this type of offence. As he would clearly know, it is far easier for Victoria Police to administer offences that are punishable by an infringement notice. It means police resources are not tied up in prosecuting matters in the courts, unless of course the defendant seeks to contest the matter in the way I have just indicated.

I note that Mr Dalla-Riva referred to other existing provisions in the Summary Offences Act, and I want to point out that section 17 of that act includes an offence that relates to a person being in a public place and using profane, indecent or obscene language, or using threatening, abusive or insulting words. This offence is punishable by 10 penalty units or imprisonment for two months, and there are further penalties for second, third or subsequent offences. Quite clearly it was intended by the advisory group and by the government that we establish an offence that addresses a specific problem in a specific area that makes it easy for members of Victoria Police to administer.

Under the existing provisions of the Summary Offences Act it would require Victoria Police to take a defendant to court in every instance where that person was effectively engaged in gutter crawling, so I do not accept the member's point that provisions of the Summary Offences Act cover the area of gutter crawling, because the new offence to be established by this legislation is specific to offensive behaviour occurring from a motor vehicle — in effect gutter crawling — in a declared area. This will make the offence far easier for Victoria Police to administer in tackling what has become a problem endemic to some streets of St Kilda.

I now turn to the issue of the declared area and the foreshadowed amendments that will be moved by the opposition at the committee stage. The new offence that is being introduced by this legislation will only apply in an area declared by the minister and gazetted accordingly. In exercising the power to declare such an area, the minister must be satisfied that the area has a high level of street prostitution. The legislation is intended to deal with a particular problem in some parts of St Kilda. Offensive behaviour that occurs outside declared areas can be caught by other provisions of the Summary Offences Act, but as I have just indicated, it is a more complex process involving the matter being taken to the Magistrates Court rather than an on-the-spot fine.

The government takes the view that members of the opposition would surely have their heads in the sand if they did not recognise that sex tourism is a problem in some parts of St Kilda. This legislation aims to assist Victoria Police in bringing some amenity to residents of those areas.

The government will oppose the foreshadowed amendments. The Honourable Richard Dalla-Riva indicated only in very general terms what the amendments are, so I cannot comment on them in detail, but I assume they are similar to the amendments that were moved by the opposition in the other house. On that basis the government will be opposing the foreshadowed amendments because the proposed offence is tightly restricted so as to target a specific problem in a specific area, and it is intended that the offence will apply only in areas where street prostitution is prevalent, which as I have indicated, is in certain parts of the St Kilda area, and offensive behaviour that occurs outside the area will still be an offence under section 17 of the Summary Offences Act. As he indicated, that will involve a more involved process of police prosecuting the defendant and taking them to court, not issuing an on-the-spot fine.

In conclusion, this is a very difficult issue. It is one that the advisory group has dealt with and on which the government has consulted extensively with the affected local communities. The new offence included in the legislation provides an effective and measured response to assist police in their efforts to address nuisance behaviour associated with street prostitution. We believe the foreshadowed amendments are unnecessary because we are dealing with a specific problem in a specific area. We certainly do not want to see this problem spread to other areas, and we are seeking to be responsive to the concerns of the residents of the City of Port Phillip in addressing a problem endemic to their streets. For those reasons I commend the bill to the house and urge members to oppose the foreshadowed amendments.

Hon. C. A. STRONG (Higinbotham) — I rise to speak on the Summary Offences (Offensive Behaviour) Bill. In doing so I have to say this is a disappointing bill. In fact, it is a bill that I see frankly as a little bit of a trick on the Port Phillip community because it purports to help them with a problem, but in actual fact I have no doubt it will do exactly the reverse. It will have very little impact. It seems to me it is typical of a lot of the legislation the government has brought in. It says it has listened and has acted, but it has achieved nothing. This bill will achieve nothing.

One of the key reasons why it will achieve nothing and one of the disappointments in it is that it sets out to deal with the symptoms of the criminal behaviour of prostitution but does nothing to deal with the cause. In

fact many of the provisions will go to encouraging the root behaviour, a particular symptom of which the bill seeks to outlaw. The opposition does not oppose the bill but as has been said, we will be moving an amendment that tries to make the bill more sensible.

The main provisions of the bill are to amend the Summary Offences Act to introduce a new offence, which is offensive behaviour of a person in a motor vehicle — that is, anybody who uses words or makes gestures in a motor vehicle. At first blush you could say it is not a bad idea because it goes to the significant issue of road rage, about which a lot of people have a great deal of concern, where people often become angry, where gestures are made, with shouting and taunting often leading to extremely and dangerous behaviour and, in many cases, injury. But this is not about road rage at all because this behaviour will only be an offence if it takes place in a certain area. This is the key issue.

The minister may, by notice published in the *Government Gazette,* declare one or more areas where the bill will operate if the minister is satisfied that conduct contrary to sections 12 and 13 of the Prostitution Control Act frequently occurs in that area. In other words, it will only take place where prostitution is in place. We have a situation where the offence is limited to those areas where prostitution takes place.

The further provisions of the bill allow the police to issue infringement notices for anybody they believe is behaving in an unsatisfactory fashion. These infringement notices can be delivered or given to the person, face to face, or they can be sent through the post. Imagine sitting at the family breakfast table when the mail is being opened and finding a pinkie in it for behaviour involved in a guttercrawling offence. How is that going to look? Do you think many people will pay up? Of course they will not. They will be defending these things to the death. How unfair is that? Will the police use their power? Of course they will not. They will not be issuing pinkies to people on notices that will be delivered to families at the breakfast table. It is stupid.

I turn to the other hypocrisy and go to the minister's second-reading speech where he makes wonderful high-flying statements like:

> … reflects the government's commitment to deliver more effective sanctions to specifically target the disruptive behaviour of 'sex tourists' in St Kilda.

It talks about sex tourists and disruptive behaviour. It says we have to curb these sex tourists, but the sex tourists are only there because of the sexual activity of the prostitutes, which is illegal, so surely the way to deal with the sex tourists is to take way the illegal activity of prostitution in St Kilda.

In the second-reading speech the minister continues to talk about the problems prostitution causes in St Kilda. What does he propose as a solution? There is no curb on prostitution, and there is nothing like an infringement notice for prostitution or for the clients of prostitution. He says, 'No, we are going to have an infringement notice for people who drive by and make signs or garish noise', but simply because the prostitutes are there. It is ludicrous in that the bill seeks to deal with one particular symptom of this crime and not the crime of prostitution itself.

What will the effect of this be? These areas that are defined by the minister, which will be de facto safe sex zones, will appear to be lot safer areas for the prostitutes to work in. These zones will be redefined and the prostitutes will know that. They will be policed with the view of — —

Ms Hadden interjected.

Hon. C. A. STRONG — No, with the view of keeping this behaviour out of the way, to see that the policing is there but in the full knowledge that this government has said the purpose of policing in these pseudo safe-sex zones is not to stamp out prostitution but to stamp out people who drive through the area and are a little yahooish in nature.

What will be the result? These zones will be a magnet for the prostitutes because they will feel safer working in those areas. It will not have any benefit for the people in Port Phillip at all because it will simply attract more people to the zone. Our fundamental objection to the legislation is that it is safe sex zones by another name.

The thrust of our foreshadowed amendment is to change that so that the sort of yahooish behaviour a driver of a vehicle may be indulging in, which results in road rage and other undesirable behaviour, will be against the law wherever it occurs across the state. So it is not related to another crime — namely, prostitution.

The bill is a sham. It is extremely disappointing because there is absolutely no doubt that the problems that prostitution brings to the Port Phillip area are very significant, but if this is the government's solution to the problems that prostitution brings to that area, it is a joke. Its solution to prostitution is to ensure that the guttercrawlers who drive through the area are well behaved.

Its solution to the prostitution problem is to have well-behaved guttercrawling. What a joke! As I say, it will be counterproductive because it will simply attract more prostitutes into that area. There are so many things the government can do in the area.

We simply have to look at one of the key underlying reasons that women go onto the streets, and that is to feed their drug habit. What does this government do on the whole issue of dealing with drugs, an issue I have raised many times in this house? The causal linkage is well established between drugs and crime, and drugs and prostitution, and the cost to the community is huge, but it is nowhere to be seen as a significant issue on the government's radar. Did we see any initiatives in the budget to try to deal with the whole issue of drugs and crime? No, we did not. It is something that the government does not want to know anything about.

The government can do many things, but this is, frankly, a joke. I am absolutely sure that as this trick that is being played on the people of Port Phillip becomes obvious, as they look for some salvation from this bill which the government has told them will be a solution to world hunger as far as prostitution goes, and as they go out and see more and more prostitutes on their streets in these particular pseudo-safe-sex zones, they will realise the extent of the trick that is being played on them. I hope they are able to say to the government at the next election. 'You tricked us and we're going to show you'. The bill is an absolute charade and a disappointment. The opposition will not oppose it, but it will move an amendment which will make it much more sensible.

Ms HADDEN (Ballarat) — I speak in support of the Summary Offences (Offensive Behaviour) Bill. I assure the Honourable Chris Strong that it is certainly not a sham or a joke. It is a great pity that he has referred to the bill, and the great work that has gone on behind its introduction, in that way.

The purpose of the bill is to amend the Summary Offences Act of 1966 to create a new offence relating to offensive behaviour, and provide infringement notices. Briefly, by way of background, the Attorney-General established a street prostitution advisory group in March of 2001 in response to demands by the community and stakeholders in the area of St Kilda in the City of Port Phillip.

That advisory group was established and met; two members of Parliament were part of that group, they being Mr Baxter and Mrs Coote. I read with interest in the newspapers and listened to Jon Faine's radio program on 3LO about the great anxiety that street prostitution was causing amongst a whole range of people in the community of St Kilda. As Mr Baxter pointed out, street prostitution has been a part of St Kilda for over 100 years, but the behaviour of the so-called sex tourists is not acceptable. I have family who live in St Kilda and they have raised children in their home. They love the area and would never move out, but the behaviour of the sex tourists has been unpalatable to residents. I also have a friend who has a business in Fitzroy Street, St Kilda. It is again the sex tourists who make his business and his customers uncomfortable. That is not acceptable.

The legislation is required to implement two of the key recommendations of the advisory group. The bill will see the implementation of the creation of a new offence aimed at the so-called sex tourists. The new offence will target the disruptive behaviour of sex tourists who come to St Kilda. The offence is set out in clause 3 of the bill, which includes the prohibition of the use of offensive words or gestures in a public place within the view or hearing of another person, from a motor vehicle and in a declared area. The offence will only apply in an area declared by the minister and gazetted accordingly. In exercising the power to declare such an area the minister must be satisfied that the area is one where a high level of street prostitution occurs.

The proposed offence is tightly restrictive so as to target the specific problem in St Kilda as a result of the concerns raised by the advisory group. The offensive behaviour that occurs outside a declared area, or which is not connected to a motor vehicle, will still be an offence under section 17 of the Summary Offences Act 1966. Section 17 deals with obscene, indecent, threatening language and abusive behaviour and so on in public. That is not by way of an infringement notice, it is served by way of a summons. That also can land on the family breakfast table, in the same way that Mr Strong mentioned about the infringement notice. So be it — so can an offence of exceeding .05 summons land on the breakfast table. But it certainly is served personally under section 17 of the Summary Offences Act. I certainly see no difference with it landing on the breakfast table. If the cap fits, the person has to wear it.

The offence will be one of strict liability. It does not require any proof of intent or recklessness. Therefore the offence will be committed once offensive conduct occurs in specified circumstances as set out in the bill. Defendants will not be able to escape liability by claiming that they did not intend their words to mean the intent, or the gestures to be offensive. As I said, the offence will be punishable by an infringement notice by way of an on-the-spot fine. If that is not paid by the due date — it is an initial penalty of $100 on the

infringement notice — then it will proceed to the Magistrates Court. The defendant can choose to contest the matter in any event before a magistrate and that will then attract a higher maximum penalty of up to $500 on conviction.

I am not sure what the proposed amendments will be. I have not worked that out, and I have listened to two opposition speakers. It seems a shame that they are proposing to introduce amendments to a bill that seeks to fix a problem requested by the community. That is a great shame.

The new offence is part of a package of law reforms proposed by the Bracks government, and a new criminal offence is proposed to specifically target the nuisance complained of by residents, traders and tourists in the City of Port Phillip and, in particular, St Kilda. It will allow police to issue an on-the-spot fine or infringement notice to so-called sex tourists who drive through the residential areas of St Kilda abusing, harassing, and intimidating workers, residents and tourists alike. The offence will prohibit affronting language and behaviour in a declared area from a motor vehicle. The punishment by way of an infringement notice will increase police efficiency by reducing time spent on processing offenders through the procedure of a summons and court appearance preparation. The new offence will address the complaints raised by residents, traders and sex workers in the St Kilda area who form part of and who made submissions to the street prostitution advisory group.

As the Attorney-General said in his second-reading speech, the new offence will police the nuisance behaviour associated with street prostitution, it will reduce the harm caused to residents and street sex workers and it will help to provide a safer and better environment in St Kilda and within the City of Port Phillip for those who work or live in or happen to tour or go to have a meal in the area. It is a very good thing, and we should be supporting the residents, traders and sex workers in that area and the recommendations of the advisory group. It is a sham and a joke that the Liberal Party opposition does not support this bill. I commend the bill to the house.

Hon. ANDREA COOTE (Monash) — This is happening in my electorate of Monash Province. I would like to outline for this chamber what it is like with the street sex problem in Monash Province. I would like members to understand what it is like from both the point of view of the street sex workers and for the inhabitants of those houses — those residents who live in the area and are affected by the issue. It is a very vexed, difficult issue; I wonder what the long-term solution will be.

Those of you who live in the leafy suburbs or in country and rural Victoria are not confronted with this. You are not confronted with people in front of your mother's or your sister's or your children's household, with sex workers plying their trade in front of your house and sex tourists coming around and yelling abuse. You are not confronted with the punters who cruise around on a regular basis trying to find a girl and who pull up and cause complaints, and with the rubbish and material that is left behind. It is a very difficult situation.

I was appointed to the Attorney-General's street prostitution advisory group, made up of community people and chaired by Richard Wynne, the member for Richmond in another place. I have to say that he did an excellent job, given that it was in extremely difficult circumstances. On that committee were a number of community leaders; street prostitutes; a representative of the Salvation Army, Jenny Plant; and residents Jeannette Davison and Anne Peterson. I would like to put on the record my praise for the work they did — they did an extraordinary amount of work. On the committee were representatives of the police; Good Shepherd Youth and Family Services; the shop traders; Karen Sait, representing the prostitutes — she was from the organisation Rhed; and Michelle Stubbs.

We started poles apart. It was a very difficult job. The community all voiced their opinions. The residents explained how difficult it is, with people leaving their rubbish while waiting to solicit and the girls leaving their rubbish while waiting to solicit the punters. They spoke about their own 12-year-old daughters having been propositioned on their way home from school. One person spoke about their elderly mother who could not get out of her driveway because a couple were copulating in her driveway.

There are a number of issues that are extremely difficult. What is happening and why it is so visible is that St Kilda is now becoming far more gentrified. Long gone are the seedy hotels, the boarding houses and the down-market rental opportunities, and the girls are being forced to service their clients in the streets. Each week up to 1000 sex acts are happening in the street. That is an enormous number of sex acts happening in the street in front of people's eyes.

I know the areas well. It may interest people in this chamber to know that some of the busiest times of the day are 6.00 o'clock in the morning and when people are on their way to work. At other places the busiest

times are at night when people are on their way home. The girls are servicing their clients in the St Kilda botanic gardens and in cars in front of people's houses. There are some very concerning stories.

There are three types of sex workers in the City of Port Phillip. There are the female sex workers — and some members may have seen these girls. Many of them are drug addicted and have multiple problems; many of them are extremely vulnerable young people. There are also the young men. They are in an area behind Luna Park called the Peanut Farm. I have been out at night on an inner suburban bus dispensing condoms and tea and coffee. It is a very salutary experience to speak to these young people and to see some of the finest of our youth ending up on drugs and in a situation such as this.

The third category are the transgender sex workers. They are a particularly vulnerable group. When they are out on the street they are at risk from violent punters, from people picking them up and bashing them. There was a circumstance reported in this morning's newspapers where a young woman, supposedly not a street sex worker, was picked up from St Kilda Road and stabbed in the neck at 3 o'clock this morning. Aside from that, the sex tourists — the very people we are talking about in debate on this legislation — throw things such as eggs or tomatoes at the girls. They throw ball bearings at the transgender sex workers, who work in an area near the National Theatre. The operators of the shops in that vicinity find it extremely difficult to get insurance to replace their windows. It is an extremely difficult situation.

It was in this atmosphere that the Attorney-General's street prostitution advisory group was put together. The people on that committee, as you can imagine, were poles apart, as I said. We worked together very closely to try to come up with a resolution to an extremely difficult situation — understanding that much of this is relevant to St Kilda and that it is a management rather than a moral issue. All the people on that committee worked very hard to come up with a solution.

What we saw was that the tabloids got hold of it. Recommendations were put up, many of which had a lot of merit. But, no, it was sensationalised. We saw headlines such as 'Sex brothels state owned', and the hysteria expressed right across the state. I charge the media in this state with giving as much attention to an exit program for these people as they gave to the sensationalising of this. I want to see the media being responsible by going out and looking at exit programs and seeing how they can help some of these people get out of the industry — that is, get off the streets, modify their behaviour and lead viable lives.

The press have a lot to answer for. They sensationalised this issue when there were many recommendations, some of which the Liberal Party put into its policy. Many of those recommendations were very good. The press in this state have a lot to answer for and should go back and have a very good look at what they did. They should have a look at the vulnerable people. The media should put pressure on the government and say, 'We have got to find an exit program'. They should put pressure on the minister.

I have been to see the minister and put to her a proposal that is being put up at the moment by Terry Melbourne of the Sacred Heart Mission, which is something I certainly endorse. It is an excellent program for helping and assisting these most vulnerable in our community to get out of it and off the street. It is not an expensive but a very well-thought-out program to help people exit the street prostitution industry. If we can help some of these people get off the streets and re-establish their lives, it will be to everyone's benefit. It is costly in human terms and it is costly to all the people concerned.

The police are in a great dilemma. I have to say that if I have one problem with this bill it is that it just does not go far enough. The police are calling for on-the-spot fines something like those for drink-driving, where the first time you get the fine and the second time you can go to court. They should be introduced not just for the sex tourists who, as I explained before, throw things — for the sex tourists this legislation deals with only what is said from a car — but also for the punters and the sex workers.

It needs to be two pronged. We need to look at an opportunity where the police can issue on-the-spot fines, as they wish to be able to do, but we also need this to go hand in glove with a program to help people exit, to have some sort of solution to end this. There is a very good program in Western Australia run by a woman called Linda; she runs a program called Linda's House of Hope. In Thailand they have introduced a very successful training program which encourages people to get off the streets and to learn the skill of hairdressing; that is working very well. It gives them a career and helps them to get out of this situation.

This bill is very confusing and problematic, but it is very problematic for my residents too. They do not want to have to put up with this. Let me just explain that we are not talking about an Amsterdam red-light district here; we are not talking about a commercial area where there are women sitting in the windows; and we are not talking about people strolling up and down as some sort of risqué tourist attraction. We are talking

about suburban houses not 5 kilometres from this building; we are talking about an area where residents who have bought into the area had no indication at all that they would be confronted with street prostitution. They are trying to bring up their children in these areas, they are trying to live their lives in decency. It is very difficult for them.

I condemn these hoons. My concern is that, from the work that I have done — and it is considerable — looking into this particular issue, drug-driven prostitution is happening in other areas of this state as well, in places such as Footscray, Dandenong and Springvale. This bill also needs to address some of those areas. As I said before, I do not believe it goes far enough.

I have enormous empathy for all of the players in this situation. It is extremely difficult for the residents; it is extremely difficult for the police; it is particularly difficult for the shop traders; and it is especially difficult for the sex workers themselves. These people are vulnerable members of our community and as members of Parliament we need to help them get out of this. We need to be looking at the vulnerable in our community, and I charge this government with creating a successful exit program to help these vulnerable members of our community.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

The CHAIR — Order! I invite Mr Strong to move his first amendment, which I think will test his second amendment as well.

Hon. C. A. STRONG (Higinbotham) — I move:

1. Clause 3, lines 13 to 15, omit all words and expressions on these lines.

Essentially, what this amendment does, along with the consequential amendments that flow from it, is remove from the bill the need for the minister to proscribe an area under the Prostitution Control Act where this particular offence will be operable. The bill as it now stands defines an offence and it requires the minister to proscribe an area, by lines on a map or similar means, where this behaviour will be an offence. What the amendment does is make that behaviour an offence anywhere, wherever it takes place. In moving the amendment I refer to the minister's second-reading speech, in which he said, in part:

> Sex tourists — those who travel specifically to St Kilda to cruise the streets and observe, abuse and harass sex workers and residents alike — throw objects from their cars, make obscene gestures, yell abuse, litter, sideswipe parked cars and, occasionally, resort to violence. These illegal acts are reprehensible in any community, but in St Kilda they serve to compound the harms associated with street prostitution.

The position that the opposition takes is that the minister is absolutely right in saying that these illegal acts are reprehensible in any community. This amendment ensures that they will be reprehensible and they will be a crime wherever they take place.

The offensive behaviour that is outlined in the bill of a person using words, gestures and so on while in a motor vehicle, and doing it in the view and hearing of another person in a public place et cetera, and carrying out all these acts the minister described — sideswiping cars, littering, abusing people and resorting to violence — is unacceptable behaviour and it should be unacceptable wherever it takes place. It is inappropriate that they are acceptable in one particular part of the state but not in another. If they are unacceptable, they are unacceptable and they should not be allowed.

This amendment amends the legislation to make it the law. That does not mean the police will not be able to go into St Kilda and these difficult areas and clean out this sort of behaviour. They will be totally empowered to do that anyway. But if similar behaviour was to take place in another part of the state — say, in some streets of Dandenong, some streets of Balwyn or anywhere else for that matter — it would also be illegal. So this does not significantly change the thrust of the legislation of making this unacceptable behaviour illegal, it simply says it should be illegal anywhere that it takes place.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to Mr Strong's amendment, I recognise what he is proposing, but in response to what he has mentioned I highlight that the proposed offence is tightly restricted so as to target a specific problem in a specific area. It is therefore intended that the offence will apply only in areas where street prostitution is prevalent. But I am also advised that any offensive behaviour that occurs outside a declared area will still be an offence under section 17 of the Summary Offences Act. It is worth highlighting that it is a tightly restricted area and the key component of the legislation is to deal with a specific problem in that specific area.

As such, there are opportunities to impose the same sort of tight restrictions in specific targeted areas. That could well be the case given the powers and responsibilities under this bill but, as also mentioned, any offensive behaviour that occurs outside a declared area is still an offence under section 17 of the Summary Offences Act.

Hon. C. A. STRONG (Higinbotham) — Thank you for that advice. You note that this sort of behaviour would be an offence under the Summary Offences Act if it were carried out in other parts of the state. Would it be an offence that could be prosecuted by an infringement notice?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it cannot currently be prosecuted by an infringement notice. That is why we are introducing this bill with procedures to ensure that those offences could be prosecuted in that way.

Hon. C. A. STRONG (Higinbotham) — One of the reasons we are moving the amendment is so that these offences can be prosecuted by an infringement notice wherever they take place. I thought, Minister, that your answer supported that view, but I may be wrong.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to respond to that, Chair. If the offensive behaviour is undertaken outside a restricted area it would still be an offence but the offender would not be prosecuted under an infringement notice. Hence introducing this legislation is very much about the method of prosecuting that offensive behaviour, which is via an infringement notice.

If the offence was committed in a restricted area, this legislation would allow for prosecution via an infringement notice. Offensive behaviour outside that area is still an offence, as I understand it, under section 17 of the Summary Offences Act and prosecution is still enforceable but the method is different. There is no provision for a procedure via an infringement notice. Hence this bill is as much about the method of prosecution as the outcome.

Hon. C. A. STRONG (Higinbotham) — Thank you, Minister, for that answer. The opposition remains of the view that that is a very significant difference. Most members would be aware that to launch an action under the Summary Offences Act one would have to go through the whole procedure of going before a magistrate, et cetera, et cetera, and leading all sorts of evidence, which is a much more complicated and difficult process and would not have anywhere near the same impact as an enforcement mechanism such as an infringement notice.

Therefore, frankly, we cannot understand what the minister says or has implied about this offence taking place in one of the zones designated by this bill or in another area covered by the Summary Offences Act. The opposition cannot understand why this simplified procedure of dealing with such unacceptable behaviour is not standardised across the state into an infringement notice procedure. That is the thrust of our amendment. I think the minister has indicated that he does not accept that, which is a great disappointment. The opposition, nevertheless, will proceed with the amendment.

Committee divided on omission (members in favour vote no):

Ayes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Ms	Mitchell, Mr (*Teller*)
Carbines, Mrs	Nguyen, Mr
Eren, Mr	Pullen, Mr
Hadden, Ms (*Teller*)	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr

Noes, 18

Atkinson, Mr (*Teller*)	Forwood, Mr
Baxter, Mr	Hall, Mr
Bishop, Mr (*Teller*)	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr

Pair

Darveniza, Ms	Drum, Mr

Amendment negatived.

The CHAIR — Order! Mr Strong, do you wish to move amendment 3?

Hon. C. A. STRONG (Higinbotham) — All the other amendments are consequential on that amendment and therefore I do not intend to move them.

Clause agreed to; clause 4 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That the bill be now read a third time.

I wish to thank honourable members for their contributions, particularly the Honourable Andrea Coote for her personal interest and commitment to this issue.

Remaining stages

Passed remaining stages.

PLANNING AND ENVIRONMENT (METROPOLITAN GREEN WEDGE PROTECTION) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

VICTIMS OF CRIME ASSISTANCE (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

AUDIT (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr LENDERS (Minister for Finance).

ESTATE AGENTS AND SALE OF LAND ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr LENDERS (Minister for Finance).

ROAD SAFETY (HEAVY VEHICLE SAFETY) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Ms BROAD (Minister for Local Government).

ROYAL AGRICULTURAL SHOWGROUNDS BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

VICTORIAN URBAN DEVELOPMENT AUTHORITY BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Ms BROAD (Minister for Local Government).

BUDGET PAPERS, 2003–04

Debate resumed from 20 May; motion of Mr LENDERS (Minister for Finance):

That the Council take note of the budget papers, 2003–04.

Mr SMITH (Chelsea) — After being so rudely interrupted about two days ago I continue with my contribution on the budget debate.

There are a couple of other issues I would like to raise and one is the economic impact of the proposed planning ventures in Frankston, including the proposed marina which has three possibilities — stage 1, stage 2 and stage 3. Stage 3 is the one being pushed by the Frankston council and developers as having the optimum outcome. It has caused a great deal of angst and concern to a great number of people in Frankston particularly environmentalists and those concerned about the potential detrimental impact on Frankston Beach. I have to say I am supportive of those people. My concerns are the same as theirs and I, with all my other Labor parliamentary colleagues in the area, including the members for Cranbourne, Carrum, Frankston and both of us from Chelsea Province, are of

one mind on this matter and are strongly opposed to stage 3 of the development.

We have had numerous meetings with people who argue the case for the economic benefits to Frankston. We are not convinced of that and oppose any move for the government to spend taxpayers money on the project.

That leads me to the other main issue in that part of the world and that is the Mitcham–Frankston tollway. As we know, originally, it was going to be a freeway but circumstances being what they are it is now proposed it be tolled. This matter has caused a great deal of angst and discussion internally and among citizens in general who will be affected by the tolling of the Mitcham–Frankston freeway, tollway, fast road. But the overall benefits and economic outcomes for the area more than guarantee that the road will be completed in the appropriate amount of time.

The other issue with regard to tolls that concerns me is the proposal by the Stonnington council that the tolling gantry just after Toorak Road should be shifted further out to the east just this side of Warragul Road in an attempt to divert more traffic away from Toorak Road. That might be all right for Stonnington council but I have to say there is some bad news for the council and that is that the government has guaranteed that there will be no further tolling on the road. Therefore that stretch of road will not be tolled, and that is a guarantee. This government will not allow that gantry or the tolling to go further out to the east so although citizens in my part of the world — —

Hon. Bill Forwood interjected.

The PRESIDENT — Order! You are out of your place, Mr Forwood.

Mr SMITH — They will not be incurring any extra tolls coming into the city or diverting off into Toorak Road. Let us be honest! What we would be doing would be suggesting that Toorak Road should be a toll road in a roundabout way and that people legitimately going into Toorak Road for their business or whatever would now have to pay to do it when at the moment they do not. That is contrary to and inconsistent with our policies, and it will not happen.

I have to say also that there is no question at this point that the budget has been very well received by the general public, and we are naturally very pleased about that. What was really interesting was that despite all the protestations and scaremongering from the opposition, particularly on the tolls for the Mitcham–Frankston freeway, the latest poll suggests that in Victoria this side of the house has enhanced its position by some 2.5 points despite what the opposition has been on about.

So it would seem that the citizens of Victoria have a much more enlightened view and have decided that we really are a government that knows what it is doing and acts in the best interests of all Victorians. I therefore commend this budget to the house.

Hon. E. G. STONEY (Central Highlands) — I am only going to make a short contribution in the interests of time as we try to fit this ambitious legislative program into the allotted time. It is a very hard ask given the number of bills and the number of minutes of government business left this sitting.

We now know why the government went to an early election: it simply ran out of money. Throughout the Labor government's first term of office it was quite obvious that it could not keep up the deception that it knew or cared much about country Victoria. Nowhere was that more evident than in my electorate of Central Highlands. Between 1999 and 2002 Victoria was subjected to a cheque book courtship and in the end this tactic was financially unsustainable. Going into the election last November the government made millions of dollars worth of promises, and in his contribution Mr Forwood listed a lot of them. As he led this debate Mr Forwood made a very good contribution on the state of the economy in Victoria at the present time.

Over the past few debates, numerous references have been made to government promises for natural gas to go to places like Bonnie Doon in my electorate and Myrtleford and Bright. Now those places have been told they have to make a good case or they will not be considered, which really is deception at its best.

Last week's budget clearly demonstrates that the government has retreated to Melbourne. It is going to build a footbridge in Melbourne rather than fix Lake Eildon. Indeed the fixing of Lake Eildon has been discussed many times in this place and in the other place over the last few weeks. The government has slugged employers who employ apprentices and this hurts industry everywhere, especially in larger towns in the Central Highlands where the larger employers are putting on apprentices and trying to give young people a start.

The government is going to create a toll road in the eastern suburbs rather than upgrading country highways. It has increased vehicle registration costs, and I challenge that. A 3-cent petrol levy is supposed to go to upgrade roads and for infrastructure and safety.

On top of that the government has increased vehicle registration fees for exactly the same reason. Once again the total amount going to roads will not be enough. We have to ask: what has happened to the money that is taken every time you fill up your car? That was supposed to go to the upgrade of roads. Now we have a vehicle registration increase which is supposed to go to the same thing, so it is a double dip on motorists.

I want to comment on the $9 million sawlog plantation strategy outlined in the budget. The principle behind the idea is good, but when it is practically applied $9 million will hardly assist the pressure on native forests. It will take 30 years to produce the first log from private property: it will not have any immediate effect on the sawlog supply and it will certainly not assist the transition from native forests in the Otways, as has been claimed. At present there are no sawlogs coming from private hardwood plantations — that is, hardwood plantations that have recently been planted. There are a few old plantations in Gippsland that produce sawlogs, but none is coming from recently planted plantations. These plantations are destined for chipping; they will not be used for sawlogs, and it is very hard to change management from that of logs that are to be chipped in plantations to those that will be grown for sawlogs. In fact the technology is not there and they are not even sure which species to plant to create sawlogs.

I am advised by the industry that the $9 million will only provide 1 per cent or 2 per cent of the annual production from present forest operations in publicly owned forests and not even for another 30 years. It is really no solution to the crisis in sawlog availability which has been caused by more and more forests being closed that used to produce good quality hardwood for Victorians to enjoy.

I finish on a subject very dear to my heart — that is, rail trails. For some years I chaired the parliamentary committee on rail trails which created 17 official rail trails in Victoria with a three-year budget. The 17 rail trails began to be developed and some of them were finished. They became very popular and the ones that are finished, like the one between Lilydale and Warburton, carry an enormous amount of traffic. Another trail that comes to mind is the Murray to Mountains, with a spur line to Beechworth. It cost $1.6 million to build, and I understand that that investment is being repaid handsomely for the tourist industry up in that area. People are very proud of the Murray to Mountains rail trail: it is the pre-eminent rail trail north of the Great Divide.

Unfortunately, the Labor government did not establish another three-year budget to finish the job and quite a few rail trails are languishing because of that. Programs like rail trails should be above politics and should be embraced by all parties for the health and general good of the community. I cannot believe the minister has not initiated a new three-year program. I would have thought the political kudos would be immense. Some of the committees of management on the 17 rail trails are languishing. The lost opportunity is very sad, and I have become very frustrated by that. Committees that are waiting to have funds granted have probably lost interest. The bicycle community in Mansfield has taken matters into its own hands over a rail trail that has been designated but not built — except that the corridor is now in public lands and has become Crown land. There is anarchy in the rail trail world! Last week the *High Country Times* had a headline 'Mountain cyclists tackle rail trail'. It says:

> On Saturday over 20 members and friends of the Mansfield Mountain Cyclist Club took to the as yet undeveloped rail trail between Mansfield and Maindample in a bid to raise awareness of the need to have the trail developed.
>
> President of the Mansfield mountain cyclists, Chris Pullin, said, 'The development of a proper rail trail between Mansfield and Bonnie Doon would certainly benefit the town, especially in the areas of tourism.

The track at the moment is ill defined, but it would not take too much work to develop the rail trail as the basic track already exists. It further states:

> Funding is currently being sought from government agencies, in particular lands and conservation.

It is disappointing that the land is there, but the track has not been developed. From 1999 the Minister for Transport, Mr Batchelor, and the then Minister for Environment and Conservation, Ms Sherryl Garbutt, in the other place milked every photo opportunity to be seen opening the lines that were built with the Kennett government budget, but they have not yet put any core funds into it. Various budgets from the former Department of Natural Resources and Environment have assisted, especially in Gippsland and elsewhere, but there needs to be a significant budget to finish the job. It has not happened.

Rail trails really are something that every community loves and rail trails adjacent to communities are very good for them and are very well received. We have some other potential rail trails that are not yet designated. One of them is Healesville to Lilydale and the other is Tallarook to Mansfield, which the Bonnie Doon to Mansfield trail is part of, as I mentioned earlier. I urge the government to finish the 17 rail trails

that are designated. I urge them to look at other opportunities like Healesville to Lilydale. If we looked at the wider vision and the good of Victoria as far as healthy weekend recreation is concerned, for an outdoor family activity we certainly cannot beat rail trails. It is one of the most wonderful things you can do.

So for the benefit of all Victorians I urge the government to look again at the rail trail program, to reinstate it, claim it as its own idea if it likes, because that is what it often does. But if it wants to do it that way, I ask it to please do it, to just build them and to open every possible rail trail for the benefit of Victoria.

Hon. C. D. HIRSH (Silvan) — I rise to speak today on the budget with great pleasure. This fourth Bracks budget delivers on the government's commitments to make sure that Victoria is smarter, healthier and safer and a more environmentally friendly place for its residents. The government is committed to getting on with the education and health system for all Victorians making our communities safer, ensuring that the environment is looked after and that we have sustainable growth with jobs and a protected environment.

Each and every one of the 133 recurrent spending commitments made by the government during the last election have had funding provided for them in this budget. It also starts the capital works and investment program set out during the election campaign and in Labor's financial statement. The Victorian economy remains robust and resilient and the state's financial position continues to be secure with another AAA credit rating. The government is in fact a very responsible government financially and handles the taxpayers money with great responsibility.

The Bracks government's commitment to innovation and excellence in education sees suburban schools benefit from a range of recurrent programs with 450 additional teachers in secondary schools. It is very important to have them in secondary schools, particularly in the early years when children transferring from primary school education need class sizes as small as possible in order to undertake that transfer. It is quite a big change when they move from a small group with one teacher to a bigger school where they are a small fish in a large sea and they have subject teachers for different subjects and sometimes move from room to room.

I am personally very pleased to see the $50 million over four years for 256 primary school pupil welfare officers. Under the Kennett government in the 1990s school psychology and welfare services were decimated. Child guidance and school psychology centres were closed down and the few psychologists who remained were placed in isolated situations in schools, so it will be very good to see welfare officers coming into schools to assist at an earlier age with the problems that some children experience. If you wait until secondary school to pick up learning difficulties or behavioural problems it is often too late. The time to pick them up is at the primary school stage, particularly the early years so that behaviour can be managed and literacy and numeracy programs can be undertaken.

There is also going to be $11 million for rebuilding works at fire-damaged schools. The one I am particularly pleased about in the electorate of Sylvan is Boronia Primary School; the school experienced a very destructive fire last year in which a great deal of heroism was displayed by staff because the children were at school when the fire broke out. The money to completely rebuild and revamp the Boronia Primary School in particular is most welcome.

In regard to hospital patients it is very good to see new funding for areas in the health system such as dental health, breast screening, ambulance services and for the early detection and treatment of obesity and diabetes. There is no doubt about the strong relationship between obesity and the late onset of type 2, or type B, diabetes. I know about this only too well as my GP tells me all the time that I should lose weight. Many of us also feel we should lose weight so as not to be oppressed by type 2 diabetes. Given the relationship between the two conditions, working on obesity is very good as a preventive measure. As obesity affects the heart, the joints and the general quality of life, it can shorten one's life quite dramatically.

A massive amount of money has been allocated to improve health services for Victorian women. An extra 96 000 Victorian women will be screened for breast cancer with part of a $38.8 million budget allocation particularly targeted towards improving the health and wellbeing of Victorian women. This gratifies me especially in terms of breast cancer screening. Members will have noticed the Warrior Women exhibition over the past week in Queens Hall. If members have not yet looked at it, I recommend what is a great display and is most worthwhile. In it women tell stories of their courage under adversity.

A number of women friends and relatives of mine have suffered from breast cancer in the past. Some have recovered and some have not. I think the statistics are still rather uncertain, but I have no doubt that breast cancer can be triggered by a stressful situation, a stressful event or a stressful state. As women age it is

very important that they undertake regular breast screening. It seems to help pick up cancers early and reduce the seriousness of the disease.

Part of the $38.8 million will go towards improving postnatal care, which is also important. In the last day or so, given the unpleasant case in New South Wales of a woman who unfortunately has been found guilty of murdering her four children, there has been quite a bit of talk, particularly this morning, about postnatal depression. It seems that postnatal depression was not the cause of those episodes, but it does cause serious depression in a number of women after they have given birth. These days there are good facilities to diagnose postnatal depression and reasonably good treatment is available, but certainly improved early detection of postnatal depression is very important.

Money will also go towards improving Koori maternity services, which is also very important since the postnatal early death rate among Koori women is higher than among the rest of the community. It is important that Koori maternity services be extended.

On the establishment of intervention mental health teams and the provision of community health centre counselling services, the whole issue of mental health teams — certainly the CAT teams, as they are known, or crisis teams who need to make themselves available when a person has a crisis in mental health — is very important. Early intervention mental health teams are important for early diagnosis, perhaps enabling a patient to undertake a program of medication early in the piece as soon as they start suffering a mental illness. Community health centre counselling services are also a great innovation because often women, particularly women suffering from a mental or emotional illness, feel much less threatened going to a community health centre for counselling than attending a major public hospital, which can be quite overwhelming and threatening.

The budget allocates $105 million over four years to strengthen mental health services in general. This includes responding to the growing demand pressures of particularly homeless people with mental illness and those with the dual diagnosis of dementia. One of the issues is drug-induced psychosis which occurs when people have developed mental illness through substance abuse and are continuing to use various drugs or substances which rather negate the effect of the medication prescribed for the psychosis. Treatment for these people who are often homeless and on the streets is very important. Over two years 48 more mental health beds will be established. I am not sure how you actually treat the patients who have a drug-induced psychosis and are still using prohibited substances. I know one person quite well and another only somewhat who suffered from these problems. The only way they have been able to be stabilised is to be in a very controlled and supervised environment where they have had no access to substances that are preventing the mental health treatment from taking place. I am not sure how the answer goes with that, but the extra money in the budget for mental health is going to be very useful.

I also refer to the $155 million boost that the government has given to training and employment. One very good program converts the current system of providing businesses with payroll tax exemptions for employees undertaking apprenticeships to a system of bonuses paid to employers on completion of the apprenticeships. What has been happening is that a number of young people have been starting but not completing apprenticeships, which is unacceptable and needs to change.

The completion bonuses will ensure that there is fair treatment for young Victorians, and Victorian employers who ensure that their apprentices complete their training will then be rewarded. It is a much better system than the current one and it will be of greater benefit to young people. An amount of $51.4 million has been provided to go to employers of three or more apprentices or trainees per year. The employer will receive a $1500 bonus when one trainee completes a course and a $3000 bonus when an apprentice completes an apprenticeship. The increase in incentives for employers to ensure young people complete apprenticeships is very advantageous.

Another great budget program is an $11 million funding to help parents get back to work. This program for parents returning to work will provide $1000 grants to eligible parents who have been out of the paid work force for at least two years while caring for children and who want to return to the work force but find themselves in need of further training.

Many years ago when my children were young I was out of the work force for some time. I was able to gain re-entry into the work force through what I called Gough's gift, when we had access to free tertiary education. I would never have been able to undertake a four-year university course if I had not had that access to funds. I commend the program which encourages people and assists women in particular financially to get back to work. Overall it is a great budget.

Debate adjourned on motion of Hon. R. H. BOWDEN (South Eastern).

Debate adjourned until next day.

AUDIT (AMENDMENT) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

The bill introduces amendments to the Audit Act to further enhance the independence of the Auditor-General, strengthen the accountability arrangements of his office and provide greater scope in his powers to promote sound financial management in the state.

In November 1999, during the debate on the Audit (Amendment) Bill 1999, the Premier advised that the government was considering further amendments to the Audit Act that had been requested by the Auditor-General. The Premier stated that these further amendments required more consultation than could be accommodated in the time available for the preparation of that bill. On behalf of the government, the Premier assured that further legislation would be introduced after the necessary consultation had occurred.

There has now been extensive consultation between the Department of Treasury and Finance, the Auditor-General, the Department of Premier and Cabinet, the Department of Justice and other bodies, including other jurisdictions within Australia and New Zealand. As part of this consultation process the Public Accounts and Estimates Committee was also consulted fully on the Audit Act amendments. On behalf of the government I thank the chair and members of the committee during the 54th Parliament for the valuable contribution they have made to the development of the bill.

The amendments to the Audit Act introduced by the bill relate to the following issues:

Greater protection for the Auditor-General

1. Indemnity for Auditor-General and staff

Consistent with the government's steps in restoring the independence of the Auditor-General, the bill provides an indemnity for the Auditor-General and his staff, through the insertion of section 7H in the Audit Act. Although such indemnities in legislation are rare, this provision ensures that as an independent officer of the Parliament, appropriate indemnity protection is provided to the Auditor-General through legislation rather than at the discretion of the government.

Both the current Auditor-General and his predecessor have requested a statutory indemnity to cover the Auditor-General and audit staff. In support of these requests, the Auditor-General commented that a number of other officers, such as the essential services commissioners, the Ombudsman, the Legal Ombudsman and the Chief Electrical Inspector enjoy strong statutory protection.

The indemnity that has been provided exempts the Auditor-General and his staff from any personal liability for acts or omissions in performance of official duties, provided they have been done in good faith.

2. Disclosure of information in reports yet to be tabled

As part of the amendments to the consultative process the government has provided the Auditor-General's proposed reports with greater protection. Under the proposed insertion of section 20A(2) into the Audit Act, a person receiving a proposed report or part of a proposed report must not disclose any information in that report unless acting in the course of their official duties or the information has been made public in a report by the Auditor-General to the Parliament.

The bill also introduces penalties for a person or a body corporate that breach these secrecy provisions. In disclosing information outside of the avenues available under section 20A(2) a person is liable to a maximum penalty of 50 penalty units, while a body corporate is liable to a maximum penalty of 250 penalty units.

Scope of the Auditor-General's powers

3. Scope of powers

The Auditor-General has sought clarification in the general scope of his powers, duties and functions under the Audit Act in order to ensure a common understanding of what types of activities his office may undertake. To this end the bill proposes to amend the Audit Act to provide clarification of the Auditor-General's powers and functions through the revision of the act's objectives within section 3A.

In addition, the government recognises the important role the Auditor-General plays in the identification of any wastage, lack of probity or financial prudence in the management or application of public resources. Accordingly the public interest focus of the Auditor-General's work will now be clearly articulated in the Audit Act.

4. Extension of the definition of 'authority'

The Auditor-General has raised concerns that the definition of an 'authority' in section 3 of the Audit Act is insufficient to give him the power to audit entities controlled by the state or other authorities.

The definition of an 'authority' in section 3 of the Audit Act includes 'a corporation, all the shares of which are owned by or on behalf of the state, whether directly or indirectly'. This section does not confer power on the Auditor-General to audit partly owned corporations, no matter how close to 100 per cent the state's effective shareholding is. While section 3 allows for other persons or bodies to be prescribed as authorities, the Auditor-General has expressed the preference that a power to audit bodies that are not wholly owned be provided explicitly.

The bill amends section 3 to provide the Auditor-General with the power to audit all entities controlled by or on behalf of the state or authorities.

Where the state or an authority does not hold a controlling interest in an entity, the Auditor-General shall continue, as now, to audit the authority in whose books this minority shareholding appears as an investment and comment on the value or risk of such an investment.

This amendment will ensure that the Auditor-General has responsibility for the financial audit of all entities in which the state or an authority has control.

In addition, the Auditor-General's powers to audit are further enhanced by the proposed insertion of section 16D in the Audit Act to allow the Auditor-General to accept appointments as a Corporations Act auditor. This overcomes the circumstance where the Auditor-General cannot act as auditor for a controlled entity due to the appointment of their auditor being governed by section 328 of the Corporations Act rather than the Victorian Audit Act.

5. Auditor of the Victorian public sector (VPS) non-authority bodies

Circumstances can arise where it is desirable for the Parliament to enable the Auditor-General to undertake financial statement audits for entities not coming within the definition of an 'authority' under the Audit Act but still within the Victorian public sector. An extension of the Auditor-General's powers to audit these types of entities provides him with greater opportunity to scrutinise the use and flow of public funds.

With the proposed insertion of section 16G the bill provides the Auditor-General with the power to audit entities outside of the definition of an authority under the Audit Act but still within the Victorian public sector. The Auditor-General will only be able to undertake such audits if invited to do so by the entity and it is in the public interest and practicable for him to do so.

6. Examination of funded bodies

The Auditor-General has advised the definition of a 'public grant' in section 20 of the Audit Act has caused some interpretive difficulties for his office. For example, the question has been raised whether goods or services provided to a community or private body at subsidised or nominal cost, or free of charge, constitute a 'grant' within the meaning of the section.

The bill provides clarification of the nature of grants to funded agencies. The purpose of the amendment is to ensure that the Auditor-General has clear directions as to what resource flows to funded agencies he has the power to examine.

To achieve this the bill inserts section 16C into the Audit Act, which provides the Auditor-General with a general audit power to conduct any audit necessary to determine whether a financial benefit, paid by an authority to a person or entity that is not an authority, is being applied economically, efficiently, effectively and for the purposes for which it was given.

7. Other auditing services

The Auditor-General has sought an explicit power in the Audit Act to enable him to provide additional auditing services to authorities, when requested to do so. Situations can arise where, due to the knowledge the Auditor-General may have of an authority's activities or particular expertise in a sector, an authority may wish to engage the Auditor-General to undertake additional audit services.

Through section 16E the bill provides for a limited extension of the Auditor-General's powers to undertake additional audit services for authorities. Under this provision the Auditor-General can only provide these services where an authority has requested him to do so and the authority has gained the approval of its responsible minister to make the request.

8. Information to public officials during the course of an audit

The Auditor-General has requested he be provided with the ability to communicate information to other persons and bodies where it is considered appropriate.

A situation may arise during the course of an audit where the Auditor-General becomes aware of information that is more suitably dealt with by another person or body. For example, if fraud is found taking place in an authority the Auditor-General may wish to pass on this information to the Chief Commissioner of Police. However, under the current provisions of the Audit Act the Auditor-General cannot pass on any information, obtained during an audit, to other persons or bodies.

A new section 16F is proposed in the bill to enable the Auditor-General to provide written information to a minister, the Chief Commissioner of Police, an authority, a member, officer or employee of an authority and a statutory office-holder — for example, the Ombudsman. Where the Auditor-General passes information on under this section, he must notify the Premier.

9. Offences — increases in penalties

The bill proposes to increase penalties for breaching certain provisions of the Audit Act. Section 20A deals with the protection of information contained within proposed Auditor-General reports. A person who breaches this section or section 16F, which provides the Auditor-General with the power to disclose information obtained during an audit to selected parties, will be subject to the penalties proposed by the bill. As briefly mentioned previously, a person will be liable to a maximum penalty of 50 penalty units and a body corporate to a maximum of 250 penalty units for disclosing information outside the avenues available under section 20A.

Consequentially, the penalties contained within section 14 of the Audit Act have been increased to be in line with the penalties proposed under section 20A. Section 14 provides for a penalty where a person has failed to attend or provide the Auditor-General with information or documents requested under section 11.

Efficiency of the operations of the Auditor-General

10. Capacity to transmit reports to the Parliament out of session

The Auditor-General has requested that he be provided with the power to send his completed reports to the Parliament when it is in recess and therefore be provided with parliamentary privilege. This would obviate the need for additional work to ensure that reports are still current at the time of transmission to the Parliament and would better meet the public need for information to be available as soon as possible after an audit is completed.

Under the proposed section 16AB, the bill provides for the transmission of reports of the Auditor-General when the Parliament is in recess. Section 16AB sets out specific

requirements for both the Auditor-General and the clerks of the Parliament in the operation of this provision. The Auditor-General is required to give one business day notice of his intention to transmit a report to the Parliament and once the report has been provided to the clerks, the Auditor-General is required to publish the report on his Internet web site.

As part of this process the clerks must notify members on the same day of the receipt of a notice from the Auditor-General and distribute the report to members as soon as practicable. The report must then be laid before the house on the next sitting day.

This last provision is to ensure a report transmitted to the Parliament, while in recess, is not precluded from being debated in the Parliament once the Parliament is sitting.

11. Revised threshold for the delegation of authority to undertake financial audits

The threshold for the Auditor-General to delegate the undertaking of a financial audit and signing of an audit opinion is currently set at authorities with net assets of $1 million or less. The Auditor-General requested this threshold be increased to cover authorities with $5 million or less in expenditure for that financial year.

The increase in the delegated threshold is not a move towards greater outsourcing of the Auditor-General's work. Approximately 65 per cent of the Auditor-General's current financial audit work program is contracted out to private audit service providers. The main difference between contracted-out work and that work coming within the delegated threshold is that an audit service provider is required to sign the audit opinion as the Auditor-General's agent under the delegated provisions.

The purpose of this amendment is to achieve greater efficiency and effectiveness in existing outsourcing arrangements of the Auditor-General. It provides him with the ability to gain greater flexibility in achieving value for money (and accountability) from private sector audit firms he contracts work to. Under the current threshold levels the majority of contracted audits are required to be reviewed (and often have re-work conducted) and then signed by the Auditor-General, leaving only a small number of audits being signed-off by the contractor who actually did the work. This situation does not lend itself to an efficient means of contract management for the Auditor-General.

Through the bill, the new section 7G increases the threshold limit to entities with expenditure of $5 million or less. It also includes the requirement that only those persons registered as company auditors, under the Corporations Act, may be delegated the authority to undertake financial audits as agents of the Auditor-General. Although currently the Auditor-General only delegates audits to company-registered auditors, the Audit Act did not specify this requirement.

12. More practicable time frame of tabling the Auditor-General's narrative report on the annual financial report

The Auditor-General has requested a more practicable time frame be provided in the tabling of his narrative report on the annual financial report, under section 16A. The current timing requirement is presentation to the Parliament within seven sitting days after the tabling of the annual financial report (which is set from 27 October).

The bill provides that in section 16A(4) of the Audit Act, 'seven sitting days' be deleted and the date 24 November under section 16AB(2)(b) be substituted in place thereof.

The bill also amends the current requirement in section 16A(3)(a)(ii) that states the Minister for Finance only has seven days in which to provide comment on the Auditor-General's report on the annual financial report. This requirement is amended to 10 business days. This provides for a more realistic time frame in which to comment and removes the confusion as to whether the number of days referred to in the Audit Act are business days or calendar days.

Provide greater accountability for the Auditor-General

13. Publication of auditing standards

The Audit Act requires the Auditor-General to comply with those auditing standards produced by the accounting profession.

The insertion of section 7B(2)(f) by the bill requires the Auditor-General to summarise in his annual report details of any additional standards he develops above those produced by the accounting profession.

14. Professional quality control arrangements

In extending the powers of the Auditor-General, such as the ability to audit non-authority entities within the Victorian public sector and the delegation of a greater number of audits, it is important the Parliament is provided with greater accountability mechanisms over the Auditor-General's work.

As part of the development of greater accountability, the bill sets out a new requirement with the insertion of section 7B(2)(e), for the Auditor-General to summarise in his annual report the quality control processes undertaken by his office each year. This will provide an effective mechanism through which the Auditor-General can highlight to the Parliament the quality control systems he maintains and any improvements undertaken in these systems from year to year.

15. Auditor-General's annual plan

Under the current requirements of the Audit Act (section 7A(4A)) the Auditor-General is required to have regard for any comments received back from the PAEC on a review of his annual plan, but does not have to change the plan or document where he does not accept a recommendation. We do not believe the Auditor-General should have the need to change his annual plan, but where the changes from the PAEC recommendations have not been adopted, this is to be documented. This is achieved by the bill with the introduction of a new section 7A(4A) that requires the Auditor-General to indicate in his annual plan the nature of any changes suggested by the PAEC that he has not adopted.

In addition to the above, section 7D(2) has also been amended to require the PAEC to consider the Auditor-General's annual plan and budget concurrently. These two changes in approach provide a much stronger accountability back to the Parliament in its review of the Auditor-General's planned activities and

establish a more transparent process between the development and review of planned work.

In the tabling of the Auditor-General's annual plan, there is a current technical anomaly that will be overcome by the bill with an amendment to section 7A of the Audit Act. Currently, the Audit Act requires the annual plan to be tabled by the Auditor-General after the appropriation bill, but prior to the end of the preceding year to which it relates. The amendment seeks to overcome this by the introduction of an out-of-session provision which deems the annual plan to be tabled when it is presented by the Auditor-General to the clerks of each house when Parliament is in recess. This will enable the annual plan to be available to members of Parliament, public sector agencies and the community prior to the beginning of the financial year to which the annual plan relates. The annual plan will still be required to be laid before each house on the next sitting day after which it is received.

16. Performance audit of the Victorian Auditor-General's Office to be undertaken by a suitably qualified person

The Audit Act provides that a performance audit shall be conducted on the Auditor-General's Office at least once every three years to determine whether the Auditor-General is achieving his objectives effectively, economically and efficiently and further in compliance with the act.

The accountability of the Auditor-General to Parliament will be further enhanced by amendments to section 19 of the Audit Act. The amendments clarify the scope of the performance audit to cover both the Auditor-General and the Auditor-General's Office and require the performance audit to be undertaken by a 'suitably qualified person', recommended by the PAEC and appointed by resolution of the Legislative Council and Legislative Assembly.

The bill through the insertion of section 19(2A) clarifies a person who meets the criteria of a 'suitably qualified person'. In order to be appointed to conduct a performance audit on the Victorian Auditor-General's Office, that person must not be engaged by the Auditor-General to assist in his functions under section 7F of the Audit Act, they must not hold a delegation from the Auditor-General under section 7G of the act and they must not be the independent auditor.

The purpose of these amendments is to ensure the utmost in independence of the person undertaking the performance audit by ensuring that there is no overlap between the operations of the Auditor-General and the suitably qualified person. That is, the person should be independent from a registered company auditor appointed to audit the financial statements of the Auditor-General's office or delegated by the Auditor-General to audit the financial statements of an authority.

Additional clarification of administrative arrangements of the Audit Act

17. Clearer distinction between audit opinions and audit reports

The Audit Act contains numerous references to requirements that the Auditor-General prepare and present a 'report'. This wording draws no distinction between a 'report' in the sense of an audit opinion and the more extensive narrative reports that the Auditor-General prepares for some audits.

Sections 9, 9A, 15 and 16 of the Audit Act have been amended through the bill to make a clear distinction between the types of reports prepared by the Auditor-General.

18. Clarification of audit fee

The current wording of the Audit Act is not clear in what services the Auditor-General can charge a fee. The bill, with the insertion of section 10, sets out the Auditor-General's power to only charge for his mandatory financial statements audit activities. No charges will apply to those audits and reports reflecting his discretionary work in informing the Parliament on accountability and resource matters. Instead, these audits and reports are funded through the Auditor-General's annual appropriation.

19. Narrative reports covering more than one financial audit

The Audit Act's current provisions provide the Auditor-General with the power to make a narrative report on a performance audit that relates to the activities of multiple authorities. However, he may not make a single narrative report that relates to issues arising from the financial audits of several authorities.

The bill, through amendment to sections 15 and 16, provides the Auditor-General with the ability to make a narrative report covering more than one audit.

20. Enhancements to the consultative process for audit reports

In the development of a report to the Parliament the Auditor-General goes through a process of consultation with entities directly related to the report and other interested parties. As part of this process the Auditor-General is required to seek formal submissions or comments from these groups and include this material in his final report to the Parliament.

Under the current reporting provisions of the Audit Act the Auditor-General is required to provide these parties with a copy of the summary findings and proposed recommendations. However, the Auditor-General has advised government that he wishes to have the option of providing a full copy of a report or a section of a report that is relevant to a particular party. In most circumstances it is appropriate to provide an entity with a full copy of a proposed report. However, situations do arise where it is more appropriate for an entity to receive only that part of a report that directly relates to them.

Under the new section 16(3)(a) the bill provides the Auditor-General with the discretion to provide a full copy of a proposed report to an entity, or only that part or parts that directly relate to the entity, for comment.

21. Business days

In the past confusion has arisen when interpreting the Audit Act as to whether days include for example public holidays or weekends, and in the event it was interpreted as such, deadlines for authorities to comment on the Auditor-General's reports had the potential to become unreasonably tight. Accordingly, the bill proposes to amend all references to 'days' in the Audit Act to 'business days'. The definition proposed to be inserted into section 3 defines a

'business day' as a day other than a Saturday, Sunday or public holiday.

I commend the bill to the house.

Debate adjourned for Hon. C. A. STRONG (Higinbotham) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

ESTATE AGENTS AND SALE OF LAND ACTS (AMENDMENT) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

The bill amends the Estate Agents Act 1980 and the Sale of Land Act 1962 to deliver substantial improvements in the protection afforded to consumers when purchasing real estate and in their dealings with estate agents generally. The bill will also implement a number of proposals arising from the national competition policy review of the Estate Agents Act and will make a number of other amendments necessary for the efficient operation of the legislation.

For most Victorians, purchasing a home is the largest and most significant financial commitment they will make. Home buyers, and indeed other investors in the Victorian real estate market, are entitled to approach purchasing property with confidence, particularly when buying at auction. For this reason, the government is committed to ensuring that the auction process is fair and transparent, and that Victorian consumers and investors can put their hand up at an auction confident that they are not bidding against a tree or a dummy bidder.

The amendments to the Sale of Land Act will introduce new rules governing the conduct of real estate auctions that will ensure fairness and transparency, and which will benefit prospective purchasers, honest vendors and honest estate agents.

The amendments to that act will require that all bids made by the vendor be made via the auctioneer. The auctioneer will be required to declare that a bid is a vendor bid by using the words 'vendor bid' when making a bid on behalf of the vendor. The auctioneer will be prohibited from acknowledging a bid that he or she knows was not made or was made by or on behalf of the vendor.

The bill will provide for substantial financial penalties for an individual or corporation who fails to comply with the new provisions. In addition, an estate agent who is found to have engaged in the dishonest auction practices prohibited by the bill could be subject to disciplinary proceedings at VCAT. VCAT could, if it considered it appropriate to do so, cancel or suspend the agent's licence.

The bill will also give a purchaser who believes he or she has been a victim of prohibited auction practices a right to make an application to VCAT for compensation for any loss or damage he or she has suffered as a result. The tribunal will be able to order a vendor to pay compensation to the purchaser where the tribunal is satisfied that dummy bidding occurred and that the purchaser suffered loss or damage as a result of that dummy bidding. In order to protect honest vendors from unfounded claims for compensation, a purchaser who is found to have made a vexatious or frivolous application for compensation or a claim without substance could be held liable for any loss the vendor may have incurred as a result of the application.

In addition to creating new rules for the conduct of real estate auctions, the bill also improves consumer protection in relation to sales of residential real estate by private treaty. The bill will remove the $250 000 cap on the right to 'cool off' that exists under section 31 of the Sale of Land Act. Given the recent substantial increase in house prices, this cap effectively means that a large number of Victorian home buyers do not have the protection afforded by the right to cool off.

Rather than simply increase the cap, which will again become outdated, the government has decided to extend the protection afforded by the right to cool off to all purchasers of residential land, regardless of the purchase price. The government does not believe that a purchaser should be denied adequate consumer protection simply because the price of the property he or she purchases exceeds an arbitrary set amount. The right to cool off will still not apply to auction sales or to where the purchaser has obtained legal advice prior to signing the contract of sale or has entered into a similar contract with the vendor for the purchase of the same land.

The bill will also amend the Estate Agents Act to prohibit the practices of underquoting and overquoting. The bill will prohibit an estate agent or agent's representative making a false representation to a vendor, or prospective vendor, as to the agent's true estimated selling price of the vendor's property. This provision is designed to stamp out the practice, engaged in by some dishonest agents, whereby the agent gives the vendor an inflated estimate of the property's value in order to obtain the vendor's listing. The bill will require the estate agent to record his or her estimated selling price in the authority or agency agreement signed by the agent and the vendor.

The bill will also prohibit an estate agent or agent's representative from underquoting the estimated sale price to a prospective purchaser. This provision is designed to stamp out the practice, also engaged in by some dishonest agents, whereby the agent gives prospective purchasers a low estimate of the selling price in order to encourage interest in the property and attendance at the auction. This practice can in some cases result in purchasers spending money on architect or builder's inspections or on legal fees when in reality the property is beyond their means.

Under the new provisions, the Director of Consumer Affairs Victoria will be able to require an estate agent or an agent's representative to provide evidence of the reasonableness of his or her estimated selling price. Substantial penalties will apply for a breach of the new provisions and an estate agent or agent's representative who fails to comply may find him or herself subject to disciplinary proceedings at VCAT.

The intent of these provisions is to prohibit estate agents deliberately underquoting or overquoting. The provisions are not intended to penalise an estate agent who makes an honest

mistake about the estimated selling price. Only those estate agents who flout the new laws by deliberately underquoting or overquoting will run foul of the new laws and be subject to prosecution by Consumer Affairs Victoria.

The bill also introduces new requirements regarding advertising rebates and other payments received by some estate agents in relation to outgoings purchased on behalf of their clients. The bill requires that these payments be passed on to the agent's client. It will be an offence for an estate agent to fail to pass on a rebate to the client or to charge their client more for the supply of goods or services than the estate agent paid to the supplier.

The government is committed to working with industry to improve the quality of services provided by estate agents, as well as ensuring that they comply with their legal obligations. To this end, the bill will establish a framework for the development of a system of continuing professional development for estate agents and agents' representatives. The bill will amend the Estate Agents Act to require estate agents and agents' representatives to undertake further training and development activities, designed to improve their knowledge and understanding of the law and their obligations to consumers. Consumer Affairs Victoria will work closely with industry bodies such as the Real Estate Institute of Victoria and the Estate Agents Council to develop an appropriate continuing professional development system that will benefit individual estate agents and agents' representatives, consumers of estate agency services and the real estate industry as a whole.

The bill will also enable the regulations to specify consumer protection information that must be given by estate agents to consumers of estate agency services. This information will cover matters such as negotiating the agent's commission, entering into a contract with an agent to sell or manage a property, warnings about engaging in prohibited auction practices, and advice on underquoting and overquoting, rebates and dispute avoidance and resolution processes. It is hoped that, through the provision of this information, consumers will be better informed of their rights and responsibilities when engaging the services of an estate agent.

The bill makes a number of further amendments to the Estate Agents Act, including:

amendments resulting from the national competition policy review of the act;

amendments designed to update the trust accounting requirements to take into account modern accounting software;

amendments to make the qualifications for auditors of estate agents' trust accounts similar to the qualifications required for auditors of solicitors' trust accounts;

introducing a capacity for infringement notices to be issued for certain prescribed offences; and

tightening up the provisions regulating the purchase by an estate agent of a property he or she has been engaged to sell.

This bill represents a substantial and significant package of reforms to the laws governing the sale of real estate and the regulation of estate agents in Victoria. Industry and consumer groups, individual estate agents and consumers have been consulted on and have had input into the bill. The key consumer protection measures contained in the bill have widespread community and industry support. The majority of honest estate agents are keen to see dishonest practices eliminated from the industry and will support the bill. The bill will provide increased protection to consumers, will increase consumer confidence in the market and, as a result, will ensure that Victoria has a healthy and vibrant real estate market.

I commend the bill to the house.

Debate adjourned for Hon. A. P. OLEXANDER (Silvan) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

ROYAL AGRICULTURAL SHOWGROUNDS BILL

Second reading

For **Hon. J. M. MADDEN** (Minister for Sport and Recreation), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

I have pleasure in introducing this bill to the house as a component of the project announced by the Premier in April 2002, through which the state government and Royal Agricultural Society (RAS) will jointly enhance the royal showgrounds site and promote the state's agribusiness sector both within Australia and overseas.

The Royal Melbourne Show is a major event attracting visitors from all parts of regional Victoria and the metropolitan area since 1853, providing an opportunity for Victorian rural producers to showcase their products, share knowledge and remind Victorians of the importance of the rural sector. It has successfully showcased the very best of rural and regional Victoria.

It is extremely important that the show remains a major event for all Victorians and continues to attract large patronage well into the future and caters for changing needs and user aspirations to ensure its ongoing success.

The showgrounds are well overdue for a facelift as most of the buildings were constructed between 1918 and 1927 with only three major structures built after 1950. Although the RAS holds valuable land assets it has in recent years had difficulty in raising the capital to improve and develop new facilities for the visiting public to continue to offer a first class event on the site and had sought government assistance to ensure viability of the show for future generations.

This issue had failed to be resolved by the former Kennett government and the Bracks government has worked closely with RAS and the agricultural sector to provide for the show and facilities at the showgrounds meeting future community and industry sector needs.

The government is working with the RAS to deliver a state-of-the-art multipurpose venue for the show as well as other events and functions throughout the year. The project will support regional industries and continue the government's investment in infrastructure that delivers real economic and social benefit to Victoria.

The Royal Melbourne Show generates significant economic benefits for the state. It attracts around half a million attendees each year and a recent estimate of its economic value to the state annually is $78 million.

The showgrounds redevelopment project will provide the state and the RAS with capacity to add significant value to the state. It will also provide for a major strategic change to improve the effectiveness and relevance to the agricultural community.

The high level objectives of the redevelopment are to:

create a versatile exhibition precinct, capable of hosting the Royal Melbourne Show and other events and functions;

maintain and enhance the show as a significant state event;

develop the Royal Agricultural Society into a catalyst for achieving improved outcomes for Victorian agribusiness through competitions, showcasing and knowledge exchange;

improve understanding between urban and rural communities;

increase participation in the show;

contribute to the growth of the food and agribusiness sector.

The Premier has already announced that the state will commit $100 million over three years to the redevelopment of the showgrounds in partnership with the RAS. Visitors to the show last year would have seen some of the benefits which will flow through enhanced facilities. Commercial and legal arrangements supporting this partnership venture are currently being finalised but as a first step the RAS and the state government have agreed to provide in legislation for the consolidation of the land assets at the showgrounds. This is the purpose of this bill.

The showgrounds site is held under a number of tenures, some of which have interest in an historic sense because they were among the very early sites reserved for showgrounds. Some land, as honourable members will see from the bill, is permanently reserved and therefore legislation is required to remove the reservation. The RAS is trustee over some parcels of the land and also holds some land in its own right as freehold.

Under this legislation all existing reservations will be revoked so that the land becomes unreserved Crown land. The RAS will also surrender its freehold land to the Crown and the land will then become unreserved Crown land. Once this consolidation is achieved the land will be granted to a corporate entity representing the interests of the state and the RAS. This is provided for in the legislation, as an assurance that having contributed its land interests to the project, the RAS as part of the new venture will receive a subsequent Crown grant.

The legislation will preserve several leases issued over portions of the site and will substitute the new entity as a party in place of the RAS.

Because a number of commercial negotiations between the state and RAS have not concluded it was considered desirable in this legislation to provide a further assurance to RAS that any changes in land status will not take place without its full support, notwithstanding the passage of the legislation. Accordingly, the legislation makes provision for the changes in land status to be triggered only after the minister administering the act has approved the corporate entity which will be the recipient of the Crown grant. One of the necessary conditions for the minister's approval will be the consent of the RAS.

In addition to the leases over the land, the RAS is party to a number of contractual arrangements for the supply of services or short-term uses of parts of the site. Under the new arrangements the RAS may wish to retain some obligations and entitlements, while others will become the responsibility of the approved corporate entity. The bill therefore makes provision for these obligations and entitlements to be allocated following approval of the corporate entity, through the mechanism of an allocation statement to be approved by the minister and the Treasurer and with the consent of the RAS.

This project offers significant opportunities for the enhancement of the agribusiness sector of the Victorian economy. It will also enhance the qualities of the Royal Melbourne showground site as a prime entertainment and exhibition venue for Melbourne and for the whole of Victoria.

I am pleased, as minister with responsibility for Crown land matters, to have the opportunity to contribute to this project and I commend the bill to the house.

Debate adjourned for Hon. D. McL. DAVIS (East Yarra) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

ROAD SAFETY (HEAVY VEHICLE SAFETY) BILL

Second reading

For **Ms BROAD** (Minister for Local Government), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

The main purpose of this bill is to amend the Road Safety Act and the Transport Act to enable effective enforcement of road transport 'chain of responsibility' laws. To this end, the bill will introduce enhanced investigatory and enforcement powers in relation to compliance with road transport and road safety laws.

The aim of the chain of responsibility principle is to ensure that everybody who bears responsibility for conduct that affects a person's compliance with road transport law should be made accountable for any failure to discharge that responsibility. This principle has been used to extend liability beyond the driver by introducing offences for employers, consignors and other parties in the transport chain where their actions lead to a breach of road transport legislation.

The chain of responsibility principle is a cornerstone of the national compliance and enforcement reforms being developed by the National Road Transport Commission and has wide support from industry and government.

The current approach and the current problem

The ongoing problem of heavy vehicles breaching road safety and transport laws is well known. Traditional law enforcement has focused on detecting and punishing drivers who break the law in an attempt to deter such conduct. This bill recognises that the deterrents against breaking the law are often substantially weaker than the pressures on drivers to break the law.

It is well known that pressure to break road safety and transport laws is applied by some employers and consignors and others in the transport chain who can gain substantial commercial advantage by the breaking of these laws. Speeding and breaking of driving hours requirements means goods can be delivered more quickly, resulting in higher profits and a competitive advantage over transport operators who observe the law.

Drivers who do not conform may risk detriment in their employment or, in the case of self-employed drivers, risk loss of business to other operators.

The risks and losses caused to the community by this situation are significant, though they are not often acknowledged because their effects are indirect. The costs include financial loss, injury and death from collisions caused by speeding heavy vehicles or drivers who are fatigued because they have not taken the required rest breaks. Costs also include damage to roads and bridges caused by vehicles that are overloaded. There is also the commercial harm suffered by operators who comply with the law, because those who break the law have an unfair commercial advantage.

The 'chain of responsibility' principle is already established by the law. For example, it is already an offence for a consignor of goods, or an employer or supervisor, to require a driver to adhere to a schedule that can only be met by not taking required rest breaks. However, these laws are difficult to enforce in practice. Police and Vicroads inspectors presently lack adequate powers to gather evidence to prove that parties in the transport chain other than the driver, for example, transport operators or consignors, have caused breaches of road safety and transport laws.

Consequently, parties in the transport chain who induce drivers to break the law can do so at little risk to themselves. It is the drivers who run the risk of detection and prosecution. It is also the drivers, as well as other road users, who incur the risks of death, injury or loss from vehicle collisions.

What the bill proposes

This bill will allow for heavy vehicles and premises associated with road transport to be inspected and searched for the purpose of determining whether participants in the transport chain are meeting their obligations under road and transport laws and under approved road transport compliance schemes.

The bill provides for a staged approach to the investigation of possible road transport offences. It allows for the inspection of particular heavy vehicles and premises for the purpose of determining whether relevant laws and schemes are being complied with. However, the search of those heavy vehicles and premises is only allowed if the inspector has formed a reasonably based belief that one of a number of specified circumstances exist.

The bill contains a number of safeguards that are designed to ensure that these inspection and search powers are exercised responsibly. Force may not be used during a routine inspection of heavy vehicles or premises. In the case of a full search, which may only be conducted in limited circumstances, only members of the police force will be entitled to use reasonable force. In addition, an inspection or search of premises that are unattended or used for predominantly residential purposes may only be conducted with the consent of the owner, occupier or person in charge of the premises, or with a search warrant.

One of the difficulties in enforcing road transport laws is gathering evidence of breaches. Another common difficulty is ascertaining who is responsible for the management of a particular vehicle or transport business. Under this bill inspectors will have the power to direct a person associated with road transport to provide documents and other items relating to heavy vehicle compliance. They may also require a driver or other responsible person to provide reasonable assistance to the inspector and to state the person's name, home address and business address. If requested, the person will also be required to provide similar details regarding any other person who is associated with the vehicle or its load and to give information to help identify who was the driver.

The bill also clarifies the scope of existing inspection powers that may be used in relation to heavy vehicles. The Transport Act already gives power to police and Vicroads inspectors to inspect heavy vehicles. The bill makes it clear that this power extends to carrying out tests, making copies of documents and extracting data from equipment or devices on the vehicle. It also allows an inspector or member of the police force who inspects or weighs a heavy vehicle under the Transport Act to issue a defective vehicle notice under the Road Safety Act.

Conclusion

The chain-of-responsibility laws are designed to sheet home responsibility for breaches of road safety laws to all parties in the transport chain who contribute to those breaches through their acts or omissions. However, if the enforcement of these laws is to be effective, improved inspection and search powers are needed. This bill will provide those powers. At the same time, the bill contains appropriate protections and safeguards for people and businesses affected by chain-of-responsibility investigations.

The bill is consistent with a model that has been developed in this area by the National Road Transport Commission. I am proud to say that Victoria is the first jurisdiction to implement these initiatives, which were recommended by the commission. The Bracks government has taken this leadership role because of the importance it places on

enforcing the chain-of-responsibility principle. The government is committed to protecting truck drivers, the trucking industry and the wider community from those who would put their commercial interests ahead of their legal duties and the safety of their employees and road users generally.

I commend the bill to the house.

Debate adjourned for Hon. D. KOCH (Western) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

VICTORIAN URBAN DEVELOPMENT AUTHORITY BILL

Second reading

For **Ms BROAD** (Minister for Local Government), Mr Lenders (Minister for Finance) — I move:

That the bill be now read a second time.

Second-reading speech as follows incorporated on motion of Mr LENDERS (Minister for Finance):

The main purpose of this bill is to establish a single urban development and renewal agency of government.

The bill will create the Victorian Urban Development Authority by merging the Docklands Authority and the Urban and Regional Land Corporation. The new Victorian Urban Development Authority will be able to trade as 'Vicurban' and will report to the Minister for Major Projects, with oversight by the Department of Infrastructure.

The benefits of merging the two bodies include:

the creation of a single urban development arm of government with a stronger focus and enhanced capability to undertake strategic urban renewal projects across Victoria;

a more explicit focus on the delivery of the government's key urban and regional policy agendas, including implementation of the Melbourne 2030 strategy and the provision of affordable housing; and

clearer separation of ministerial responsibility for planning regulation and the commercial urban development activities to be undertaken by Vicurban.

The newly merged body will be able to operate a responsible and successful urban development business (involving residential, commercial, industrial land and mixed-use developments). It will also assist the government in implementing its urban and regional development strategies by providing advice and expertise and by undertaking development projects on government and other land-holdings.

Vicurban will protect and enhance the environment by conducting its operations in accordance with the principles of sustainable development.

Vicurban will assume the functions previously undertaken by the Urban and Regional Land Corporation and the ongoing functions of the Docklands Authority. These functions include:

purchase, consolidate, take on or otherwise acquire land in metropolitan and regional areas for development for urban purposes;

carry out development of land alone or in partnership or to enter into arrangements or agreements for the development of land;

develop land in Victoria for residential and other urban purposes to provide a competitive market for land in Victoria;

promote best practice in urban and community design and development, having regard to links to transport services and innovations in sustainable development;

assist the government in the implementation of its urban development policies and strategies, for example, the government's long-term strategy to guide the city's growth, 'Melbourne 2030';

contribute to improvements in housing affordability in Victoria;

provide consultancy services in relation to urban development, whether within or outside Victoria or outside Australia;

undertake or manage major urban development projects on behalf of the Victorian government; and

carry out any other functions conferred on the authority by the act.

The functions of Vicurban are to be carried out on a commercial basis.

The bill provides for the Governor in Council on the recommendation of the minister to declare an urban development or proposed urban development to be a 'declared project'. Each declaration will specify the particular powers to be exercised by Vicurban to facilitate the completion of the declared project.

Consistent with the government's vision of achieving urban development outcomes, Vicurban will operate in two separate modes, as a developer and a development facilitator for the purpose of declared projects.

As a developer Vicurban will continue the commercial development activities the URLC has successfully delivered in the past and will continue to lead the market by assuming market risk and competing with the private sector in residential development.

In its role as a developer Vicurban will utilise powers and functions which parallel the existing powers and functions of the Urban and Regional Land Corporation to achieve its developer objectives by acting within a competitively neutral framework. Examples of the activities Vicurban will undertake as a developer include the Aurora and Cairnlea projects.

In this role Vicurban will also assist in the development of rural and regional centres, including undertaking development in locations where the availability of development sites and housing is a significant constraint.

In its role as a development facilitator Vicurban will facilitate the delivery of declared projects on behalf of the state where the state determines there is one or more of the following:

an important strategic development area;

a significant market impediment to the private sector initiating development;

a desire by the government and the community to see that development occurs;

an agreement with the relevant local council, department and minister to facilitate development of the area by the private sector;

a nominated project area agreed by government.

Participation by developers in declared projects will be through an approved competitive process.

Vicurban will contribute to achieving key outcomes of importance for government, such as the Melbourne 2030 strategy. In particular it will facilitate well-planned, sustainable development in strategic locations where problems of site assembly and market failures may otherwise delay or inhibit achievement of Melbourne 2030 outcomes.

It is government's intention to have a clear distinction between the ongoing financial structure of the Melbourne Docklands project and the commercial activities formerly undertaken by the URLC.

This bill will ensure that Vicurban will at all times act in a commercially and financially responsible and viable manner. It will build on the existing networks and skills of the Urban and Regional Land Corporation and Docklands Authority in its commercial transactions with the private sector.

I commend the bill to the house.

Debate adjourned for Hon. D. McL. DAVIS (East Yarra) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

ADJOURNMENT

Mr LENDERS (Minister for Finance) — I move:

That the house do now adjourn.

Rail: Glen Waverley station

Hon. ANDREW BRIDESON (Waverley) — I have an issue to raise with the Minister for Small Business for the Minister for Transport in the other place concerning recent works that have been completed at the Glen Waverley railway station. On 8 April I raised another issue in relation to the railway station at Glen Waverley, but this is a completely different one.

I have received correspondence from a constituent who has something to do with design works. I am not sure which field of design, but he claims that the new steps that have been built at the Glen Waverley railway station do not comply with the Australian design standards. He has supplied me with photographs of the steps and a design drawing, which I will give to the minister in this place and ask her to forward it to the Minister for Transport.

My constituent claims that the steps are extremely steep and pose a danger to the frail, the aged and certainly to disabled people. To ensure that this was accurate correspondence from my constituent I visited the station to check, and I climbed the steps and had some difficulty. My feet, although they are not large, did not fit on the steps. If I had some difficulty, I am sure older and disabled people would have great difficulty. There is not a rail at one side of the steps to assist people to walk up them. One of the photographs shows that there is a metal pole rising out of the steps, so the steps have been built in and around this metal pole. It seems to be a total design debacle.

I ask the minister to get the department to have a serious look at fixing the steps. My constituent thought it might have been a City of Monash jurisdiction but was told that it was outside the council's scope of works. My constituent has also contacted Connex in relation to this problem and has not received a response. I am asking the Minister for Transport to look at this with an intent to fix the steps so that there will not be litigious claims made against the government.

Monash Freeway: local traffic

Mr SCHEFFER (Monash) — I raise a matter for the attention of the Minister for Transport. The minister will be aware of reports in this morning's *Herald Sun* and *Age* regarding concerns over traffic congestion within my electorate of Monash Province caused by a large number of vehicles turning off the Monash Freeway at Toorak Road.

I ask the minister to give careful consideration to the concerns of affected residents which I am told will be contained in a submission on traffic issues that will shortly be sent to the government and Transurban. The government has made it absolutely clear that the Monash tollway will not be extended. This is a good policy, and I support it.

Both the *Herald Sun* and the *Age* indicated that Stonnington City Council is submitting that the toll point on the Monash Freeway should be moved to Warrigal Road to relieve traffic pressure on Toorak Road, and that council wants Transurban to offer cheaper off-peak tolls. Stonnington council's media release by contrast offers no controversial solutions, in fact no solutions at this point.

On the basis of consultation with local residents and its research findings on traffic flows, Stonnington council points to the dramatic increase in road use during off-peak periods. It says there has been a 25 per cent increase in westbound traffic in this section of road between 10.00 a.m. and 2.00 p.m. on weekdays and that westbound includes traffic coming off the Monash Freeway to avoid the tolls.

Local residents have expressed their concern for some time. Drivers can find it very difficult to exit out of side streets into Toorak Road because of the volume of traffic coming off the freeway. They think it is unsafe and too noisy, and they want the matter looked at, and this is not unreasonable. Stonnington council says it is looking to consult further with the community on this issue to help develop options to put forward to the state government. Provided that these options do not include any extension to the tollway on the Monash Freeway I urge the minister to give careful consideration to the Stonnington submission when it is received.

Commonwealth Games: athletes village

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — The issue I wish to raise with the Minister for Commonwealth Games is the planning process the government intends to implement with respect to the Commonwealth Games village at Royal Park, Parkville. On 19 May the minister wrote to me regarding the process the government will implement on that site. I thank the minister for his letter and also for the detail and clarity he has brought to the issue in making it clear the process the government will follow and in doing so making clear the options available for stakeholders.

The minister has outlined in his letter that he intends, having formed an advisory committee under the Commonwealth Games Arrangements Act, not to pursue a planning process in accordance with the Planning and Environment Act, using the powers he now has under the amended Commonwealth Games Arrangements Act. The minister has indicated that it is the government's view that the existing advisory committee under the Commonwealth Games Arrangements Act is satisfactory for covering off the public consultation process with respect to the likely rezoning of the land on which the village is to be constructed.

As shadow spokesperson for the portfolio there are two issues in the process the minister has outlined with which I have concerns. The first relates to the fact that the terms of reference for the advisory committee that exists under the Commonwealth Games Arrangements Act are not explicit on the rezoning proposed for that site. It is not clear that that committee was to undertake the ordinary processes that a planning committee under the Planning and Environment Act would undertake. That clarity was not provided for in the terms of reference or in the public notification provided when the committee was established.

Secondly, the period for submissions to that committee had expired before the minister released the details of the process in his letter so that stakeholders who were expecting to make a submission to a planning committee under the Planning and Environment Act were not aware that their only opportunity would be under the procedures of the advisory committee established under the Commonwealth Games Act, the submission period for which had already closed.

I would welcome the minister's comment on that. I hope he can address those two concerns the opposition has with the process he has outlined.

Geelong: FIBA Oceania basketball championships

Hon. J. H. EREN (Geelong) — I raise a matter for the Minister for Sport and Recreation. I am delighted at the exciting news that Victoria, in particular Geelong, will host the 2003 FIBA Oceania basketball championships. It is particularly pleasing to be raising this matter today following the minister's announcement that the Victorian government will provide funding support to help stage the event. This is an exciting example of this government being committed to major events in regional Victoria.

This event promises to draw bumper crowds in the regional clashes. I am glad to hear that Geelong will be hosting game two of the competition in North Geelong at the Geelong Arena. This is particularly gratifying given that the Bracks Labor government has provided $1 million in funding to the Greater Geelong City Council to buy the arena. The Bracks government is doing much to promote sport in our community.

Hon. Andrew Brideson — On a point of order, President, I have been listening very carefully to not

just this item on the adjournment debate but several items on the adjournment debates during this week. My understanding of an adjournment debate is that members are to raise issues for the appropriate ministers to address. Adjournment matters are, in my belief, not speeches; I think it is specifically said that they are not to be speeches. Many members are just putting on the record budgetary issues and items which do not relate to the end issue that members should raise. I ask you to draw the attention of members to this fact.

Hon. J. H. EREN — Further on the point of order, President, I am only a minute into the adjournment matter. I was purely highlighting the facts, and I am getting to the point. If given the chance I will be asking the minister a question.

The PRESIDENT — Order! I draw to the attention of all members of the house that in raising an adjournment matter a member may make a complaint, make a request or pose a query. As the Honourable Andrew Brideson indicated in his point of order, it is not an opportunity for members to make set speeches. I draw that to the attention of members on both sides of the house regarding their contributions to the adjournment debate.

Hon. J. H. EREN — Thank you, President. Just to further highlight the importance of this event, which I think all Geelong residents are very excited about — and I will get to a question very soon — I just want to highlight some of the events — —

Hon. Andrew Brideson — But you are not to make a speech. Raise the issue — get to the issue.

Hon. J. H. EREN — I am, and you are actually wasting my time. Game 1 of the championships between Australia and New Zealand — and hopefully Mr Brideson might attend and watch some of these exciting games himself — will be played in Bendigo on 1 September. On 3 September Geelong's own arena will host game 2 of the competition, which is excellent for Geelong — obviously I have stated that. The third and final game of the series will be held at the Melbourne Sports and Aquatic Centre on 4 September, which is a Thursday.

It is interesting to also note comments made by Basketball Australia's chief executive, Scott Derwin.

Hon. Bill Forwood — On a point of order, President, I do not think there is any doubt that the member is flouting your ruling. You have specifically said that he cannot develop his remarks into a set speech, yet he has ploughed on with a set speech outlining where these games are going to be held and other aspects of the process. There is no doubt that this is an abuse of the adjournment debate.

The PRESIDENT — Order! In ruling on the point of order, as I indicated to the house, in the rules relating to speeches on the daily adjournment rule 4.04 states:

> In speaking to the motion for adjournment a member may not —
>
> (a) develop his or her remarks into a set speech.

I remind honourable members of that fact, and I ask the member to come to his point and raise his query or his complaint or request to the minister.

Hon. J. H. EREN — Thank you, President. These events are no doubt very important. What I therefore ask of the minister is: what other exciting events will be happening in regional Victoria, in particular in Geelong, and what action is he taking to ensure that regional Victoria is getting its fair share of the major events cake?

Numurkah Secondary College: gymnasium complex

Hon. W. A. LOVELL (North Eastern) — My adjournment matter is for the Minister for Education Services in the other place. It concerns the replacement of the gymnasium complex at the Numurkah Secondary College.

Planning for a new three-quarter-size gymnasium complex began four years ago in 1999, when it was recognised that the old gymnasium had become unsafe due to white ant infestation. During the planning for the new gym significant white ant infestation was also discovered in the science and administration block. The principal agreed to postpone the construction of the gym in favour of construction of the science and administration block.

The facilities branch of the Department of Education and Training indicated that because the gym was demolished to make way for the science and administration wing, stage 1, that funding for stage 2, the gym, would follow. The principal was encouraged to conduct planning and tender processes, only to learn at 11.00 a.m. on budget day that the funding was not to be committed this year.

The school has now been without a gymnasium complex for the past 12 months. There are no changing room facilities or showers available for students to use and all physical education activities have to be conducted outside, severely restricting the physical education program that can be offered at the school.

Even if funding is committed in next year's budget the school will have been without a gymnasium and changing room facilities for three full years and many students will have completed half their secondary education without access to these facilities.

The delay is also disappointing for the local sporting clubs. Numurkah is a small community and many local groups have planned to utilise the school's gymnasium facilities. The school and the community intend to contribute $250 000 towards this project, and significant funds have already been raised.

I ask the minister to review the funding situation for Numurkah Secondary College to expedite the building of the gymnasium and changing room facilities and to upgrade the current commitment for a three-quarter-size gym to a full-size gym in line with the promise to Princes Hill Secondary College given by the Minister for Education and Training and Ms Romanes during the election campaign.

Aquatic facilities: Cardinia

Hon. J. G. HILTON (Western Port) — My adjournment matter this evening is one I wish to raise with the Minister for Sport and Recreation. It relates to the provision of swimming and other water-related facilities in Cardinia, which is part of my electorate of Western Port Province.

Cardinia is a rapidly growing area, and many young people are moving into the area with their families. Cardinia is contiguous with Casey, which, as members have been frequently told, is the fastest growing shire in Victoria.

The current major pool facility in Pakenham is unable to service the increasing demand and the need for an additional facility has been recognised for some time. Cardinia Shire Council has prepared a proposal under the government's Better Pools program. The application is for $2.5 million, which will enable the construction of a first-class aquatic and related activities centre.

The community is behind this proposal 100 per cent. The proposed facility will include: a gymnasium; a crèche, which will obviously benefit young parents and not-so-young grandparents; an eight-lane pool; and a specialised hydrotherapy pool, which I am advised will be welcomed by the many disabled people in the area who at present have to travel to either Warragul or Dandenong to use a similar facility.

Increasingly we see reports of the growing — and I assure members there is no pun intended — problem of obesity and lack of exercise in our population and particularly in our young people. The proposed facility would be of terrific benefit to Cardinia, and I ask the minister to give the shire's application every consideration.

Kew Residential Services: site development

Hon. BILL FORWOOD (Templestowe) — I wish to raise an issue with the Minister for Community Services in another place concerning Kew Residential Services. I have in my hand a media release relating to the cancellation of a picnic protest at Kew Residential Services on 10 May from concerned Kew residents. The media release states:

> Regrettably, we've had to cancel this picnic protest because of threats of potential legal action from Kew Residential Services —

and that is a government body, I might add —

> Our intention was to have a morning tea picnic on the land at the entrance to the KRS site to protest plans allowing the sale of its land and closure of facilities; however, the management of KRS has raised the potential for legal action against the families of intellectually disabled people, ourselves (concerned Kew residents) and anyone else perceived to have organised the protest.
>
> Yesterday we heard that the president of the Kew Cottages Parents Association had been prevented from entering his office on the KRS site because the lock had been glued shut, forcing him to call a locksmith.
>
> Then we received a call from Boroondara police who stated that Kew Residential Services had contacted them regarding the protest. We reassured the police that our intention was to hold a peaceful community gathering to protest the Boroondara council's draft plans for the redevelopment of the KRS site. Later in the day we found out that Kew parents association committee members had just received a letter from KRS management which we understand expressed a clear lack of support for the protest. This was accompanied by verbal references to possible legal action.

For those reasons these people cancelled their protest that day. The media release continues:

> … after seeking legal advice, we decided that the only prudent course of action for ourselves and our families was to cancel the event.

The media release makes the point, however, that it does not mean the group will be silenced and that the meeting scheduled for tonight at St Paul's Anglican Church will proceed as scheduled. I make the point in passing that I know that three members of Parliament — the member for Kew and two members for East Yarra Province — will be attending that meeting, and I invite Mr Pullen, who spoke on this topic last night, to attend as well.

The issue I wish to raise for the minister is: does the government condone this sort of thuggish behaviour by government departments against residents groups? They are threats of legal action against people conducting peaceful protests on government land in and around residential services in which they have a real interest. That seems to me to be totally legitimate action by concerned residents. My question is: does the government condone this sort of behaviour by government departments?

Consumer affairs: itinerant tradesmen

Hon. H. E. BUCKINGHAM (Koonung) — I wish to raise a matter with the Minister for Consumer Affairs about itinerant tradesmen and the difficulties our constituents face when these tradesmen knock on the door and offer to do jobs around the house at a heavily discounted rate. I understand that itinerant tradesmen masquerade as professionals and often target the elderly. Among the tasks they offer to do are painting the house, repairing a fence or roof or asphalting the driveway. They either do a shoddy job or they do not finish the job at all.

In Wantirna we had itinerant tradesmen posing as asphalters. Most often these fraudsters charge exorbitant amounts of money for jobs that they leave incomplete. I am concerned that itinerant tradesmen are allowed to peddle their false claims of professionalism while they dupe our constituents. I believe it can be the case that when these fraudsters actually do finish a job it is usually substandard. This leaves our constituents with no option but to engage a reputable tradesperson to complete the task. This ends up being an additional cost burden for our constituents.

I therefore ask the minister how he proposes to curb the actions of these itinerant tradesmen and whether any action is taken by Consumer Affairs Victoria to locate and prosecute these dodgy tradesmen.

Consumer affairs: advertising scams

Hon. C. A. STRONG (Higinbotham) — The issue I raise tonight with the Minister for Consumer Affairs concerns Hilton Publishing Pty Ltd and Mr McKenzie, its sole proprietor. I would like to read from a government press release of 21 March 2002 by the then Minister for Consumer Affairs, Christine Campbell. The press release headed 'Blowers blown away' states:

> On Tuesday consumer affairs successfully prosecuted Hilton Publishing and Mr McKenzie, both of Brighton, for misleading consumers into paying for advertising which had not been authorised — the company was convicted on 256 charges and fined $128 000.

I have been approached by a constituent of mine who on 15 March this year was approached by Mr McKenzie's company to pay for advertisements that he did not authorise and did not place with that company. This constituent has also spoken to other local traders who have likewise been approached by Mr McKenzie's company and in many cases have paid hundreds of dollars.

So quite clearly this scam merchant is still active — one suspects, I guess, he has to be because he has to pay his fines — and I do not think that is quite good enough.

I turn to the Hansard transcript of the Public Accounts and Estimates Committee hearing of 24 May 2002, which reports the then Minister for Consumer Affairs, in answering a question from the honourable member for Essendon, now the Speaker, regarding Mr McKenzie as having said:

> I have just been advised that we can get an injunction against the individual —

to stop his scams. My comment to the minister is: it really is about time we took action to stop this scam merchant. He has been brought to trial — as I said, he has 256 convictions against him — but he is still in action. It is about time Consumer Affairs Victoria put him out of business.

East Gippsland: alternative education setting

Hon. P. R. HALL (Gippsland) — Tonight I wish to raise a matter for the attention of the Minister for Education Services concerning a proposal to establish an alternative education setting in East Gippsland for students who experience social, emotional and psychological problems. This request tonight is prompted by a letter dated 9 May this year that I received from Mr Chris Barry, the school council president at Bairnsdale Primary School. Mr Barry points out in his letter that the fact there is no alternative education setting for students with behavioural problems in East Gippsland poses a problem for his school and many other schools in the area as well.

I might point out that alternative education settings, I believe, serve a two-way benefit. Certainly the students attending them benefit. Sometimes taking them out of the mainstream education system for a short period of time is of great benefit to them, but it also benefits the teacher and fellow students in the class in that it gives them a break from somebody who might at times be disruptive to the normal education programs within the school.

This is not the first time that a request of this nature has been raised with me. Many other schools in East Gippsland have spoken to me about the dire need to have an alternative education setting for students with behavioural problems in East Gippsland. They are aware that similar sorts of settings exist in Central and West Gippsland and other areas of the state, but there is none in East Gippsland.

The request is even more pertinent given the fact that, as the Bairnsdale Primary School suggests, a suitable location has just become available with the relocation of the Lucknow Primary School in Bairnsdale. That has just moved to a new site — and it is a very good new school, I might add — and has left vacant the former school site on the outskirts of Bairnsdale which still has some of the permanent buildings on it, so it lends itself well to the establishment of an alternative education setting. Given the desperate need in East Gippsland for an alternative education setting, I ask the Minister for Education Services to give serious consideration to it, especially when there is an excellent site available.

Rail trails: Tallarook to Alexandra

Hon. E. G. STONEY (Central Highlands) — I raise a matter for the Minister for Environment. There is pressure in Victoria to build more rail trails. At present there are 17 official rail trails and the potential to build many more. I have here a copy of a letter from the Mitchell Shire Council to the Minister for Transport. It is headed 'Re: Tallarook to Alexandra rail trails proposal' and states:

> The feasibility study and concept plan, completed in August 2001, identifies the merit of the rail trail project and has the support of both the Mitchell and Murrindindi shire councils.
>
> I am seeking to reconfirm your support for the development of the Tallarook to Alexandra rail trail and for the transfer of the rail reserve to the Department of Sustainability and Environment to be managed by a community-based committee of management … once infrastructure funding is secured.

That is one proposal.

This week I have been contacted about another proposal. A group of Healesville residents is very keen to see the Healesville to Lilydale disused rail corridor opened. A local and colourful identity in Healesville, Mr Ray Donkin, says that the Healesville to Lilydale line could be as popular as the Lilydale to Warburton rail trail, which is probably the most used rail trail in Victoria and creates an enormous amount of economic wealth for that valley.

I ask the minister to look at these two new proposals with a view to assisting local communities by creating exciting and worthwhile rail trails. I point out that the cost-benefit ratio if the government puts in a small amount of money is very attractive.

Drought: government assistance

Hon. PHILIP DAVIS (Gippsland) — I raise a matter for the Minister for Agriculture in the other place. This matter has been referred to previously in this house, and I have no doubt that it will continue to be raised. It relates to anomalies in the Victorian government's drought relief package.

I acknowledge that there has been a declaration for two additional municipalities in Gippsland. However, representations are being made to the minister — and members from Gippsland will understand the importance of this — that the area defined as the Macalister irrigation district is in crisis. A turnaround of farm-gate cash surpluses from $101 000 last financial year to an estimated negative $89 000 on average this financial year is a result of production being down this season by at least 17 per cent, prices for grain being 60 per cent higher, prices for fodder being 150 per cent higher all due to the drought, and milk prices are down by 25 per cent.

There are 450 farms in the Macalister irrigation district; therefore the consequential turnaround for the region will be from a cash surplus of $45 million to a loss of $40 million. This will have a profound effect on the economic viability of the region, predominantly in the communities associated with the irrigation district, being Maffra, Heyfield, and to some extent Rosedale and Sale.

While we welcome the late declaration of the Wellington and East Gippsland shires for drought assistance, the fact remains that the minister has not clarified the position of the eligibility of irrigators in the Macalister district for the assistance package. I believe it is a matter of some urgency because many farmers are in a desperate state. The Department of Primary Industries veterinary officers are reporting many incidents of animal welfare stress every week, and this is a reflection of the inability of farmers to find the cash flow to sustain the body weights of their stock. I urge the minister to urgently clarify the eligibility for drought assistance.

Responses

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Andrew Brideson raised a matter for the Minister for Transport concerning the Glen Waverley railway station steps that have recently

been constructed. I will pass that on to the minister for his direct response.

Mr Scheffer also raised a matter for the Minister for Transport concerning congestion on the Monash Freeway where traffic is turning off at Toorak Road. I will pass that on to the minister for his response.

The Honourable Gordon Rich-Phillips raised a matter for the Minister for Commonwealth Games concerning the planning process for the games village. I will pass that on to the minister for response.

The Honourable John Eren raised a matter for the Minister for Sport and Recreation concerning major events activities and the share of those to regional Victoria. I will pass that on to the minister for direct response.

The Honourable Wendy Lovell raised a matter for the Minister for Education Services concerning Numurkah Secondary College and gymnasium funding. I will pass that on to the minister for direct response.

The Honourable Geoff Hilton raised a matter for the Minister for Sport and Recreation concerning swimming facilities in the Shire of Cardinia. I will pass that on to the minister for direct response.

The Honourable Bill Forwood raised a matter for the Minister for Community Services concerning Kew Residential Services and occurrences there. I will pass that on to the minister for direct response.

The Honourable Helen Buckingham raised a matter for the Minister for Consumer Affairs concerning itinerant traders — a perennial problem, I think — and action that can or is being taken by Consumer Affairs Victoria in regard to some of the practices occurring. I will pass that on to the minister for a direct response.

The Honourable Chris Strong raised a matter for the Minister for Consumer Affairs concerning Hilton Publishing Pty Ltd and what appear to be continuing activities that perhaps suggest illegal practices. I will pass that on to the minister for direct response.

The Honourable Peter Hall raised a matter for the Minister for Education Services concerning an alternative education setting for East Gippsland possibly being located at the old Lucknow Primary School site. I will pass that on to the minister for direct response.

The Honourable Graeme Stoney raised a matter for the Minister for Environment concerning the establishment of two further rail trails. I will pass that on to the minister for direct response.

The Honourable Philip Davis raised a matter for the Minister for Agriculture concerning drought package assistance and the eligibility of the Macalister irrigation district. I will pass that on to the minister for direct response.

Motion agreed to.

House adjourned 6:31 p.m. until Tuesday, 3 June.

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 Council.
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The portfolio of the minister answering the question on notice starts each heading.

Tuesday, 20 May 2003

Corrections: prisoner suicides

81. **THE HON. R. DALLA-RIVA** — To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): With reference to HM Prison Ararat, HM Prison Barwon, HM Prison Beechworth, HM Prison Bendigo, HM Prison Dhurringile, HM Prison Langi Kal Kal, HM Prison Loddon, HM Melbourne Assessment Prison, HM Prison Tarrengower, HM Prison Won Wron, Fulham Correctional Centre, Dame Phyllis Frost Centre and Port Phillip Prison: How many prisoners have committed suicide in each of the prison facilities between — (i) 1 January 2000 and 31 December 2000; (ii) 1 July 2000 and 30 June 2001; (iii) 1 January 2001 and 31 December 2001; (iv) 1 July 2001 and 30 June 2002; and (v) 1 January 2002 and 31 December 2002.

ANSWER:

I am informed that:

The information sought is set out in the following table for the period from 1 January 2000 to 31 December 2002:

Location	**Deaths by suicide**	**Date of Death**	**Suspected/confirmed as suicide***
Ararat	Nil		
Barwon	One	19.11.00	Suspected
Beechworth	One	21.11.02	Suspected
Bendigo	Nil		
Dhurringile	Nil		
Langi Kal Kal	Nil		
Loddon	One	19.10.02	Suspected
Melbourne Assessment Prison	One	5.02.01	Confirmed
Tarrengower	Nil		
Won Wron	Nil		
Fulham	Nil		
Dame Phyllis Frost Centre	One	30.11.00	Confirmed
Port Phillip Prison	One	29.03.00	Confirmed

* *Confirmed* - Cause of death by suicide has been confirmed by the coroner
Suspected - Suspected cause of death is suicide, awaiting coronial finding for confirmation of cause.

State and regional development: automotive industry — assistance

166. **THE HON. B. N. ATKINSON** — To ask the Minister for Finance (for the Honourable the Minister for State and Regional Development): How much State Government assistance has been provided to the Victorian automotive industry for each of the past five financial years.

ANSWER:

I am informed as follows:

The Government cannot disclose investment related financial assistance by sector on an annual basis as this could result in a breech of the confidentiality of contractual agreements.

However, I can advise that assistance for enterprise improvement and export growth for the automotive sector totalled $3.75 million over the five years.

Tourism: backpacker marketing strategy

183. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): Is the cooperative marketing strategy to attract the backpacker market to Victoria campaign running internationally in 2002-03; if so, in which countries.

ANSWER:

I am informed as follows:

Tourism Victoria is marketing to backpackers in 2002-03 globally via online technology.

Tourism: Tourism Victoria — United Kingdom office

185. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in the United Kingdom in 1999-2000, 2000-01 and 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$134,739
(ii)	leases	$15,733
(iii)	operating (excluding leases)	$18,876

In 2000-2001 the costs were as follows:

(i)	wages	$164,232
(ii)	leases	$15,479
(iii)	operating (excluding leases)	$22,451

In 2001-2002 the costs were as follows:

(i)	wages	$186,393
(ii)	leases	$16,856

(iii)	operating (excluding leases)	$20,768

Tourism: Tourism Victoria — German office

186. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in Germany in 1999-2000, 2000-01 and 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$163,656
(ii)	leases	$8,244
(iii)	operating (excluding leases)	$54,867

In 2000-2001 the costs were as follows:

(i)	wages	$190,198
(ii)	leases	$9,528
(iii)	operating (excluding leases)	$40,464

In 2001-2002 the costs were as follows:

(i)	wages	$165,868
(ii)	leases	$16,439
(iii)	operating (excluding leases)	$38,865

Tourism: Tourism Victoria — New Zealand office

213. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in New Zealand in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$89,720
(ii)	leases	$21,333
(iii)	operating (excluding leases)	$38,385

In 2000-2001 the costs were as follows:

(i)	wages	$90,400
(ii)	leases	$21,886
(iii)	operating (excluding leases)	$35,597

In 2001-2002 the costs were as follows:

(i)	wages	$95,708
(ii)	leases	$22,173
(iii)	operating (excluding leases)	$40,994

Tourism: Tourism Victoria — United States of America office

214. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in the United States in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$200,401
(ii)	leases	$25,097
(iii)	operating (excluding leases)	$63,933

In 2000-2001 the costs were as follows:

(i)	wages	$203,722
(ii)	leases	$27,575
(iii)	operating (excluding leases)	$57,719

In 2001-2002 the costs were as follows:

(i)	wages	$259,768
(ii)	leases	$37,416
(iii)	operating (excluding leases)	$50,326

Tourism: Tourism Victoria — Singapore office

215. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in Singapore in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$199,501
(ii)	leases	$71,038
(iii)	operating (excluding leases)	$47,317

In 2000-2001 the costs were as follows:

(i)	wages	$200,336
(ii)	leases	$75,510
(iii)	operating (excluding leases)	$36,772

In 2001-2002 the costs were as follows:

(i)	wages	$236,777
(ii)	leases	$83,489
(iii)	operating (excluding leases)	$39,763

Tourism: Tourism Victoria — Japanese office

216. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in Japan in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$301,380
(ii)	leases	$117,675
(iii)	operating (excluding leases)	$54,554

In 2000-2001 the costs were as follows:

(i)	wages	$251,614
(ii)	leases	$93,794
(iii)	operating (excluding leases)	$38,781

In 2001-2002 the costs were as follows:

(i)	wages	$266,570
(ii)	leases	$90,885
(iii)	operating (excluding leases)	$38,888

Tourism: Tourism Victoria — Taiwan office

217. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in Taiwan in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$102,369
(ii)	leases	$34,691
(iii)	operating (excluding leases)	$31,552

In 2000-2001 the costs were as follows:

(i)	wages	$107,643
(ii)	leases	$34,606
(iii)	operating (excluding leases)	$29,754

In 2001-2002 the costs were as follows:

(i)	wages	$126,532
(ii)	leases	$35,087
(iii)	operating (excluding leases)	$32,772

Tourism: Tourism Victoria — Chinese office

218. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What was the total cost of Tourism Victoria's office in China in 1999-2000, 2000-01, 2001-02, respectively, including — (i) wages; (ii) leases; and (iii) operating expenses.

ANSWER:

I am informed as follows:

In 1999-2000 the costs were as follows:

(i)	wages	$148,647
(ii)	leases	$43,403
(iii)	operating (excluding leases)	$47,407

In 2000-2001 the costs were as follows:

(i)	wages	$162,633
(ii)	leases	$38,462
(iii)	operating (excluding leases)	$44,774

In 2001-2002 the costs were as follows:

(i)	wages	$203,755
(ii)	leases	$31,128
(iii)	operating (excluding leases)	$58,012

Premier: ministerial air travel

309. **THE HON. ANDREW BRIDESON** — To ask the Minister for Finance: (for the Honourable the Premier): What was the total cost of airplane travel to country Victoria incurred by the Premier's office from 1 December 2002 to 25 March 2003, including trips taken by the Premier, ministerial staff and advisors and the relevant Parliamentary Secretary.

ANSWER:

I am informed that the total cost of airplane travel to country Victoria incurred by my office for the period 1 December 2002 to 25 March 2003 was $14,690.

Health: ministerial air travel

318. **THE HON. ANDREW BRIDESON** — To ask the Minister for Aged Care (for the Honourable the Minister for Health): What was the total cost of airplane travel to country Victoria incurred by the Minister's office from 1 December 2002 to 25 March 2003, including trips taken by the Minister, ministerial staff and advisors and the relevant Parliamentary Secretary.

ANSWER:

I am informed that:

The total cost of airplane travel to country Victoria incurred by my office from 1 December 2002 to 25 March 2003 was $220.

Community services: ministerial air travel

319. **THE HON. ANDREW BRIDESON** — To ask the Minister for Aged Care (for the Honourable the Minister for Community Services): What was the total cost of airplane travel to country Victoria incurred by the Minister's office from 1 December 2002 to 25 March 2003, including trips taken by the Minister, ministerial staff and advisors and the relevant Parliamentary Secretary.

ANSWER:

I am informed that:

The total cost of airplane travel to country Victoria incurred by my office from 1 December 2002 to 25 March 2003 was $11,049.50. This included travel to fire affected regions in North East Victoria and Gippsland as part of my role on the Government's Bushfire Recovery Taskforce and throughout western Victoria and Gippsland to promote family support, disability services and early years initiatives.

Tourism: Tourism Victoria — international marketing expenditure

346. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What is the breakdown of Tourism Victoria's $8,758,609 expenditure on international marketing in 2002, by country.

ANSWER:

I am informed as follows:

The breakdown of international marketing expenditure of $8,758,609 in 2002 is as follows:

Europe	$635,407
North Asia	$1,352,759
Japan	$1,001,333
New Zealand	$938,358
North America	$721,744
South Asia	$1,822,762
United Kingdom	$1,119,306
	$7,591,669

The balance of $1,166,940 relates to Head Office global marketing expenditure.

Tourism: Tourism Victoria — international marketing expenditure

347. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What is the breakdown of Tourism Victoria's $5,369,194 expenditure on international marketing in 2001, by country.

ANSWER:

I am informed as follows:

The breakdown of international marketing expenditure of $5,369,194 in 2001 is as follows:

Europe	$595,031
North Asia	$746,245
Japan	$650,770
New Zealand	$666,436
North America	$663,071
South Asia	$772,977
United Kingdom	$428,889
	$4,523,419

The balance of $845,775 is related to Head Office global marketing expenditure.

Transport: Holmesglen railway station — car parking

351. THE HON. D. KOCH — To ask the Minister for Local Government (for the Honourable the Minister for Transport):

(a) How many car parking spaces are currently available at Holmesglen railway station.

(b) Does demand typically exceed the number of spaces available on weekdays.

(c) Are any of these spaces taken by early arrivals at Holmesglen TAFE.

(d) Does Connex have any plans to bitumenise the unofficial car park adjacent to the 'down' (Glen Waverley bound) rail line at the 'up' (Melbourne) end of the station; if so, how many extra spaces could be created.

ANSWER:

(a) There are 136 sealed car parking spaces available including 2 disabled bays.

(b) Survey information estimates the car park to be full on weekdays.

(c) Connex believes that the car park is predominantly used by rail customers. However, the extent of any TAFE student use could only be determined by a specific survey.

(d) Connex has no current plans to extend the paved car park.

Transport: Flinders Street railway station — asbestos

352. THE HON. D. KOCH — To ask the Minister for Local Government (for the Honourable the Minister for Transport):

(a) Does the roof of Flinders Street railway station platform number 1 west contain asbestos.

(b) Is this roof scheduled for replacement.

(c) What staff of VicTrack Access, M>Train, Connex, Alstom or other companies regularly use the ramped area from Flinders Street to platform number 1 West or the actual platform.

ANSWER:

(a) The roof of platform number one west does contain asbestos sheeting.

(b) This roof is not scheduled for replacement.

(c) There is no ramped area from Flinders Street to platform number one west. A variety of Connex, Alstom and Thiess Infraco staff use platform number one west with varying degrees of regularity.

Tourism: Tourism Victoria — Little Penguin campaign, Japan

387. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): In relation to the amount of $8,758,609 reported in the Tourism Victoria Annual Report, 2001-02 for international marketing, what was the total amount spent on the 'Little Penguin' marketing campaign in Japan.

ANSWER:

I am informed as follows:

The total amount spent on the 'Little Penguin' marketing campaign in Japan in the 2001-2002 financial year was $376,000.

Tourism: Tourism Victoria — Goldfields campaign, China

389. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): In relation to the amount of $8,758,609 reported in the Tourism Victoria Annual Report, 2001-02 for international marketing, what was the total amount spent on the 'Goldfields Campaign' marketing campaign in China.

ANSWER:

I am informed as follows:

The total amount spent on the 'Goldfields Campaign' in China in the 2001-02 financial year was $150,000.

QUESTIONS ON NOTICE

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Questions have been incorporated from the notice paper of the Legislative Council.
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, 21 May 2003

Tourism: Tourism Victoria — Japanese visitors

178. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What is Tourism Victoria target for the number of Japanese visitors to Victoria during 2002-03.

ANSWER:

I am informed as follows:

Tourism Victoria's performance targets relate to total international visitor numbers, not visitor numbers by specific market.

Tourism: bushfires — government assistance

341. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): What are the details of the geographical formula in relation to the location of the fires that the Government has used to determine whether tourism operators will receive advertising subsides.

ANSWER:

I am informed as follows:

The formula is determined by the relevant independent regional campaign committees, which seek guidance from Tourism Victoria. The decision of these committees, therefore, will determine which operators are eligible for advertising subsidies and the level of subsidies available.

Tourism: Federation Square visitors centre — regional marketing campaign committees

384. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): In relation to the Melbourne Visitors Centre at Federation Square and the opportunity for regional marketing campaign committees to rent space for temporary displays:

(a) What will be the cost to the committees.

(b) Will the Government provide any subsides; if so, how much.

(c) When will this opportunity be available.

ANSWER:

I am informed as follows:

The cost of renting space at Federation Square is a matter for negotiation between the City of Melbourne and the regional campaign committees.

The Government, through Tourism Victoria, will not be providing any subsidies for this marketing activity, as it is a discretionary marketing opportunity for consideration by each campaign committee.

Tourism: Tourism Victoria — united backpacker campaign

385. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): In relation to the total amount of $8,758,609 reported in the Tourism Victoria Annual Report, 2001-02 for international marketing, what was the amount spent on the "United Backpacker Campaign".

ANSWER:

I am informed as follows:

This question is unclear as there is no backpacker campaign under way by this name.

Tourism: Tourism Victoria — backpacker marketing strategy

386. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): In relation to the Tourism Victoria marketing strategy to target backpackers from the United Kingdom:

(a) What marketing programs are being conducted in 2002-03.

(b) What are the details of these programs.

(c) In what countries are these programs being conducted.

What is the total budget for this strategy.

ANSWER:

I am informed as follows:

Tourism Victoria is marketing to backpackers in 2002-03 globally via online technology. The backpacker web site underpins a number of activities in different markets globally.

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, 22 May 2003

Corrections: prisoner escapes

82. **THE HON. R. DALLA-RIVA —** To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections):

(a) How many prisoners have escaped legal custody from each of HM Prison Ararat, HM Prison Barwon, HM Prison Beechworth, HM Prison Bendigo, HM Prison Dhurringile, HM Prison Langi Kal Kal, HM Prison Loddon, HM Melbourne Assessment Prison, HM Prison Tarrengower, HM Prison Won Wron, Fulham Correctional Centre, Dame Phyllis Frost Centre and Port Phillip Prison between — (i) 1 January 2000 and 31 December 2000; (ii) 1 July 2000 and 30 June 2001; (iii) 1 January 2001 and 31 December 2001; (iv) 1 July 2001 and 30 June 2002; and (v) 1 January 2002 and 31 December 2002.

(b) For each escapee, what offences led to their imprisonment and what additional offences were committed (if any) before the escapee was apprehended.

(c) What was the date of their escape from legal custody and what was the date they were apprehended and returned to legal custody.

ANSWER:

I am advised that:

During the period of the Bracks Government to the end of February 2003, there have been 41 escapes, which equates to a result of 2.8 per 100 calendar days. Under the 7 years of the previous Government, 128 prisoners escaped custody, or 4.8 per 100 calendar days. As you can see, this is a significant reduction.

Corrections: Public Correctional Enterprise — staff

91. **THE HON. R. DALLA-RIVA** — To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): In relation to the Public Correctional Enterprise (CORE), what was the — (i) total number of effective full-time or part time employees; (ii) total number of full time or part time executives employed; (iii) actual cost of executive remuneration and entitlements; (iv) total number of consultants and names engaged; and (v) total number of consultants' remuneration and entitlements by name, as at 31 December 1999, 30 June 2000, 31 December 2000, 30 June 2001, 31 December 2001, 30 June 2002 and 31 December 2002, respectively.

ANSWER:

I am informed as follows

Aggregated staffing levels for the Department of Justice are contained in the Department of Justice Annual Reports.

No consultants were engaged by CORE during the identified dates and as such there was no associated actual cost.

Corrections: prisoner escapes

92. **THE HON. R. DALLA-RIVA —** To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): With reference to HM Prison Ararat, HM Prison Barwon, HM Prison Beechworth, HM Prison Bendigo, HM Prison Dhurringile, HM Prison Langi Kal Kal, HM Prison Loddon, HM Melbourne Assessment Prison, HM Prison Tarrengower, HM Prison Won Wron, Fulham Correctional Centre, Dame Phyllis Frost Centre and Port Phillip Prison, respectively:

(a) What processes were in place for each escapee at the time, in allowing prisoner escapes to occur between — (i) 1 January 2000 and 31 December 2000; (ii) 1 July 2000 and 30 June 2001; (iii) 1 January 2001 and 31 December 2001; (iv) 1 July 2001 and 30 June 2002; and (v) 1 January 2002 and 31 December 2002.

(b) What procedures and processes are now in place for each escapee to prevent further prisoner escapes.

ANSWER:

I am advised that:

– To provide information for each escapee would unreasonably divert the resources of the Office of the Correctional Services Commissioner.

Corrections: prisoner costs

227. **THE HON. R. DALLA-RIVA —** To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): With reference to HM Prison Ararat, HM Prison Barwon, HM Prison Beechworth, HM Prison Bendigo, HM Prison Dhurringile, HM Prison Langi Kal Kal, HM Prison Loddon, HM Melbourne Assessment Prison, HM Prison Tarrengower, HM Prison Won Wron, Fulham Correctional Centre, Dame Phyllis Frost Centre and Port Phillip Prison, and in relation to the recent Commonwealth Productivity Commission February 2003 report on Corrective Services, what have been the reasons for the 13.1 per cent increase in the costs of maintaining prisoners in Victoria's Correctional Services System for the period between 1 July 2000 and 30 June 2001, and 1 July 2001 and 30 June 2002, respectively.

ANSWER:

I am advised as follows:

Overall cost increases are part and parcel of a major overhaul of the prison system following its decimation by the Kennett Government.

Based on the Report on Government Services 2003, released on 7 February 2003, the cost per prisoner in 2001-02 in Victoria is the second lowest of any jurisdiction after Queensland and 5% lower than the national average.

Victoria spends less per head of the general population on all corrective services than any other jurisdiction. The per capita cost for corrective services in Victoria is nearly 40% less than the national average.

Increases in the costs of maintaining prisoners has been impacted by the need for new infrastructure, enhanced security and development of quality rehabilitation and prisoner support programs which include:

– Victorian Prison Drug Strategy initiatives

– Bridging the Gap;

– Methadone program;

– Turning The Tide program;

– Pilot Bail Advocacy and Support Services

– Implementation of the Building Design Review Project in response to the Kirby Report

– Correctional Infrastructure Program - start up costs on three new prisons, construction of beds at existing prisons

Corrections: prisoners — mentoring and support programs

228. **THE HON. R. DALLA-RIVA —** To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): With reference to HM Prison Ararat, HM Prison Barwon, HM Prison Beechworth, HM Prison Bendigo, HM Prison Dhurringile, HM Prison Langi Kal Kal, HM Prison Loddon, HM Melbourne Assessment Prison, HM Prison Tarrengower, HM Prison Won Wron, Fulham Correctional Centre, Dame Phyllis Frost Centre and Port Phillip Prison:

(a) What are the specific programs available with respect to each prison facility regarding mentoring support programs for the period between — (i) 1 July 2000 and 30 June 2001; (ii) 1 January 2001 and 31 December 2001; (iii) 1 July 2001 and 30 June 2002; (iv) 1 January 2002 and 31 December 2002; and (v) 1 January 2003 and 28 February 2003.

(b) What are the specific programs available external to each prison facility, regarding mentoring support programs for the period between — (i) 1 July 2000 and 30 June 2001; (ii) 1 January 2001 and 31 December 2001; (iii) 1 July 2001 and 30 June 2002; (iv) 1 January 2002 and 31 December 2002; and (v) 1 January 2003 and 28 February 2003.

(c) What are the costs associated, including funding and service agreements with each specific mentoring support program for the period between — (i) 1 July 2000 and 30 June 2001; (ii) 1 January 2001 and 31 December 2001; (iii) 1 July 2001 and 30 June 2002; (iv) 1 January 2002 and 31 December 2002; and (v) 1 January 2003 and 28 February 2003.

(d) What are the details of, and the activities provided by, each consultant engaged to undertake these specific mentoring programs for the period between — (i) 1 July 2000 and 30 June 2001; (ii) 1 January 2001 and 31 December 2001; (iii) 1 July 2001 and 30 June 2002; (iv) 1 January 2002 and 31 December 2002; and (v) 1 January 2003 and 28 February 2003.

(e) What was the number of ex-prisoners engaged within each of these specific mentoring programs for the period between — (i) 1 July 2000 and 30 June 2001; (ii) 1 January 2001 and 31 December 2001; (iii) 1 July 2001 and 30 June 2002; (iv) 1 January 2002 and 31 December 2002; and (v) 1 January 2003 and 28 February 2003.

ANSWER:

I am advised that:

The term 'mentoring support program' is too broad to allow for a specific reply. Almost all prisons have programs and activities which involve prisoners in the provision of support services for other prisoners. These activities and programs range from education assistance through to self-harm minimisation peer support programs. Some of these programs incorporate formal elements of 'mentoring' while, in others, informal 'mentoring' occurs as a by-product of the conduct of the program.

A number of community-based agencies provide pre and post-release support assistance to prisoners which may include elements of 'mentoring'. However, specific mentor services are not provided under a contractual relationship with the prisons, and as such, no costs are incurred by correctional services.

Corrections: parole breaches

332. **THE HON. R. DALLA-RIVA** — To ask the Honourable the Minister for Energy Industries (for the Honourable the Minister for Corrections): In relation to the Adult Parole Board annual report 2001-02 which states that if a breach occurs, the Board notes the breach but takes no action, what is the nature of the 38 breaches reported where the Board took no action and why was no action taken.

ANSWER:

I am informed that:

To provide details on the nature of each of the 38 cases would unreasonably divert the resources of the Board from its functions. The examples provided below are typical of the types of issues which have previously given rise to no action decisions by the Board.

The reasons why no action was taken in the 38 cases of breaches reported where the Board took no action are given in the Board's Annual report 2000-2001 on page 22. Further detail on the 3 classes of cases where no action was taken is provided below.

1. The Board lacked jurisdiction in some cases because the parole period had expired.

2. Courts had imposed non-custodial penalties.

3. The Community Corrections Officer had adjusted the supervision regime.

Tourism: Tourism Victoria — severe acute respiratory syndrome

349. **THE HON. ANDREA COOTE** — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Tourism): Will the Government adjust its international marketing expenditure in countries affected by the Severe Acute Respiratory Syndrome (SARS virus); if so, in which countries will the expenditure be adjusted and by how much.

ANSWER:

I am informed as follows:

Tourism Victoria continues to review its international marketing activities as a result of SARS. Expenditure by country will be determined based on the duration and spread or containment of SARS.

Women's affairs: Office of Women's Affairs relocation

383. **THE HON. W. A. LOVELL** — To ask the Minister for Local Government (for the Honourable the Minister for Women's Affairs): What was the cost of moving the Office of Women's Affairs from the Department of Premier and Cabinet to the Department of Victorian Communities.

ANSWER:

I am informed as follows:

Nil. The Office of Women's Affairs is still located at 1 Treasury Place.

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