

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

29 May 2002

(extract from Book 8)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

Lady SOUTHEY, AM

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Scrutiny of Acts and Regulations Committee — (*Council*): The Honourables M. A. Birrell, Jenny Mikakos, A. P. Olexander and C. A. Strong. (*Assembly*): Ms Beattie, Mr Carli, Ms Gillett, Mr Maclellan and Mr Robinson.

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Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

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Director, Infrastructure Services: Mr G. C. Spurr

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Speaker and Chairman of Committees: Mrs J. M. MADDIGAN

Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella,
Mrs Peulich, Mr Phillips, Mr Plowman, Mr Richardson, Mr Savage, Mr Seitz

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:

The Hon. D. V. NAPHTHINE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:

Mr B. E. H. STEGGALL

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Leighton, Mr Michael Andrew	Preston	ALP
Allen, Ms Denise Margret ⁴	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
Andrianopoulos, Mr Alex	Mill Park	ALP	Lim, Mr Hong Muy	Clayton	ALP
Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	Lupton, Mr Hurtle Reginald, OAM, JP	Knox	LP
Barker, Ms Ann Patricia	Oakleigh	ALP	McArthur, Mr Stephen James	Monbulk	LP
Batchelor, Mr Peter	Thomastown	ALP	McCall, Ms Andrea Lea	Frankston	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McIntosh, Mr Andrew John	Kew	LP
Bracks, Mr Stephen Phillip	Williamstown	ALP	MacLellan, Mr Robert Roy Cameron	Pakenham	LP
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Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
Dean, Dr Robert Logan	Berwick	LP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
Dixon, Mr Martin Francis	Dromana	LP	Perton, Mr Victor John	Doncaster	LP
Doyle, Robert Keith Bennett	Malvern	LP	Peulich, Mrs Inga	Bentleigh	LP
Duncan, Ms Joanne Therese	Gisborne	ALP	Phillips, Mr Wayne	Eltham	LP
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Gillett, Ms Mary Jane	Werribee	ALP	Robinson, Mr Anthony Gerard Peter	Mitcham	ALP
Haermeyer, Mr André	Yan Yean	ALP	Rowe, Mr Gary James	Cranbourne	LP
Hamilton, Mr Keith Graeme	Morwell	ALP	Ryan, Mr Peter Julian	Gippsland South	NP
Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Ernest Ross	Glen Waverley	LP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Spry, Mr Garry Howard	Bellarine	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Steggall, Mr Barry Edward Hector	Swan Hill	NP
Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar ²	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb ¹	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Treize, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantima	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

¹ Resigned 3 November 1999

² Elected 11 December 1999

³ Resigned 12 April 2000

⁴ Elected 13 May 2000

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Wednesday, 29 May 2002

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.35 a.m. and read the prayer.

DRUGS AND CRIME PREVENTION COMMITTEE

Crime trends

Mr JASPER (Murray Valley) presented fourth report, together with appendices.

Laid on table.

Ordered to be printed.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Victorian Auditor-General's Office

Mr LONEY (Geelong North) presented report on performance audit.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Melbourne City Link Act 1995:

Melbourne City Link Sixteenth Amending Deed

City Link and Extension Projects Integration and Facilitation Agreement Eighth Amending Deed.

ADDRESS BY PRESIDENT OF THE HELLENIC REPUBLIC

Mr BRACKS (Premier) — By leave, I move:

That so much of standing orders and sessional orders be suspended so as to allow —

- (1) The house at its rising on Tuesday, 4 June 2002, to adjourn until 9.15 a.m. on Wednesday, 5 June 2002.
- (2) The house to invite His Excellency Constantinos Stephanopoulos, President of Greece, together with interpreters, to attend on the floor of the house on Wednesday, 5 June 2002, at 9.15 a.m. when the Speaker takes the chair and to remain on the floor of the house, save in the event of a division, until the conclusion of all addresses.

- (3) The Premier, the Leader of the Opposition and the Leader of the National Party to each give an address of welcome.
- (4) President Stephanopoulos to address the house.
- (5) At the conclusion of the addresses the house to proceed on that day with business as set out for Wednesdays in sessional order 2 save that, for the purposes of question time, sessional order 3 shall apply with the expression '2.30 p.m.' substituted for the expression '2.00 p.m.' wherever occurring.

Motion agreed to.

Mr BRACKS (Premier) — By leave, I move that:

- (1) The Legislative Assembly invites members of the Legislative Council to attend in the Legislative Assembly chamber on Wednesday, 5 June 2002, at 9.15 a.m. when the Speaker takes the chair to hear addresses of welcome to His Excellency Constantinos Stephanopoulos, President of Greece, by the Premier, Leader of the Opposition and Leader of the National Party and an address to the house by President Stephanopoulos.
- (2) The lower public gallery on the opposition side of the house be deemed to be part of the Legislative Assembly chamber for the duration of the addresses to provide additional accommodation for members of the Legislative Council.
- (3) The Speaker of the Legislative Assembly shall chair the addresses and the conduct of the proceedings shall be in accordance with the standing orders of the Legislative Assembly.

The SPEAKER — Order! Does the Premier wish to speak to his motion?

Mr BRACKS — Briefly, Mr Speaker. It is obviously a great honour for this Parliament to have the President of Greece, Mr Stephanopoulos, visiting. It is a double honour for this Parliament to hear an address by the president. It will be an historic occasion in Melbourne and Victoria, which has the second largest Greek-speaking population outside of Greece.

It will be a great honour for this Parliament and due recognition of the president and his visit to Victoria. I am pleased that the government and your office, Mr Speaker, has been able to give assistance to the president's visit and we very much look forward to his entry into the Parliament itself and the remainder of his visit.

Dr NAPHTHINE (Leader of the Opposition) — I rise to support the Premier and his comments. It is a great honour for this Parliament to have His Excellency the President of Greece, Mr Stephanopoulos, address the Parliament. As the Premier has said, there is a positive link between Greece and Australia, with Melbourne

being the Greek capital of the southern hemisphere. Many people of Greek extraction have made an enormous contribution to the development of Melbourne, Victoria and Australia. There are significant Greek contributors to our own Victorian Parliament on both sides of the house. It will be an honour for honourable members to hear the President of Greece.

In conclusion, given that Greece is the home of democracy, it is also an honour for the President of Greece to address our Parliament and bring with him the history of democracy from Greece, combined with our Westminster system of Parliament from United Kingdom origins. I think the two will go well together.

Mr RYAN (Leader of the National Party) — The National Party joins with the Premier and the Leader of the Opposition in welcoming the President of Greece on what I am sure will be a most auspicious occasion. I certainly look forward to the event. It will be of enormous significance to those many members of the Greek community who are resident in Melbourne but also throughout country Victoria. I certainly look forward to participating on the day.

Motion agreed to.

Ordered that message be sent to the Legislative Council acquainting them with resolution and inviting members of the Council to attend in the Legislative Assembly chamber on Wednesday, 5 June 2002.

Dr Napthine — On a point of order, Mr Speaker, I believe there may have been a third by-leave motion that question time be at 9.30 a.m. tomorrow in light of the fact that leaders of the parties will be attending the state funeral of Mr Jack Lockett.

The SPEAKER — Order! On the point of order raised by the Leader of the Opposition, I am not sure that he is referring to that part of the motion moved by the Premier that alters question time on that day from 2.00 p.m. to 2.30 p.m. I understand he is referring to a different matter which is not before the Chair.

MEMBERS STATEMENTS

Geelong hospital

Mr PATERSON (South Barwon) — Hopefully 72-year-old Margaret Bristol will have her heart bypass surgery this week. The Bracks Labor government is to be condemned, not for the events of this week but for the way this elderly woman has been treated by Labor's health system.

Mrs Bristol has had her cardiac operation at Geelong hospital cancelled three times. Firstly, her surgery was cancelled prior to her admission on 30 April. Mrs Bristol, who lives in Kerang and has to be taken to hospital by her son, who lives in Warrnambool, then spent the night of 6 May in hospital only to be told again that there would not be an operation and that she would have to go home. A third date was set for 15 May; and, yes, it was cancelled once again, although this time the nursing staff told Mrs Bristol's son the truth. The cancellations were due to the lack of staff forced on the hospital by the Bracks Labor government.

Geoff Bristol talks emotionally about the psychological effect this disgraceful and cruel episode has had on his mother, who lives alone and so far away from Geelong. Geoff Bristol has pleaded with this incompetent government to understand that the health system is failing the sick and the elderly. In a letter to the Minister for Health he writes:

The ball is in your court and as Minister for Health it is up to you to do something.

He concludes:

I await your response.

Mr Speaker, so do all Victorians.

Liquefied petroleum gas: vehicle conversions

Mr JASPER (Murray Valley) — As a keen observer of the motor industry in Victoria I am aware of the reducing number of motor vehicles being set up to utilise liquefied petroleum gas (LPG). Australia has huge potential to increase the use of LPG in motor vehicles, with the abundance of gas production fields around Australia. I believe the state government should consider introducing a subsidy scheme such as has been implemented in Western Australia to encourage motorists to convert their cars to LPG. The subsidy of \$1500 assists with the conversion equipment and apparently is proving successful, as is indicated by the take-up rate in that state.

Last year I wrote to the government seeking consideration of such a scheme in Victoria. While the response acknowledged the benefits of utilising LPG for motor vehicles because of availability, cost benefits and that the Environment Protection Authority was purchasing vehicles fitted with LPG for environmental considerations, the question of a subsidy to encourage LPG fitment was rejected. There was even a suggestion that the issue was a federal government responsibility, where some assistance has been provided for heavy truck conversion.

I again request that the Victorian government consider the introduction of a subsidy scheme to encourage conversion of motor vehicles to LPG, recognising the many advantages for increased gas usage within the industry and the state of Victoria.

Teachers: service awards

Mrs MADDIGAN (Essendon) — Today I congratulate Trevor Corrie, the principal of Strathmore Primary School, for receiving an award last week for completing 35 years in teaching. It is a great award. Mr Corrie has been at Strathmore Primary School for some years and is very respected by the community of Strathmore.

Other teachers in the Moonee Valley area who have also received awards for 35 years in the teaching profession include Marilyn Richards from the Ascot Vale Special School; and from Buckley Park Secondary College, which is actually in the electorate of Niddrie but many students from Essendon attend the school, Jill Lasalle and Raymond Croft.

Teachers who have given 35 years service to the community should be recognised because they have played a most important role in shaping future young Victorians. Trevor attended the Coburg Teachers College. The college no longer exists, but many teachers in the western suburbs, especially from my electorate, did their teaching training at that college.

Strathmore Primary School is a great primary school in Essendon. The students have a tremendous program they undertake. The Ascot Vale Special School in an excellent manner reaches the needs of students who have special needs. Although both schools are very different in the way they operate they are schools that we can be very proud of. I take great pleasure in congratulating the teachers at the Strathmore and Ascot Vale schools and Buckley Park Secondary College on their awards.

White Wreath Day

Mr ASHLEY (Bayswater) — Today is national White Wreath Day. In recent publicity the White Wreath Association stated, 'Suicide affects all walks of life, all cultures and all ages'. In the light of that sad reality I want to bring to the attention of the house a most serious deficiency at the very heart of our response to the suicide phenomenon. Despite the fact that many charitable organisations plough their energies and resources into education on suicide and suicide prevention, there is, tragically, no dedicated suicide crisis intervention service in Australia. There is

inadequate help at the moment of greatest peril and an inadequate awareness and confusion about where to turn for help when that moment strikes.

Australia desperately needs a single-name, single-phone number, suicide-specific crisis service. In Britain and Ireland the word 'Samaritans' is synonymous with seeking help with suicide intent. The British public has become conditioned to associating the words 'suicide' and 'Samaritans' while at the same time having access to a single number which anyone can dial wherever they live.

It is incumbent upon those involved in the fragmented services being delivered throughout Australia to put aside any semblance of organisational rivalry. With help from government these groups should come together to drive into existence a suicide-specific, front-line, single name-and-number rescue service for the sake of all who find themselves alone and vulnerable.

Chelsea Heights Community Centre

Ms LINDELL (Carrum) — I would like to acknowledge the work of the staff and committee of management of Chelsea Heights Community Centre. The centre offers a range of recreational and educational activities for its local community. It also offers occasional care under the Take-a-Break program. Last week I met with Robyn Erwin, president of the committee of management; Gill Bynon, another member of the committee; staffers Janene Fussell, the coordinator, Lyn Hetel child-care worker, and Lynne Pocknee to discuss the implications of the full implementation of the children's services regulations 1998. The regulations are due to be fully implemented in June next year with changes to the qualifications necessary for staff and the carer-to-children ratio.

I have also received a number of letters from parents who use the occasional child-care service expressing their support of the service. The child-care workers are held in high esteem and the service is valued for the respite it offers families. I would like to offer my support for the community centre and its occasional care program. It offers parents some respite away from their children and is valued for the myriad benefits it offers families. The process of the implementation of the children's services regulations needs to ensure that it does not interfere with the good work of the staff and the committee of management of the Chelsea Heights Community Centre which offers an excellent service to local residents.

Freedom of information: consultants reports

Mr KOTSIRAS (Bulleen) — I stand to condemn this government for refusing to release documents under freedom of information (FOI) provisions despite its rhetoric and its promise to be open, accountable and transparent. Instead it seems it has instructed staff to be careful and selective in what they release.

When in opposition both the now Premier and the now Attorney-General criticised the former Premier for claiming that documents were exempt from FOI because of their business and/or commercial nature. Since forming government they have changed their tunes. This Labor government goes to great lengths to hide documents to prevent scrutiny. It spends tens of thousands of dollars employing consultants to hide its incompetence but refuses to make the findings public.

Recently under FOI, I requested copies of all written advice, reports and briefs prepared by KPMG and/or Pricewaterhousecoopers. Unfortunately this secret government has refused me access claiming that these documents relate to matters of a business and/or commercial nature. It is something the Labor Party was critical of when in opposition and despite the Premier when in opposition saying:

It is only through FOI that the opposition has been able to reveal the truth about those matters, which are central to the interests of all Victorians.

I am advised that one of the documents relates to the assessment of the Department of Premier and Cabinet. If this is true, the public has a right to know whether any department is failing to meet the needs of all Victorians. I call upon the Premier to release the documents immediately.

Healesville Indigenous Arts Enterprise

Mr HARDMAN (Seymour) — I rise to inform the house about the Healesville Indigenous Arts Enterprise which has been very successful in promoting local artists and their work. The Healesville Indigenous Arts Enterprise currently operates out of the Oonah learning centre in Healesville which is auspiced by Swinburne University and the Healesville living and learning centre.

Congratulations must go to Stephanie Crook who is bringing the works together and promoting both the artists and their wonderful artwork. I also congratulate Anne Jenkins who coordinates Oonah and gets the people involved and gets the people out there working and doing great works of art. I must also mention the local elder, Dot Peters, who has worked over many

years to ensure the cultural traditions are passed on to local people and to children across the state at the Royal Melbourne Show each year. She has also been working hard to advance the cause of the Healesville Indigenous Arts Enterprise.

Being reconciliation week it is appropriate that groups such as this, which are striving to create a vibrant and proud Koori community, should be recognised. On Monday the Minister for Aboriginal Affairs visited Oonah and Swinburne University of Technology to see the fantastic work being done and told me that it is some of the best Aboriginal art work he has seen.

During grape grazing the Healesville Indigenous Arts Enterprise also had a successful exhibition at Domaine Chandon, which helped raise awareness of the work that is being done. In fact many of these artworks at this exhibition could have been sold several times over they were so good. Congratulations to all involved and all who support this wonderful enterprise.

Electricity: wind farms

Dr NAPTHINE (Leader of the Opposition) — Last week I accepted a register of support for the development of wind farms in Portland. This register contains 3500 names of local people who signed under the following statement:

We wish to register our support for the concept of wind farming and would like to see Portland become the renewable energy hub of Australia.

I strongly support that position. There is already a successful wind farm at Codrington, near Portland, and there is enormous community support for the current proposal for additional wind farms in and around the Portland area. Portland is already renowned for its diversity of renewable energy. It is already using geothermal energy, and in Portland Harbour at present there is a wave power generator that is being prepared for use in the seas off Portland. Of course with the wind farm at Codrington and the proposal for additional wind farms around Portland there is enormous opportunity for major investment and job creation in industrial developments associated with those wind farm opportunities.

I would like to acknowledge the work of Mr Brenton Goldsworthy and the Portland Progress Association, and of the mayor, Cr Neil Kerr, who have supported this register. On behalf of people in the Portland community who have supported wind farms, I urge the Minister for Planning not to delay decision making in the planning process with respect to this application for wind farms in the Portland area.

Sunvale Primary School

Mr MILDENHALL (Footscray) — On Friday, 24 May, I had the pleasure of attending the numeracy celebration and mathematics activity day at Sunvale Primary School. This modest school near the Sunshine centre in my electorate has achieved some of the best mathematics results of any school in this state, and indeed the country. The school is an outstanding example of education leadership emanating from the president of the school council, Mr Terry Cuddy; the principal, Mr Alan Dash; and a team of gifted, dedicated and committed teachers, who since 1997 have embarked on an ambitious and dedicated program to raise the mathematics performance of this school to among the best in Australia

This has been achieved despite an extraordinary disadvantage. Most of the students and their families, well over 60 per cent, receive the education maintenance allowance. They come from low socioeconomic backgrounds. This shows that with the combination of excellent methodology, research, dedication and commitment amazing things are possible. This school is a credit to the community. It is an example for all schools and one which I am sure the wider community will take note of.

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

CONSTITUTION (PARLIAMENTARY TERMS) BILL

Second reading

Debate resumed from 17 April; motion of Mr INGRAM (Gippsland East).

Mr HULLS (Attorney-General) — I say at the outset that the government cannot support this legislation. However, it intends to move a reasoned amendment, and I ask that that now be distributed.

The SPEAKER — Order! Before the Attorney-General continues, I advise the house that all honourable members will be deemed to be speaking to both the motion and the reasoned amendment.

Mr HULLS — I move:

That all the words after 'That' — —

Mr Perton interjected.

The SPEAKER — Order! The honourable member for Doncaster is interrupting the proceedings of the house. I ask him to cease interjecting.

Mr HULLS — I move:

That all the words after 'That' be omitted with the view of inserting in place thereof the words 'this bill be withdrawn and redrafted to take into account any future recommendations of the report of the Constitution Commission of Victoria in relation to the need to improve the democratic operation of Parliament, including the reform of the Legislative Council'.

Mr Perton interjected.

The SPEAKER — Order! For the last time I ask the honourable member for Doncaster to cease interjecting.

Mr HULLS — As all Victorians know, constitutional reform is very high on the agenda of this government. For that reason it has in the past introduced bills to reform the Parliament. Unfortunately this bill does not go far enough. It has the unintended consequence of entrenching a stale eight-year mandate in the upper house, and the government simply cannot support that. We cannot continue to allow the upper house to be an irrelevant chamber where honourable members are locked into those fluffy, comfy red couches for periods of eight years.

I suspect Victorians would be shocked and alarmed at any legislation that entrenches eight-year terms in the upper house, which is what this bill does. The government is more than prepared to support any legislation that deals with fixed four-year terms, so long as those fixed terms relate to both houses of Parliament. If the Liberal Party had any guts at all and was serious about legislative reform it would also support fixed four-year terms in both houses of Parliament.

Dr Dean interjected.

The SPEAKER — Order! I ask the honourable member for Berwick to cease interjecting. He will get the call immediately after the Attorney-General.

Mr HULLS — The acid test will be whether the Liberal Party supports fair dinkum reform of the Victorian Parliament or whether it is prepared to allow the upper house to continue to be an eight-year irrelevant retirement village. That is what it is at the moment, and that is what this bill continues to allow, because it locks in eight-year terms in the upper house. I reiterate that continuing to allow the upper house to have a stale mandate will entrench it as an irrelevant retirement village. The people of Victoria do not want that; they want proper constitutional reform.

As I said, constitutional reform is a high priority for this government. Our stance is absolutely consistent with what we have been saying for years and years. To see that one only has to look at previous newspaper clippings about what the government has said on this issue and what the Premier said when he was Leader of the Opposition. In October 1999 the then opposition leader is reported in the *Saturday Age* as follows:

The opposition leader, Mr Steve Bracks, wants to eliminate eight-year terms and the preferential voting system in the Legislative Council.

He described the upper house as the most undemocratic of any in an Australian Parliament.

...

Labor and the Independents have proposed proportional representation and four-year terms for upper house MPs, believing that this will promote a closer balance between government and opposition in the chamber, leading to more scrutiny.

The article then says that the then opposition leader:

... accused coalition MPs in the Council of wanting the sinecure but not the responsibility of being a house of review ...

It reports him as saying:

It is one of the most feather-bedded organisations I've ever seen in my life.

He was right then, and as Premier he is right now. The upper house is one of the most feather-bedded organisations in the world. It is irrelevant, and we want to make it relevant. We can best do that by ensuring that we have fixed four-year terms in the upper house.

Dr Dean — On a point of order, Mr Speaker, this is a very specific amendment to the constitution that is directed solely and absolutely to the lower house.

Mr HULLS — Look at the reasoned amendment.

Dr Dean — The Attorney-General is now directing his comments entirely to the upper house. I ask that he be brought back to the bill so that he directly talks about the lower house.

The SPEAKER — Order! I do not uphold the point of order raised by the honourable member for Berwick. The Chair has generally allowed the lead speakers from each party to engage in a wide debate. However, if one examines the reasoned amendment one comes to the conclusion that the remarks made by the Attorney-General are within the bounds and restraints contained in that amendment.

Mr HULLS — We have been absolutely consistent in our approach, and we intend to remain consistent — that is, we want parliamentary reform. Unfortunately the bill, while it is well intentioned, does not give the type of reform that is necessary to make the Victorian Parliament more democratic. By simply agreeing to this bill we would be locking in a stale mandate in the upper house, and we are not prepared to do that.

I recall an editorial in the *Age* in October 2000 that stated:

The non-Labor parties' rejection of electoral reforms shows how badly change is needed.

There are few jobs like it anywhere in the world. Secure major party preselection in a winnable Legislative Council province and you are well on your way to a very comfortable life. Most of the real political action is in the Legislative Assembly, where governments are formed, so unless you are a minister you can probably afford to take it easy for long stretches. Best of all, as an upper house member you have to face the electors only at every second election, meaning that winning your province once will keep you on those plush, red leather benches for up to eight years at a time.

We are just not prepared to wear that.

Mr McArthur — On a point of order, Mr Speaker, following the comments the Attorney-General has just made, I point out that it was John Cain who provided eight-year terms for the upper house, and Joan Kirner supported that.

The SPEAKER — Order! Clearly the honourable member for Monbulk has not taken a point of order. I warn him against taking such points.

Mr HULLS — So serious was the government about constitutional reform that it was more than happy to have constitutional reform enshrined in the Independents charter. If one looks at the charter one will see that it certainly deals with improving the democratic operation of Parliament. The charter states that improving the democratic operation of Parliament can be demonstrated by undertaking, within six months of the commencement of the 54th Parliament, first of all a reform of the Legislative Council. This is all part of a package of improving the democratic operation of Parliament.

The charter deals with reform of the Legislative Council: abolishing the current terms of six to eight years so that all members face four-year terms, adopting a proportional representation voting system and doing a whole range of other things, including altering the constitution so that governments serve fixed four-year terms unless interrupted by a vote of no confidence. It requires elections to be held on a fixed

day every four years and the establishment of a Victorian constitutional commission to conduct a thorough review of the constitution in Parliament with the aim of presenting a constitution to the Victorian people through a referendum.

The charter deals with improving the democratic operation of Parliament. It deals with a package of reforms that will make our Parliament more democratic, and the government takes the view quite strongly that these need to be dealt with as a package. Unfortunately this bill, while well intended, will have the effect of making parliamentary reform far less achievable, because it will lock in this stale mandate in the upper house.

It will be very interesting to see whether the Liberal Party is prepared to support real parliamentary reform. If it is, it no doubt will fully support the reasoned amendment that has been moved by the government.

This bill pre-empted the outcome of the constitutional review that is currently taking place. It is my understanding that the report is due to be handed to the government very soon — in fact, within weeks. I do not know what is in that document, but I do know what the terms of reference of that commission were. They included whether the governance of Victoria would be improved by any reforms and legislation to enable the Legislative Council to operate effectively as a genuine house of review.

Dr Dean interjected.

Mr HULLS — The inane interjection is, ‘Oh, the answer could be no’. You do not pre-empt the umpire! That is the whole point — that the answer should not be pre-empted.

Further, the terms of reference go on to state that in considering this the commission is to consider the responsiveness and responsibility of the upper house to the Victorian people; the role and accountability of the upper house in relation to executive government; whether the Legislative Council should retain the power to reject appropriation bills, and if so whether any or what limitations should be placed on that power; whether the members of the Legislative Council should be elected one half at each election or should all be simultaneously elected; whether the Legislative Council should be elected on the basis of proportional representation, and if so whether this should be on the basis of multimember electorates or on any other and on what basis.

The commission was also to consider giving effect to, among other things, a fixed four-year term of

Parliament and the effect of any reduction of the total number of members — —

The SPEAKER — Order! The Attorney-General’s time has expired.

Dr DEAN (Berwick) — What an absolute load of humbug that was! An opportunity has been given to the government to comply with the first step of the requirement it signed up for in the charter with the Independents — to get fixed terms in the lower house. This government talks about reform of Parliament. It goes through all the machinations of saying, ‘We want to reform Parliament’, and when that opportunity is delivered to it on a platter, ‘Here is the first step of your requirement’, what do government members do? They run for cover. Why, when given this opportunity, do they deny it? It is because they want to change the system in the upper house so the upper house swings closer to Labor and they can get control of it. For them this is not about the reform of Parliament or about four-year fixed terms, this is about control of the upper house.

Let’s go through some of their attempts to get to this objective, and then we must come back to the charter, because the charter is very important. How wonderful it is to have that charter hanging around now! I am sure the Independents say to themselves, ‘Thank God we have that charter’.

You may recall, Mr Speaker, that within a couple of months of achieving government — not government by a majority, but government with the help of the Independents — this government introduced a massive bill to amend the parliamentary system and introduce proportional representation. Here is a government that has only just scraped in by a hair’s breadth and the first thing it does is introduce a bill to change the upper house to proportional representation. Do we remember what happened then? The bill was a complete mess. The government found that not only did its own backbench disagree with the bill but that the Independents disagreed with it as well.

The bill hung around for a while, and people were aghast that any government could bring in such incompetent legislation. What did government members do then? They decided, ‘We are so desperate to change the upper house that we will introduce another bill’. The problem was that they introduced another bill — which, by the way, was split into two bills, so there were three bills — before they withdrew the first bill! So at some stage in this house, which must be an absolute historical first, we had three bills on the same matter, all with different amendments — in other

words, the Assembly had before it three different possibilities, and the government presumably was looking this and that way, wondering which one it should get rid of.

It eventually got rid of the first one — that was very nice of it — but what happened with the second bill it introduced? Again government members found that the Independents did not agree with it and started to move amendments. But it got worse. The government realised that in the second bill it introduced in an effort to have proportional representation and to really clamp down and make sure that the upper house controlled whatever went on around here, it had removed all the safeguards except one — the motion of no confidence. It had removed the special bill safeguard, it had removed the blocking of supply safeguard, and government members thought, ‘This is our chance’.

Mr Hulls — Slow down!

Dr DEAN — I am just so excited about it! What did they then find? Someone whispered in their ears, ‘Do you realise that if there is a deadlock between the houses the only way the government can cause an election is to call a no-confidence motion in itself?’. It got to the position where the government suddenly realised that if there was a blocking of supply and nothing could be done to get an election the only way was for the Premier to get up and say, ‘I have no confidence in myself and therefore we must have an election’. I want to tell you that the opposition would agree with that! They would certainly win that motion! Given their total and absolute disarray and embarrassment, that bill disappeared as well.

An Honourable Member — Another one!

Dr DEAN — Another one. And how wonderful it is to see that an Independent can come along with a nice, simple, straightforward bill of one little paragraph, without all the machinations, muck-ups and embarrassments that the government caused in hurrying to try and amend the upper house! How nice it is to see a nice, clean piece of legislation comprising one paragraph — section 38 — to the effect that the fourth anniversary of the Saturday of the first poll is when the next poll must be. Count back five Saturdays and that is when the election will be called. Nice, simple, straightforward and easily understood — that is the way amendments to the constitution should be made.

The Attorney-General may say, ‘Well, why is the Liberal Party supporting this? If the Liberal Party objects so much to reform, how come it is saying that

this is a good first step?’. We can go back quite some time, when we moved —

Mr Mildenhall interjected.

Dr DEAN — No, wait and listen! We can go back as far as 1983, when the Liberal opposition moved exactly the same amendment. Let’s go back and see how this constitution provision, which this government said is no good and has to be changed, was introduced. It was introduced by a bloke called John Cain, a former Premier. Now apparently this mob over here disagree with Mr Cain, but I thought that fabulous lawyer was one of their heroes.

Mr Wynne interjected.

Dr DEAN — He says, ‘Indeed he is!’. Let us read what Mr Cain said when as Premier and Attorney-General he introduced the very legislation that this government has had three attempts to try and change and is now giving to a commission to look at. As he introduced the legislation in its present form on 3 May 1984 he was reported as saying:

This bill replaces the Constitution (Duration of Parliament) Bill passed by the Legislative Assembly in July last year and which is presently before the Legislative Council. The bill includes many of the provisions of the earlier bill —

and he went on to explain those. Then he is reported as saying:

The bill provides for a four-year term for the Legislative Assembly and for members of the Legislative Council to serve two Assembly terms. In part II it ensures that elections for the Assembly and the Council are held together. One effect of the changes will be that all elections will be for the Legislative Assembly and half the Legislative Council.

Then he went on to state that we would have eight-year terms in the upper house and four-year terms in the lower house, with a three-year fixed period and then a 12-month period in which an election could be called. That was a good bill, according to Mr Cain and the Labor Party. That is what they wanted, but all of a sudden things have changed.

What did the Liberal Party do with this bill when Mr Cain introduced it? The then Leader of the Opposition, Mr Kennett, advised the Assembly that he was disappointed at the Premier introducing the bill in the way he did. He went on to talk about the terms, saying:

The opposition has agreed to an extended term of four years, but it has gone further and said that it is better to have fixed terms within that component. We have collectively settled on three years —

to do the right thing by the Labor government, because it was so damned keen on three. Nevertheless, he had an amendment that he was ready to move, because he believed four-year fixed terms were the way to go. That was back in the 1983.

Mr Wynne interjected.

Dr DEAN — Sorry, 1984. Let's get the date right!

So what is the Liberal Party doing now? It is doing exactly what it did when Mr Kennett proposed that change to the bill which Mr Cain brought in and which the Bracks government is now trying to change to get control of the upper house.

Remember that time when things got pretty hairy around here, when neither the Labor Party nor the Liberal Party had won an absolute majority in the house? The question was what the Independents were going to do. I remember it well! Having been appointed Attorney-General I thought that was what I was going to be, but the Independents, bless their little hearts, decided to do what they did. But there was a price to pay, they said, for their decision to go with the Labor Party. 'We have a charter', they said, 'and the price to pay is that the government has to agree to it'.

The Labor government said, 'Yes, we will agree to your charter'. And what did it commit to? The Premier said, 'I, Mr Bracks, commit — commit! — the Labor government to introducing four-year fixed terms for the Legislative Assembly'. And he signed on the dotted line. Now we have seen the Attorney-General get up in this house to speak on the bill. No wonder the Premier is not here: he is going back on what he agreed to.

The word 'fixed' has a very important meaning. It means that the four-year term is set. That word would not have been in there unless both parties knew exactly what they were doing. The Liberal Party is standing by the commitment that it made in 1984 and again to the Independents when they came in — and the Labor Party is not. It is pretending that when it is given the opportunity to get half of what it wants it will do nothing until it gets all of it.

The Labor Party is relying on the constitutional commission. I have already gone through the complete disaster that occurred when the Labor government introduced two bills — or three bills, because they split the second one into two — to amend the constitution. It all went up in a blaze because the Independents disagreed and because the bills were stupid. Then the government decided to appoint a constitutional commission. It could have appointed three learned legal people with no political baggage or background

whatsoever. It could have had a commission that no-one could have pointed at and said, 'There is politics going on here'.

But what did it do? It was too smart by half, in effect saying, 'We are so desperate to get control of the upper house that we will appoint to this commission two disaffected Liberals whose views are already on the record in relation to proportional representation'.

Wouldn't that be a smart move! What did that tell you about this constitution commission? It told you that the Labor Party was interested in politics, that it was politics that was driving this commission and that it would use the political trick. Does the Labor Party really think the people of Victoria will be conned into believing that because two ex-Liberals have been chosen that somehow they therefore represent the Liberal Party view here or anywhere else? Does it think that choosing both those people — Alan Hunt, who tried and failed to get proportional representation in the upper house, and Ian Macphie — will do anything other than signal to the Victorian people that the Labor Party was trying a stunt and that the two people it chose were people who had already expressed an opinion?

Either the Victorian people are quite aware that the members of this commission have been chosen for political purposes and that therefore whatever it does is devalued, or the Labor Party is so incompetent that it did not realise that the Victorian people would get onto that fact. It is unbelievable that it did not pick three people who were beyond reproach politically. It is totally unbelievable! It is either due to incompetence or it is a political con which the Victorian people will see and understand.

I feel a bit sorry for the Attorney-General because there he was with the Independents saying, 'Right, we're following through on our charter and we're having this four-year fixed term in the lower house', and all of a sudden he could see that his opportunity to grab hold of a system in the upper house that would give the Labor Party control of that house was going up in smoke. But he could not just come out and say that that was the reason; he could not say, 'No, we're just going to vote against this bill' and he could not say, 'Right, here's the bill; we disagree with it'; he had to come up with the reasoned amendment, and we all know about reasoned amendments. Reasoned amendments are moved to get you out of a tough spot. You move reasoned amendments when you are in difficulty, when the pressure is on and when politically you do not know which way to turn, and by doing that the Attorney-General will signal those very things. I do not know what the commission will end up saying, but I do

know that the government has almost destroyed its credibility.

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

Mr STEGGALL (Swan Hill) — I join this rather strange debate with a deal of apprehension as to what on earth is going on here. I was a member of this Parliament in 1982, 1983 and 1984 when the discussions took place the last time we had a reasonable effort at reform.

Mr Ingram — Did you speak on it?

Mr STEGGALL — No, I did not speak on it, and if the honourable member for Gippsland East looked at *Hansard* he would find that the Premier and Attorney-General of the day, John Cain, came to this place, put a bill before the Parliament and gave two other speakers — the Leader of the Opposition and the Leader of the National Party — the chance to speak on it. He wanted the bill to go through that day and he got it through that day. Talk about reform!

The bill went to the upper house on the same day and it got stalled there. We in the National Party, with Liberal Party support, put the issue back into the public domain until September of that year so that there would be some discussion. The history of that bill was that there were two years of discussion before it entered the Parliament — two years! Those areas of discussion started off with the Labor Party wanting fixed terms and ended up with the Liberal Party wanting fixed terms, and the National Party eventually supported the bill which became the law. I know the honourable member for Gippsland East has a bit of an infatuation with the National Party, so I will quote for him and the house some of the contributions that were made in debate on that bill so we will all understand.

After two years of discussion in this place — not in the Parliament but in the precincts of this building — John Cain, the then Premier, brought the bill to the house and it was eventually agreed to and successfully went through the Parliament. Peter Ross-Edwards, leading the debate for the National Party on the bill, said:

Gradually, we have evolved the proposed legislation which is, in principle, acceptable to all three parties ...

...

The measure will ensure that, in future, our parliaments will be able to have extended terms of up to four years, and there is a reasonable certainty, in the normal course of events, that they will exist for at least three years, after which time it will be up to the government of the day to determine when it will call an election. That seems to be a fairly good compromise

compared with the government's original proposal to have fixed terms, which, for a variety of reasons, is not a practical idea because so many elections occur in Australia such as federal, local government and other state elections, as I am sure the Premier will be aware.

...

... The National Party supports the general concept of the bill and the principles contained in it ...

We moved amendments to that bill on that day which were agreed to, and the bill was passed.

Likewise, in the upper house on 4 September of that year, after we had delayed the bill for some discussion, Bernie Dunn, the then Leader of the National Party in that house, said:

The National Party supports the concept of four-year terms for the Parliament. Under the provisions of the bill, there is a minimum of three years and the government has flexibility during the last year about the time in which an election is called.

Will someone in this place stand up here today and tell me what the hell is wrong with what we have got?

Mr Perton — We have a Labor government.

Mr STEGGALL — I know we have a Labor government.

Ms Allan interjected.

The SPEAKER — Order! The honourable member for Bendigo East!

Mr STEGGALL — This has been a very strange way to introduce the concept of a major reform into a Parliament such as ours. The Independent member has the right to introduce the bill, and that is fair enough, but I am absolutely amazed that the Labor government has not just rejected this legislation. Instead, this morning it has come in with this very weak reasoned amendment, and the reason it has put in the reasoned amendment is to put up a bit of a smokescreen so it can talk about its upper house ambitions and legitimately be able to do a bit of slipping and sliding away from the commitment it made to the Independents.

The Labor government has decided to try to fiddle around with changes in this Parliament through the Constitution Commission of Victoria. I have to tell the house that the National Party does not have a great deal of confidence in that commission. Our members have been involved with its meetings throughout country Victoria and I can tell the house this: they have been less than impressive.

Mr Hulls — Your members?

Mr STEGGALL — No, our members have been involved in this commission throughout these areas. If the Attorney-General likes to be clever I advise him that if he wants reasonable reform of this nature to go through this house, the best way will be to deal in a proper manner with the parties and the people who make up this Parliament.

Nowhere in the second-reading speech of the Independent member or in the contributions made today has there been a reason given for this legislation going forward or for the changes it proposes. If the parliamentary reform is to go ahead, it needs to be done in a very open and careful way. The John Cain effort in 1982 leading up to the 1984 bill was probably the most successful way of handling reform.

We in the National Party find ourselves in an interesting position where we know the Labor Party wants fixed-year terms, we know the Liberal Party would like fixed-year terms, and we also know that there are a whole range of other measures they would like.

Mr Mildenhall interjected.

Mr STEGGALL — We are not all that upset with what we have today. I do not want to see the Premier of this state not being able to choose an election time in the last year of the Parliament. There is nothing wrong with that system; it works very well. The system is far better here than in New South Wales. Honourable members opposite might be a long way from New South Wales. Some of us who live within a couple of hundred yards of it can tell them this: when the New South Wales Parliament gets to its final year — no-one can call an election until that fixed date of 10 March next year — it loses a lot of its effect and impact in the parliamentary and democratic system.

The Independent member is worried about election mode. Parliaments are about election mode and about choices. They are all about giving options for the way we live and operate. That is what we are about. I do not understand the logic in trying to insert a fixed date for an election. There has been no logic in this debate; I thought the government today may have argued the case differently.

I am surprised that in his second-reading speech the honourable member offered a number of strange reasons for introducing the bill and arguing why the house should support it. His reasons do not stand up to criticism. He said that the capacity of the Legislative Assembly to be dissolved after three years is often used by the government of the day to call an early election in

Victoria. So what! The honourable member has not yet been here for three years and does not know what happens in the last year of a parliamentary term. Sure, there are pressures and tensions, and a Premier has enormous pressure on him or her in that final year to make a decision. That is part of our culture and system, and I do not want to see that removed. The advantage in the present system is that the Premier is able to call an election. There is nothing wrong with that. I do not agree with a fixed term for Parliament.

The honourable member also talks about the speculation on whether the government will call an early election beginning much earlier than three years after its election. As any Parliament goes to an election, with a fixed term or otherwise, all the pressures and innuendoes that go with the lead-in to an election will be evident, but there is nothing wrong with the present process.

The Labor Party is keen on a few other things over which the opposition has fought it, in my case for 20 years. In the 1980s the Labor government introduced a bill to have proportional representation as the method of election for the upper house and the lower house. The then opposition fought that. The present government has had another go in this Parliament. As a country member of Parliament I can tell the house that the value of a single-member constituency cannot be underestimated because if seven or eight members representing, say, north-western Victoria — —

Mr Hulls — Big Carl!

Mr STEGGALL — You may be a smart alec, fella, but you are dealing — —

Honourable members interjecting.

The SPEAKER — Order! The Attorney-General and the honourable member for Richmond!

Mr STEGGALL — The value in country areas of single-member constituencies is vital for the operation of a democratic process. I assure the house there are many areas in my electorate that no honourable member having been elected by the proportional representation method would go near in a parliamentary term — and why would they? Their votes would come from the people of Bendigo, Ballarat and Geelong, so why would they worry about people living in small towns?

Mr Ingram interjected.

Mr STEGGALL — That is right — it is my job. My job is there because I represent a single-member constituency, and I bear responsibility for all my constituents. I do not have to worry about making sure I get votes from only Ballarat, Bendigo and Geelong. Country constituents have worries different from people living in city areas. The National Party will oppose the bill.

Mr Ingram interjected.

Mr STEGGALL — The preference deal! I did not know until yesterday that the Labor Party was intending to knock it back, and I am amazed that the Liberal Party intends to support the bill. I did not know that until this morning; nobody told us. It just shows that the National Party is independent and travels its own course.

The Westminster system presents challenges and there is speculation and drama surrounding the decisions that affect our electoral process. Honourable members should be proud of being part of the democratic process and should be keen to participate in it. I do not see that the way in which the Australian Labor Party is approaching this debate and subject is healthy for it or Victoria. I say that advisedly, because if it does not get the process right, and for a whole lot of reasons the government has a bad decision being followed down the track, Victoria will be the sufferer.

The basic changes Parliament made during the days when John Cain was Premier were twofold. His legislation altered the process so that elections for both the lower house and the upper house were conducted simultaneously. Prior to that the houses could go to an election at different times. His legislation instituted four-year terms for both houses and stipulated that an election could be held at any time in the final year of a parliamentary term. In those days they were sensible and proper reforms. I believe they have worked well.

There are issues regarding the functions and structure of the upper house, but it is not covered by this legislation. Speculation about the government holding an early election keeps all honourable members and Victorians on their toes and keeps society aware of the democratic process. It gives us the opportunity to make sure society is aware of its Parliament and how it works. It is important as Parliament goes through the changes to ensure it takes the people with it; one can argue about the changes the former government made in government, and it is true it did not always do that, and we paid for that. If we are to reform the way we form our Parliament — that is what we are talking about here — let's do it in a proper and balanced manner to

make sure that Victorians understand where we are going.

It was difficult for Parliament in 1984 when the then Premier decided to drop the bill in this house one morning and to have it passed that day. It went to the upper house that evening, but the then opposition jammed it in that place. It said, 'No, all bets are off until September, when Victorians can decide'. The message from that experience was that the 1984 reform was passed, it has worked and it has been successful. It was good reform.

The SPEAKER — Order! I call the honourable member for Richmond.

Mr Perton — On a point of order, Mr Speaker, the call should go to the honourable member for Kew. Both the National Party and the Labor Party oppose the bill, and the Liberal Party and the Independents support it. The contribution by the honourable member for Swan Hill was against the bill.

The SPEAKER — Order! I uphold the point of order raised by the honourable member for Doncaster. I call the honourable member for Kew.

Mr McINTOSH (Kew) — This bill is about the institution of democracy and the principles that underlie it. The most important thing about our democracy — our principles and institutions of democracy — is that they are not fixed in stone. They change and they develop. Over the past 400 years democracy, in both Australia and elsewhere, has demonstrated that it is both revolutionary and evolutionary. One could rattle off a number of names in regard to that development. Love or hate them, I recall people such as Cromwell, Walpole, Pitt, Jefferson, Lincoln, Deakin and others, including John Cain, who amended Victoria's constitution through his legislation.

We can always be grateful for and proud of the achievements of this country and this state in what they adhered to in reforming our principles and institutions of democracy — such things as universal franchise, women's suffrage and the secret ballot. All those things underpin our democracy as we know it. While we have adopted an English model of parliamentary democracy, we have taken it further and advanced it even more.

What particularly concerns me is that today the government is demonstrating it is prepared to use our constitution and our principles of democracy — the principles that underlie our parliamentary democracy — as a political football for its own political advantage.

Notwithstanding the fact that the Attorney-General understands and probably fundamentally adheres to and agrees with this principle, he has again demonstrated that his government is prepared to block this amendment to our constitution and obstruct this reform for its own grubby, political benefit. The Attorney-General wants to make a song and dance about what happens in the upper house. Of course we are all concerned, to some extent, about the operation of fixed terms, and we will have to monitor and deal with that issue.

The honourable member for Swan Hill asked why we should fix it if it ain't broke. I agree with the honourable member for Gippsland East, whose second-reading speech indicates that there is enormous concern out there in the community, and also in here, that governments can, for reasons of political advantage, manipulate the electoral cycle to ensure they go to an election when it suits them. Of course that can be then translated to the rest of the community, as the honourable member for Gippsland East has clearly indicated — and I refer, for example, to the business community. The stock market can rise and fall on the basis of when an election is due to be called and the resulting speculation as to when it will be called. Indeed I heard the honourable member for Gippsland East interject this morning — and he is quite right — that we are almost in an election cycle today, because there is a lot of speculation about when the Premier will call the election. The first available time will be in November.

All of this adds to a degree of discontinuity in our community and in this place. It is for that reason that the Liberal Party supports this particular bill, which is very, very simple and easily understood. It is that vein of simplicity that the opposition supports. Of course we would have to monitor the situation, given that we would have a defined date that would be clearly adumbrated from the date of the next poll. Because there would be a clear, fixed four-year cycle, we may involve ourselves in American-style politicking, where there may be campaigns throughout the 12 months that lead up to that particular poll.

Also I am not absolutely convinced that a government could not manipulate the four-year cycle, even though it is fixed, for its own political benefit, such as bringing down three harsh budgets and then handing out a grab-bag of goodies in the last election cycle, as we have seen in recently.

But the most important thing about this is that the government opposes what it is fundamentally in its own interest to support. It has clearly indicated its support for fixed terms, but government members want this

legislation to go even though it could be passed. Any other form of constitutional reform may be subsequent, and that is fine, but the most important thing is that this is just the first step. It is not going to lock out any other constitutional reform, if that is what the government wants to pursue. Of course there will be debate and some of those reforms may be agreed to or not, but that is for a later time. The most important thing is that the government and the opposition agree. The only people who seem to be out of kilter are members of the National Party — but that is the National Party for you!

The federal leader of the Labor Party supports the proposition that is before this house. I quote from an article in the *Australian* of 10 April:

Simon Crean has removed the traditional Labor stumbling block to four-year terms for the House of Representatives, saying he is prepared to back eight-year terms for senators in a bid to secure bipartisan support for the change.

The opposition leader —

that is, Mr Crean, the federal leader —

last week said he favoured extending the term for the lower house from three to four years, and called on John Howard to join his campaign.

Simon Crean supports what is happening here, and the Liberal Party also supports it. I am proud to stand here to support this bill and oppose the reasoned amendment.

Mr WYNNE (Richmond) — I rise to make a brief contribution in support of the reasoned amendment moved by the Attorney-General. I have noted the contributions made by the honourable member for Berwick and the Deputy Leader of the National Party. Basically the honourable member for Berwick sought, through a decent amount of rhetoric and obfuscation, to support a position which, frankly, is morally bankrupt. The honourable member came into the chamber and strutted around with some sort of veiled cloth made of legal niceties to support a position which, as we know when it was tested in the upper house, his party voted against.

The bill introduced by the honourable member for Gippsland East talks about fixed four-year terms. Certainly this government has made it absolutely clear that it is a government that seeks to reform both houses of the Parliament. We are very committed to four-year terms in the lower house; but more importantly, as we know, the upper house — that so-called house of review — blocked a bill that was passed in the lower house with the support of the Independents.

Mr Ingram interjected.

Mr WYNNE — It was passed with the support of some Independents in the lower house! The bill was knocked out by that blocking upper house, which failed the true test of democracy yet again. That is to say, the reasonable reform package sought by the government, which was designed to introduce proportional representation and fixed terms and to marginally reduce the number of members in the upper house, was blocked by the Liberal and National parties. The opposition and the National Party should not come into the chamber and strut around as if they were paragons of and the last bastion of support for democracy when the last time this matter was dealt with in the upper house they blocked it.

The government sought the reasoned amendment because, as is indicated quite clearly in the amendment, it is waiting for the report of the Constitution Commission of Victoria. There has been a decent old bucket job done on the constitution commission. We have three — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Doncaster will get the call shortly.

Mr WYNNE — I will ignore the honourable member for Doncaster and his provocative comments about the three most distinguished Victorians who are members of this constitution commission. Alan Hunt is a former President of the Legislative Council. Ian Macphee is widely regarded in the community not only for his previous role in public life but as a person of great balance, a humanitarian — a person I think the honourable member for Doncaster would regard very highly. The career of George Hampel, QC, at the bar and in the judiciary is very well known. These three very distinguished people are out there at the moment. They have undertaken extensive consultation on constitutional reform and they will report in the next three or four weeks. Surely we should wait for this esteemed body which has been out there consulting all around Victoria on constitutional reform before we make any decisions about reform of this house or the much-needed reform of the upper house of this Parliament.

I will finish with a brief quote which summarises the argument. An editorial in the *Age* of 26 October 2000 states:

The claim by Liberal and National MPs that Labor does not have a mandate to reform the upper house veers close to nonsense. If there was one overarching theme to Labor's surprisingly successful campaign at last year's state election,

it was that Parliament and the state sector generally had become dangerously unaccountable under Mr Kennett. Labor did talk about reforming the electoral system before the election. The point blank refusal by the opposition and the Nationals to seriously countenance reform is a sign that they are yet to fully learn the lessons of recent political history in this state.

I submit that we should wait for the constitution commission to finish its work. Let's read the report of this esteemed body and then consider appropriate action. I commend the reasoned amendment to the house.

Mr SAVAGE (Mildura) — I rise to very strongly support this bill. I take up the comments of the honourable member for Swan Hill about the performance of my colleague from Gippsland East — he has done more in two years than the honourable member's predecessor did in two terms!

The genesis of this legislation is the fact that prior to 1999 there was a fair degree of uncertainty about when we would go to the polls. I remember people were saying, 'We will today — no, we won't'. I think Mr Kennett actually went to the gates of Government House at one stage to give us the indication that there would be an early election. I think we should have some certainty and this legislation would provide that. If I can quote from Groucho Marx:

Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.

This is what the government is doing, with the help of the National Party — diagnosing it wrongly and applying the wrong remedies. This is an appropriate way of determining what the people of Victoria want. In 1999 we sat for only 20 days up until November because there was uncertainty about an election.

I remember the discussions my colleagues and I had at Treasury Place with Mr Kennett, Mr Hallam, Mr Birrell and Mr McNamara — two of them now former members of this house.

Mr Ingram — Good men.

Mr SAVAGE — Yes. They were very resistant to four-year terms, they did not like the idea but in the end they signed up and agreed. I would like to quote the answer we got:

We agree to a fixed term of four years.

That is what Mr Kennett and Mr McNamara agreed to. They said, 'We agree to a fixed term of four years'. We had a single line item on four-year terms in the Independents charter. It said:

Alter the constitution so governments serve fixed four-year terms unless interrupted by a vote of no confidence. Elections should be held on a fixed day every four years ...

It had nothing to do with upper house eight-year terms. It was purely and simply a line item — one single, simple line item that said ‘fixed four-year terms’. We had the same discussions with the current Premier and Deputy Premier and they agreed. They did not say it was conditional on upper house reform. Although the Labor Party responded in a rather vague way, we did not think in our charter that it was necessary to have a legal document drawn up by a lawyer, but obviously we should have.

The Attorney-General is wrong. This bill is not about enshrining eight-year terms in the upper house. That is a natural progression but this is about having four-year terms in this house so we have some certainty. I support four-year terms in the upper house but that is an issue that can come after the Constitution Commission of Victoria has brought its report down. The government can put its legislative program through at the start of the spring sitting and we will see where it goes. This is a separate issue.

The government is not adhering to the principle or intent of the charter. I am bitterly disappointed because this was quite a clear undertaking, quite a clear commitment that was given to the Independents. I am surprised by the National Party’s involvement in this. It did not whinge and grizzle about fixed four-year terms: it agreed to them under its former leader Mr McNamara. The National Party has had a sudden change of heart because it is facing extinction and needs preference deals from the Labor Party at the next election. Not only that, the National Party did a deal about two weeks ago to enhance its chances with \$1.20 per vote for every electorate.

When I surveyed people in my electorate recently 70 per cent said they supported four-year fixed terms. That is a pretty fundamental position for the community to take. I think everybody would like to see some change in the way elections occur now. I think we should be more consultative on these issues. I know asking people what they think is an anathema to most of us, but it is a very fundamental part of democracy.

We need to have another think about what we are going to do with this bill. I do not support the reasoned amendment. I think the people of Victoria are sick of being jerked around every three years. Look at the uncertainty we are having this time. The Independents made a significant compromise. We did not insist on a four-year term for this Parliament because there are some dynamics here that are unique — it is a minority

government and a fixed four-year term might have been a problem. We compromised and said we wanted the fixed four-year term for the next Parliament. There is nothing unreasonable about it. This is a serious breach of the Independents charter and I am bitterly disappointed. The people of Victoria deserve a better deal. It is time this Parliament woke up to itself.

The DEPUTY SPEAKER — Order! The honourable member for Dandenong North — I am sorry, the Minister for Finance.

Mr LENDERS (Minister for Finance) — Always the honourable member for Dandenong North, never forget that! I would like to join this debate in support of the reasoned amendment before the house. There are probably no more significant debates in a house of Parliament than debates on constitutional reform. This house has had these debates on a number of occasions and spent a lot of time and energy on a same principle debate in 2000.

I join the debate in support of the reasoned amendment for a number of reasons. I would like to restate that the position of the Labor Party has consistently been one of being in favour of serious constitutional reform. This house passed legislation to reform the upper house. Reforming the Parliament was part of the party’s platform commitment and a longstanding policy commitment to supporting fixed four-year terms for both houses with constitutional reform that introduces proportional representation in the upper house.

Our commitment to fixed four-year terms is such that we were prepared to withdraw the legislation that was first introduced and to reintroduce two bills to give the reforms a better chance of going through. The first of the bills included fixed four-year terms for both houses. Because the issue of proportional representation was something the opposition said it could not live with it, it was given the option of having a situation where two members were elected for each province until proportional representation was attained. The government’s bona fides were clear: it attempted to bring in fixed four-year terms as a priority above, beyond and before proportional representation, given that that was the sole stumbling block.

My reasons for supporting the reasoned amendment are twofold. Firstly, if this is a temporary measure, as its proponents are saying, and if they believe in all sincerity that if the Legislative Assembly has fixed four-year terms that is the most important thing, I accept that as a genuine argument and do not question their bona fides.

At the moment the upper house has been averaging seven-year terms. The downside of this bill is that you would move to a situation that would entrench eight-year terms in the upper house. The government's views on that stale mandate are so strong that that would prove to be impossible.

Importantly, after the Parliament rejected the 2000 reform package that included fixed four-year terms, the government set up a constitutional commission with terms of reference to report back to the Victorian public on a wide-ranging series of reforms dealing with the issues now before the Parliament.

The bill before the house pre-empts that report by several weeks. The government believes it ought to let this process run, which is the reason for the reasoned amendment. The brief of the constitutional commission is to talk with the people of Victoria, and it has done so with community after community. The submissions it has received will enable it to come back to the house with a reasoned package of recommendations on these sorts of issues. The process is fairly critical, and we need time to respond to that report.

Given the number of members who wish to speak, I will conclude my remarks. However, I cannot let pass an interjection by the honourable member for Bennettswood regarding the members of the constitutional commission. He described them as 'a bunch of hacks', which I find extraordinary, given that the commission comprises some of the most progressive members of the Liberal Party in Alan Hunt and Ian Macphee, plus a distinguished former jurist. I found the honourable member's remark quite amazing, given that the commission has engaged in speaking with Victorians, asking them what constitutional reforms they need and want.

People come to this debate with different agendas. Clearly the Independents come to the debate as a way of achieving one stage of the reform process. The downside for some members is that it entrenches fixed eight-year terms in the upper house, but the Independents come here with clean hands. The Liberal Party on the other hand is playing games. Its members show no sincerity on constitutional reform. The honourable member for Kew spoke about a wide range of issues — —

Mr Leigh interjected.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc is out of his seat, and I ask him to cease interjecting.

Mr LENDERS — The Liberal Party opposes the sort of constitutional reform that has been accepted in all other jurisdictions in this country that are bicameral. It is playing games with the legislation, thinking it is highly amusing and entertaining. The Liberal Party could learn from listening to the constitutional commission and closely reading its report, and it could well support the reasoned amendment in the interests of having a good debate. I support the reasoned amendment before the house.

Mr PERTON (Doncaster) — The honourable member for Mildura used the term 'the public is sick of being jerked around'. The constituents of his electorate of Mildura and the constituents of the honourable member for Gippsland East elected men who they thought were conservatives. They have been jerked around for two and a half years by those two Independents on the basis of the charter they signed with the government.

This morning on the radio I heard the honourable member for Mildura say that despite an advocate of recreational drug taking being appointed the senior adviser to the Minister for Youth Affairs, that did not diminish his support for the government.

Today the honourable member quite clearly said that this bill, this simple proposition, is fundamental to the charter. If this proposition is fundamental to the charter, when the Labor Party votes no to this bill then the honourable members for Mildura and Gippsland East, and the honourable member for West Gippsland, have no alternative but to withdraw their support for the government. They went to their constituents having portrayed themselves as anti-Labor conservatives, yet they signed up to support the Labor government on the basis of their charter. The acid is on the honourable member for Mildura, and the acid is on the honourable member for Gippsland East. When the Labor Party votes against this measure they will have one option — that is, to tear up the charter — because as the honourable member for Mildura said, 'This is fundamental'.

Why does the Liberal Party support this bill? It supports it because this has been a principle of the Liberal Party for a very long time. It was in this chamber on 3 May 1984 that the then Leader of the Opposition, Jeff Kennett, agreed to the extended term of four years for this house, but he said that the Liberal Party would have gone further and that it would have been better to have fixed terms as well.

Nick Greiner, one of the great Liberal leaders in the history of this country and someone who opened my

first election campaign, spoke about this issue in 1991 in the New South Wales Parliament. He said:

This is a reform which I have little doubt will be warmly received by the community and will provide a degree of certainty in the political process.

Such an initiative no doubt comes with a degree of difficulty, given the nature of the Westminster system.

Mr Greiner went on to say that by adopting fixed terms the government would ensure a more open, honest and democratic Parliament.

In introducing that legislation the Honourable Tim Moore, who was the environment minister in that New South Wales Liberal government, said:

The bills before the house will ensure that in the future there will be no capacity for the government of the day to manipulate the timing of an election to suit its own political purposes.

A fixed four-year term will introduce greater certainty and stability. Governments will be able to plan and to make the difficult decisions that are often required of them in a climate of certainty and stability.

In a speech on 25 February 1993 my colleague from the New South Wales parliament, Mr Humpherson, who is now its shadow minister for the environment, said:

I was pleased to note that the Governor referred to the reintroduction this year of the fixed term Parliament legislation. Fixed four-year terms are a good thing. They have widespread public support and will give the people of New South Wales greater confidence in the political process of this state. Fixed four-year terms will give certainty to governments, members of Parliament, businesses and individuals. The discretion for calling elections should not rest solely with the government; it should lie with the people. The certainty of four-terms will result in better planning by the government in office.

I was perplexed by my good friend, the honourable member for Swan Hill, suggesting that there was still a good purpose to be served by the Premier having the sole discretion in determining an election date. The great democracies of the world, including the United States of America, have fixed-term elections, and that system certainly appears to set up a very robust democracy and one which has very strong time lines.

Madam Deputy Speaker, the Liberal Party supports this bill. It has supported this concept for about two decades. The honourable member for Mildura said that this clause of the charter is fundamental. The acid is on him and the honourable member for Gippsland East when this vote is concluded to resign their support, in fact their membership, of this Labor government and restore Liberal democracy to this state.

Mr MILDENHALL (Footscray) — The community looks for some level of consistency, policy and predictability from its elected representatives. The community would see in the Labor Party a long held interest in reform and improving the democratic structures in our state. It would also see the Independents adopting a similar view. The Independents have sought to bring about reform and establish democratic structures, giving us a Parliament that is more sensitive to the community's needs. I think they are to be commended for doing that. In a general sense there is a high level of alignment between the government's intentions in bringing about reform to the lower and upper houses of Parliament and the desire of the Independents to do the same thing.

What is breathtaking is when the Liberal and National parties try to pretend, through theatrical outrage and feigning of a great moral purpose by the honourable member for Doncaster and the honourable member for Berwick, that they are interested in parliamentary reform. At every turn of the page and every opportunity they resist. They are hanging on to the pointless, expensive duplication represented by the current upper house — that extraordinary chamber.

I had a rare opportunity during one of those much-maligned study trips to be in the United Kingdom during a lively debate about the purpose of an upper house. I participated in some debates that looked at the international experience. The clear message that came out of that was that there is no point in merely duplicating in a very expensive way everything that goes on in a lower house.

Mr Wilson interjected.

The DEPUTY SPEAKER — Order! The honourable member for Bennettswood will cease interjecting.

Mr MILDENHALL — You either have a chamber with robust power that is sensitive to the changes in community opinion or you make it a genuine house of review which has a different type of mandate with a longer period but not the same powers as the lower house.

Out my way we have a couple of sayings that I think are relevant to this, one of which is that you do not buy a dog and bark too. The government has set up the Constitution Commission of Victoria. It has a process under way, and it has a considered view by an independent commission, despite the denigration of its elder statesman, Alan Hunt, by a member of this Parliament. Mr Hunt is not deserving of the

insinuations made by the shadow Attorney-General that he is not capable of giving a considered, independent view. I would have thought he warranted greater respect and a greater level of dignity than that offered to him by members of the Liberal Party.

We also have a saying out my way that if you want to do a job, you do it properly, or you get the proper job done. You do not go out and impose a four-year term in the lower house and entrench your problems, making it worse for the upper house. The tragedy of the structure of this Parliament is the upper house — a pointless, expensive, stale mandate. It is a hopeless situation that so much money can be wasted on such an extraordinarily expensive outfit as that represented by the upper house.

I appeal to the Independents to wait for the constitution commission's findings and to use those as a basis for community debate on this issue, to look at the full range of recommendations the commission makes, to look at the whole package of how to reform this great institution of Parliament in a logical way that would also provide the democratic sensitivity to ensure that the will of the people is manifested by the structure and balance of representation in both chambers of Parliament. This is a premature piece of legislation, and it ought to be considered in a total package.

Ms DAVIES (Gippsland West) — The private members bill put forward by the honourable member for Gippsland East is very simple. It seeks to entrench fixed four-year terms into the Victorian parliamentary system. If passed it would mean that except under extraordinary circumstances Parliament would go to election at a set date four years after the previous election. It leaves Legislative Council reform as an issue for the Constitution Commission of Victoria, and I do wish that commission all the best.

I have urged the government to ensure that the measures that this constitution commission comes up with are put to a plebiscite at the next state election, because I believe those people in the upper house who absolutely refuse any consideration of the reform that is so important will continue to refuse that reform until they are shamed into it by the wishes of the Victorian people.

I will not support the reasoned amendment moved by the government. We do not need to wait for this commission in order to have four-year fixed terms in the Legislative Assembly. Four-year fixed terms are a goal that we can seek and achieve now. Fixed four-year terms were a line item in the Independents charter of 1999. The response of the then opposition leader, Steve

Bracks, to that charter melded his agreement with that line item to Legislative Council reform, which is an issue that we both knew that government would not be able to achieve by itself. I suppose the lesson that I have learnt from this experience is that I would word any future charter-type arrangement much more tightly.

Honourable members interjecting.

Ms DAVIES — I have to say to those interjecting from the back bench of the Liberal Party that both the current government and the current opposition have clearly broken with items on the charter that they very clearly agreed to. The current Leader of the Opposition said very distinctly after he was made leader that he would adhere to all items in the charter, which the previous Premier had agreed to adhere to, and he has not been able to do that.

Premiers in Victoria and prime ministers of Australia manipulate election dates to suit their own political purposes. Often the state, or the whole nation, is destabilised for many months before an election, and I think the manipulation and the speculation that went on before the 1999 election was an obvious case in point. The economy stalls during that speculation, markets hover, tension rises and people feel very insecure. That is not good for democracy, it is not good for the society as a whole and it is not good for people whose lives are affected by that political manipulation and those politically motivated circuses.

Fixed four-year terms work very well in New South Wales and in the Australian Capital Territory. Fixed terms work very well in the United States and they would work here. The government should agree to the bill.

Mr NARDELLA (Melton) — I support the reasoned amendment before the house, and I welcome the debate that is occurring here today on constitutional reform because it highlights the hypocrisy of the Liberal Party. Here are its members saying that since 1984 their previous god and leader, Jeff Kennett, put into *Hansard* — on the tablet of stone — that he supported four-year fixed terms. But when it comes to the practice, to the implementation of this policy position, he and honourable members sitting on the opposition benches had seven years from 1992 to 1999 to put it in place and they never did. They are not committed to it, and today all they are doing is being political opportunists. That is why I welcome the debate in this Parliament on this bill, but I want to go further because the bill is an important one.

An Honourable Member — They were the golden years!

Mr NARDELLA — Yes, your term from 1992 to 1999 was certainly in the golden years, and may you have more!

Honourable members interjecting.

The DEPUTY SPEAKER — Order! There is too much audible conversation. The honourable member for Melton, again without assistance.

Mr NARDELLA — Because I have served in the upper house I can say that without a shadow of a doubt the last thing the upper house needs is fixed eight-year terms. What it does need is true and real reform. That is why we put a review in place. We have the Liberal Party commenting on all these reviews that are occurring under the Labor government, and yet when we put this review in place opposition members are not prepared to wait for it. They are not prepared to abide by the recommendations made by eminent persons — two of them from the Liberal Party.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Kew is out of his seat. I ask him to cease interjecting.

Mr NARDELLA — The Honourable Alan Hunt, who was the President of the Legislative Council, understands the parliamentary process much better than the rabble on the other side. The Honourable Ian Macphie, a former minister of the federal Liberal government, was slandered by the honourable member for Bennettswood. They are two of the three very eminent people who are putting together the recommendations. We should wait for the review to conclude so we can have a further debate after listening to the views of the Victorian community.

I want to finish with the charter. One of the things that has been said by the honourable member for Doncaster is that the Independents should walk away from the government because the government is not implementing the charter. That is not the case. If honourable members read the charter they will find this in part 6:

2.1 Reform the Legislative Council;

- (a) Abolishing the current six–eight-year terms, so that all members face four-year terms.

That is what we want; we want to implement the charter absolutely, including clause 2.3 of part 6, which reads:

- 2.3 Alter the constitution so governments serve fixed four-year terms ...

I agree, but it should be done concurrently in the Legislative Assembly and the Legislative Council. We believe it is important legislation, and I welcome the debate, but I will be supporting the reasoned amendment before the house.

Mr THOMPSON (Sandringham) — The opposition supports the Constitution (Parliamentary Terms) Bill. Why does it support it? For a long period of time it has been believed that planned and effective government is dependent upon fixed terms to enable governments to carry out their commitments and to enable orderly planning. However, there can be circumstances where it may be appropriate to go to the polls earlier — circumstances such as a defeat of a special purpose bill or the defeat of the government on the floor of the house. Such circumstances can mean that the Parliament can go to the people at an earlier stage.

There are some clear statements of the importance of this bill to the chamber and to the people of Victoria. The honourable member for Mildura was quoted in the *Herald Sun* recently as saying:

The government has to realise this (fixed four-year terms) was a fundamental plank of the charter and our agreement, ...

It is important if the government is going to be open, accountable, transparent and honest that it uphold this particular plank it signed on to.

The question might arise as to why the ALP is reluctant to process the legislation in the house today. I would like to refer to an interesting quote by Kenneth Davidson from one of the articles he wrote last year in the *Age*, in which he says:

Does the self-perpetuating oligarchy that runs the ALP represent anything except itself? They say they must modify their policies to attract the aspirational voter ...

They are prepared to put the ALP's egalitarian values on the auction block to achieve power.

It was ever thus. As Vere Gordon Childe pointed out in his 1923 classic, *How Labor Governs — A Study of Workers' Representation in Australia*: 'The system of control from below adopted by the Labor Party from its inception has proved necessary by the selfish and cowardly opportunism which has distinguished the workers' parliamentary representatives'.

There are two differences that distinguish the Labor Party of today from the Labor Party of a half a century ago. In the past, opportunists ran the risk of being winnowed out by the democratic preselection process. Today's opportunists thrive on the tribal and familial processes that decide preselection, and they hang on ferociously to their paid offices.

The other difference is that the fundamental checks and balances through the different power centres of the party — the branches, the state and federal executives and the parliamentary caucuses — have been allowed to atrophy so that all power now effectively lies within the central executive, which has merged with the parliamentary leadership.

Members have no say. Expertise is brought into the party from a professional army of pollsters, public relations and advertising agencies —

that rings a bell from yesterday —

and industry lobbyists. The closest the people get to influencing policy is through 'focus groups', which tease out the 'hot button' issues that could turn an election.

That quote is interesting because it raises the question: is there a wider reason, another reason, why the ALP is not prepared to proceed with the legislation today? Reference has been made to the constitutional commission and another house. The document by the Treasurer entitled *Restoring Democracy in Victoria* set out a number of years ago what the agenda of the ALP was: it was to introduce proportional representation into the other place, yet we have this constitutional commission that is embarking on an inquiry. It may be that in the back halls of the Trades Hall they have adopted the old adage: never undertake an inquiry unless you know what the outcome is going to be.

The bill is practical and sensible, and it was supported by the government when it signed up to the Independents charter. It is also supported by the Independents themselves and by this side of the house as being a program of reform which will bring sensible and planned elections and which will enable governments to implement their reforms on a pragmatic and practical basis without the risk of going to the polls and the adverse impact of press speculation, which can affect financial markets and investment. It is for these reasons that the opposition supports the bill before the house.

Mr MAUGHAN (Rodney) — The National Party will vote against the reasoned amendment and against the bill. The honourable member for Swan Hill explained very clearly the reasons why we will be doing that: essentially it is because we believe the present system is working well. I have heard no honourable members — certainly not the honourable member for Gippsland East in his presentation —

explain why this present system is not working and why we need a change.

We believe that in proposing electoral reform there needs to be wide consultation with the community. The honourable member for Swan Hill pointed out how in the earlier changes made under the Cain government there was a two-year period of consultation with the community and consensus between the parties at the time. He referred to the words of the distinguished leader of the National Party of the time, the Honourable Peter Ross-Edwards, that talked about consensus and how it had been achieved. That is what we need if we are going to make major changes to the way the Legislative Assembly, and ultimately the Legislative Council, are elected. We need to take the community with us.

We are opposed to the legislation because there has not been that widespread community consultation and the opportunity — —

Mr Ingram — Only 20 years!

Mr MAUGHAN — This issue has not been running in the community for 20 years, unlike what the honourable member for Gippsland East says. Yes, individual people have been talking about it, but there has not been an agenda to reform the upper house. There needs to be widespread community consultation and there needs to be discussion between the parties.

The National Party would argue that the present system works well. We have had a long record of stable government in Victoria, at least since the 1950s, and in many ways the government we have in Victoria is the envy of other parts of the world and even of other states. The present system has served us well. What is wrong with it? Why does it need reform? The National Party argues that if it ain't broke, then don't try to fix it. I suggest that part of the motivation for this reform is that the Labor Party is desperate to gain control of the upper house.

Mr Ingram interjected.

Mr MAUGHAN — No, I understand that, but we are looking at the Labor Party's motivation and why it is opposed — —

Mr Ingram interjected.

Mr MAUGHAN — I understand that, but I have been listening to the Labor Party.

The DEPUTY SPEAKER — Order! The honourable member for Rodney will not respond to

interjections, and I ask honourable members seated next to him to allow him to address the Chair.

Mr MAUGHAN — I simply make the comment that the Labor Party is desperate to get control of the upper house. It has not been able to do so under the present democratic rules whereby members are elected to Parliament on the basis of winning their seats. The Labor Party will do anything to change the system to give it control.

I conclude by saying that the Independents charter agreed to by the Bracks Labor government was very clearly based on the commitment of the Bracks Labor government to four-year terms for the Legislative Assembly, and I can understand why the Independents are disappointed with the Bracks Labor Party government's failing again to honour that commitment — a commitment that was made in writing.

I criticise this open, honest, transparent and accountable government for once again welching on a deal it made with the Independents. The National Party is opposed to the reasoned amendment and opposed to the bill.

Ms McCALL (Frankston) — The Liberal opposition is quite happy to support the private members bill brought in by the honourable member for Gippsland East. Those of us who have voted and lived in jurisdictions other than Victoria know that going to the polls can be viewed by the community as a nuisance and time wasted, and if it were not for compulsory voting in Australia one sometimes wonders how many people would actually go to the polls on voting day.

This legislation is designed to reform the Assembly by extending the terms that parliaments sit in order to give them continuity and stability and to enable the community to recognise that the government is in for a definite term, which would remove a lot of the uncertainty out in the community about the question, 'Will they or won't they?'. It would be an enormous help to the community if the federal Parliament and the state parliaments of Australia all had similar terms.

I am a great supporter of a five-year term, similar to the system in the United Kingdom, which has the stability of a minimum term of four years. I support that one day be allocated for voting, whether it be a Saturday or a Sunday as it is in Belgium, or a Thursday as it is in the United Kingdom. I have no difficulty in supporting the move introduced by the honourable member for Gippsland East that Victoria have a set allocated four-year term for the Legislative Assembly.

The current government has wimped on this issue, given that it was so keen on reform. It is trying to say that until the report of its constitution commission comes out, it will not do anything. My view is that if any government members have any skills in industrial relations they might make that their ambit claim. If somebody is prepared to come in and introduce a piece of legislation that takes the government part way along a path that it might consider to be a good path, then why not accept a deal when it is offered?

There is no question in my mind that the government has reneged on a paragraph in the Independents charter. We on this side have not. We are very happy to support the legislation of the honourable member for Gippsland East and we are happy to support the move towards fixed four-year terms in the Legislative Assembly. I wish this piece of legislation a very speedy passage.

Ms ALLAN (Bendigo East) — I am speaking in support of the reasoned amendment and against the bill of the Independent, the honourable member for Gippsland East. The reason I speak on this bill is that I strongly support reform of the upper house and I strongly support reform that introduces fixed four-year terms in both houses of Parliament.

I agree with the honourable member for Gippsland East that fixed four-year terms are an appropriate mechanism that should be introduced into parliamentary elections in this state. However, I believe that should apply to both houses of Parliament, and the reason for that is to do with the accountability of the upper house. For members in the upper house to be serving an eight-year term makes them incredibly unaccountable to the people of Victoria. We have seen that occur following the 1999 state election, when members of the upper house — who were elected on a stale mandate — have voted repeatedly against a number of reforms that the Bracks government has put to the upper house.

The best example I can give of that is when the upper house blocked the passage of the government's Regional Infrastructure Development Fund bill, which was a vital piece of legislation for investment and infrastructure development in country Victoria. At the end of 1999, within the first few weeks of this government's term, the members of the upper house blocked this bill. Despite the overwhelming support for the government in country Victoria, the opposition members in the upper house voted against that bill. That is why I speak in support of fixed four-year terms for both houses of Parliament, because they must apply to both houses to ensure accountability in both houses.

The upper house no longer performs the important role of acting as a check and balance in our democratic system. During the seven years of the Kennett government the upper house did not block one piece of legislation. However, since the Bracks government came into power time and again it has blocked important pieces of reform which the Bracks government has tried to put up — indeed, reform that was endorsed at the 1999 state election.

That is why at the end of the day I am not supporting the bill of the honourable member for Gippsland East as we need reform of both houses of Parliament. I note that there is a common theme in this debate — that is, that reform of the upper house is desperately needed, particularly given the mandate that the National Party has in the upper house. It has a small proportion of the vote yet it has a disproportionate number of members, and that is why I am supporting the reasoned amendment.

Mr INGRAM (Gippsland East) — It is with some regret that I stand here today in the knowledge that when this debate is concluded this very good bill that was carefully drafted will go through the shredder. I thank all honourable members who have spoken on the bill, in particular those who have spoken in support of it. The debate has been a good one with a few interesting twists.

I will quote from the Governor's speech of 3 November 1999, which basically sets the tone of the government. The Governor said that in his written response to the charter, the current Premier indicated that he supported the charter in its entirety.

The DEPUTY SPEAKER — Order! The honourable member is not allowed to quote from this session of Parliament, so he cannot quote the Governor's speech. He may paraphrase what the Governor said if he wishes.

Mr INGRAM — I apologise; I will paraphrase what he said. The Governor indicated that the Premier supported the charter in its entirety, and supporting it in its entirety means that he supported everything in the charter, which was our understanding. The discussions we had at the time with the leaders of the Labor Party, the Liberal Party and the National Party, included the now Premier and Deputy Premier. It would have been nice to have them here today because those discussions were very particular to them. They agreed to just about everything in there, line by line. As we went through it I said, 'Do you agree with four-year fixed terms?'. The answer was yes.

The government has attempted to reform Parliament. A number of reforms, including reform of the upper house, have been attempted, but they have always been linked — but in the Independents charter this was not linked. Introducing four-year fixed terms is not a reform of the upper house. I may agree that the upper house needs to be reformed, although some honourable members here would disagree, but at the time I tried to get a sensible debate happening so changes could be made — but this is not my government!

Why is the government opposing the bill? Because it is so arrogant and confident of winning the next election that it wants to manipulate the election following that.

This bill deals only with the next parliamentary term. I find it disappointing, to say the least.

Honourable members interjecting.

Mr INGRAM — I seriously question why the National Party opposes the bill. Has it gone behind the scenes and done a preference deal with the government so that it will survive and not become extinct after the next election?

The bill refers to exceptional circumstances in which the date for an election could be changed. The date could be changed if, for example, it were to clash with a federal election. Local government has set dates for its elections, and I would have thought that its rules would similarly cover such a situation for a state election. We would not want to have dates clashing.

Obviously I oppose the reasoned amendment because it does not deal with the bill, which I drafted in an attempt to get agreement from all honourable members. Everybody agreed with the Independents charter, but we do not want it linked with the upper house. The reasoned amendment suggests that consideration of four-year fixed parliamentary terms should be linked with upper house reform. Even if the government intends to introduce reforms to the upper house after the constitutional commission brings down its findings, I would like to think that the aims behind my bill would be dealt with separately. The only way the bill can be passed is by separating the issues.

I greatly regret that it appears the bill will not gain the support of the house. That will place the government in a direct breach of the Independents charter, and I find that very difficult.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable members for Bennettswood and Bulleen!

Mr INGRAM — That is disappointing, because one of the reasons the Independents supported the Labor Party was that we trusted its word. Labor's word was paramount to the decision I made. One of those commitments, which I referred to earlier when I was about to quote from the Governor's speech and which was discussed in the party rooms next door to this chamber, was a separate line item for fixed four-year parliamentary terms.

That is not new. I note that volume 1 of the transcript of the Australian Constitutional Convention shows that former Prime Minister Mr Hawke and former New South Wales Premier Neville Wran support fixed four-year terms. The debate has been interesting. The bill does not go against Labor Party philosophy, and it is good for stability. I am extremely disappointed that it will not receive the total support of the house.

Bells rung.

Mr McArthur (*Speaking covered*) — On a point of order, Mr Speaker, I have been advised by the honourable member for Sandringham that he inadvertently left some documents in his place when he took his position on this side of the chamber during the course of this division. It now appears that the Minister for Planning is having a good look through those documents. I ask that she leaves them alone, Mr Speaker, and that she honours the traditions of this place and respects an honourable member's privacy.

The SPEAKER — Order! When a division of this nature is occurring I ask all honourable members not to examine any documents that may have been left on the seats they are sitting in. I remind all honourable members that the keeping of documents is a member's own responsibility.

Honourable members interjecting.

The SPEAKER — Order! I ask the Minister for Planning to desist. I also ask the honourable member for Mordialloc to cease interjecting in that vein.

Honourable members interjecting.

The SPEAKER — Order! I have already asked the honourable member for Mordialloc to cease interjecting.

House divided on omission (members in favour vote no):

Ayes, 44

Asher, Ms	McIntosh, Mr
Ashley, Mr	Maclellan, Mr
Baillieu, Mr	Maughan, Mr (<i>Teller</i>)
Burke, Ms	Mulder, Mr

Clark, Mr	Napthine, Dr
Cooper, Mr	Paterson, Mr
Davies, Ms	Perton, Mr
Dean, Dr	Peulich, Mrs
Delahunty, Mr	Phillips, Mr
Dixon, Mr	Plowman, Mr
Doyle, Mr	Richardson, Mr
Elliott, Mrs	Rowe, Mr
Fyffe, Mrs	Ryan, Mr
Honeywood, Mr	Savage, Mr
Ingram, Mr	Shardey, Mrs
Jasper, Mr	Smith, Mr (<i>Teller</i>)
Kilgour, Mr	Spry, Mr
Kotsiras, Mr	Steggall, Mr
Leigh, Mr	Thompson, Mr
Lupton, Mr	Vogels, Mr
McArthur, Mr	Wells, Mr
McCall, Ms	Wilson, Mr

Noes, 43

Allan, Ms	Langdon, Mr (<i>Teller</i>)
Allen, Ms	Languiller, Mr
Barker, Ms	Leighton, Mr
Batchelor, Mr	Lenders, Mr
Beattie, Ms	Lim, Mr
Bracks, Mr	Lindell, Ms
Brumby, Mr	Loney, Mr
Cameron, Mr	Maddigan, Mrs
Campbell, Ms	Maxfield, Mr
Carli, Mr	Mildenhall, Mr
Delahunty, Ms	Nardella, Mr
Duncan, Ms	Overington, Ms
Garbutt, Ms	Pandazopoulos, Mr
Gillett, Ms	Pike, Ms
Haermeyer, Mr	Robinson, Mr
Hamilton, Mr	Seitz, Mr
Hardman, Mr	Stensholt, Mr
Helper, Mr	Thwaites, Mr
Holding, Mr	Trezise, Mr (<i>Teller</i>)
Howard, Mr	Viney, Mr
Hulls, Mr	Wynne, Mr
Kosky, Ms	

Amendment negatived.

The SPEAKER — Order! I advise the house that I am of the opinion that the second reading of this bill requires to be passed by an absolute majority. I ask the Clerk to ring the bells.

Bells rung.

House divided on motion:

Ayes, 38

Asher, Ms	McIntosh, Mr
Ashley, Mr	Maclellan, Mr
Baillieu, Mr	Mulder, Mr
Burke, Ms	Napthine, Dr
Clark, Mr	Paterson, Mr
Cooper, Mr	Perton, Mr
Davies, Ms	Peulich, Mrs
Dean, Dr	Phillips, Mr
Dixon, Mr	Plowman, Mr
Doyle, Mr	Richardson, Mr

Elliott, Mrs
Fyffe, Mrs (*Teller*)
Honeywood, Mr
Ingram, Mr
Kotsiras, Mr
Leigh, Mr
Lupton, Mr
McArthur, Mr
McCall, Ms

Rowe, Mr
Savage, Mr
Shardey, Mrs
Smith, Mr (*Teller*)
Spry, Mr
Thompson, Mr
Vogels, Mr
Wells, Mr
Wilson, Mr

Noes, 49

Allan, Ms
Allen, Ms
Barker, Ms
Batchelor, Mr
Beattie, Ms
Bracks, Mr
Brumby, Mr
Cameron, Mr
Campbell, Ms
Carli, Mr
Delahunty, Mr
Delahunty, Ms
Duncan, Ms
Garbutt, Ms
Gillett, Ms
Haermeyer, Mr
Hamilton, Mr
Hardman, Mr
Helper, Mr
Holding, Mr
Howard, Mr
Hulls, Mr
Jasper, Mr
Kilgour, Mr
Kosky, Ms

Langdon, Mr (*Teller*)
Languiller, Mr
Leighton, Mr
Lenders, Mr
Lim, Mr
Lindell, Ms
Loney, Mr
Maddigan, Mrs
Maughan, Mr (*Teller*)
Maxfield, Mr
Mildenhall, Mr
Nardella, Mr
Overington, Ms
Pandazopoulos, Mr
Pike, Ms
Robinson, Mr
Ryan, Mr
Seitz, Mr
Steggall, Mr
Stensholt, Mr
Thwaites, Mr
Trezise, Mr
Viney, Mr
Wynne, Mr

Motion negatived.

DISTINGUISHED VISITOR

The SPEAKER — Order! It gives me great pleasure to welcome to our gallery Mr Klaus Wowereit, the President of the German Bundesrat and governing mayor of the City of Berlin. Welcome to you, Sir.

BUSINESS OF THE HOUSE

Standing and sessional orders

Mr BATCHELOR (Minister for Transport) — By leave, I move:

That so much of standing and sessional orders be suspended on Thursday, 30 May 2002, so as to allow on that day:

- (1) Question time to take place at 9.30 a.m.; and
- (2) At the conclusion of question time, the house to proceed with formal business and other business as set out in the notice paper.

Motion agreed to.

MAGISTRATES' COURT (AMENDMENT) BILL

Introduction and first reading

For Mr HULLS (Attorney-General), Mr Batchelor introduced a bill to amend the Magistrates' Court Act 1989 in relation to the procedure for enforcement of infringement penalties and to validate certain things done in connection with, or arising out of, the enforcement of infringement penalties and for other purposes.

Read first time.

TRANSPORT (FURTHER MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 28 May; motion of Mr BATCHELOR (Minister for Transport).

Mr SPRY (Bellarine) — Last night I had just commenced my contribution when the debate was adjourned pursuant to sessional orders. I was in the process of remarking that I wanted to concentrate my few comments on the increased powers this bill provides to the director of public transport. The increase in the powers of the director of public transport is not in itself something to be alarmed about — the overall coordination of the total public transport system is a goal to which both the government and the private franchise operators aspire. In fact, we have read something about that in the press over the last month or so. These powers must be specific, and above all they must not lead to a total takeover or take-back of the entire system by the government, once again placing public transport in the public sector.

We have seen the recent bunfight in the ranks of the Victorian branch of the Australian Labor Party over the public-private partnership issue. I refer to some remarks by the commentator Kenneth Davidson in the *Age* of Thursday, 23 May. I will read the first part of the article, commencing with the subheading 'The Treasurer should heed his party's advice on investing in social infrastructure'. Mr Davidson said:

It was apparently a bit of a shock for Victorian Treasurer John Brumby. After banging on for more than a year about the benefits of \$4 billion worth of public-private partnership (PPP) investments in social infrastructure that were in the pipeline for Victoria, he was rolled on the issue at the ALP's state conference at the weekend.

That must have come as one enormous shock to the Treasurer and other senior figures in the government. The question that must be asked is whether this is union

legislation or whether it is the right-wing New Labor's legislation. Perhaps the Minister for Transport will answer that question when he sums up at the conclusion of debate on the bill.

I do not want to take too much time because other speakers are waiting to follow me. However, I wish to make a couple of brief comments relating to the bill. Clearly, the Bracks Labor government has not distinguished itself in the exercise of its responsibility for Victorian public transport since occupying the Treasury benches since 1999. Patrons on the Bellarine Peninsula are far from satisfied with the timetables and the fact that there are still standees on some buses that travel in 100-kilometre-an-hour zones. Members of the house could imagine what would happen to standees on a bus travelling at 100 kilometres an hour which came to a sudden stop: they would literally be catapulted towards the front of the bus and possibly go through its windscreen. The results would be horrific.

In saying that, I must also say that McHarrys, the bus company that operates on the Bellarine Peninsula and services its widely separated townships, does a marvellous job. Its staff, including the drivers, are friendly and courteous, and they bend over backwards to meet the needs of patrons. During my frequent conversations with bus patrons on the Bellarine Peninsula that point is often made: people are very respectful of McHarrys and hold it in high regard. The top men, John McHarry himself, and the operations manager, Paul Elliot, are always responsive to any approach I make on behalf of my constituents, as is the senior public transport officer in the region. That gentleman would be embarrassed if he knew I was singing his praises. I must say he is very professional in never criticising the government of the day, which reflects on his professionalism as a public servant.

However, the conclusion that is inevitably drawn, for the reason that public transport on the Bellarine Peninsula fails to meet the expectations of the patrons, is simply that the Bracks Labor government does not care. It is too busy trying to woo voters in the metropolitan region to even give lip service to regional electorates such as Bellarine. It has to be dragged kicking and screaming to meet its pre-1999 election promises, given that, after two and a half years in office, not even 25 per cent of its promises have been met. It is folly to think that this uncaring, city-centric Labor government will make a genuine attempt to even understand an electorate such as Bellarine, let alone meet its obligations in terms of public services — including, especially, public transport.

Ms ALLAN (Bendigo East) — In rising to make a brief contribution on this bill I wish to concentrate on two specific areas, the first of which is the reform of the taxi industry. I commend the Minister for Transport and his parliamentary secretary on their work in this area.

The first point I wish to comment on deals with security cameras. The bill allows for regulations to be put in place to allow security cameras to be placed in taxis throughout the state. This is something that has been supported in my electorate by the Bendigo Taxi Association, and I am sure its introduction will be welcome throughout the state.

The second point I wish to make about the reform of the taxi industry has to do with the negotiations presently under way with the Bendigo Stock Exchange to establish it as the place of exchange for leases and sales of taxis and for this to be done in conjunction with the putting in place of an accreditation system.

The Bendigo Stock Exchange is an excellent example of the wide range of financial services that are based in Bendigo. When you think that Bendigo has other financial institutions such as the Bendigo Bank Ltd, which recently opened its 200th community bank in Australia, North West Country Credit and the soon-to-be-relocated Rural Finance Corporation, you realise that Bendigo is now a major hub for financial services in Victoria and throughout Australia. It is another excellent example of the Bendigo Stock Exchange doing great work in a number of different areas.

The second area I wish to touch on deals with the changes to the Melbourne City Link Act. The first change in particular allows for an extension by two days of the time allowed to pay for the weekend pass, which takes to three days the time within which motorists have to pay. I fully support this amendment to the legislation. It is excellent to see that Transurban is finally beginning to see that a more flexible system is needed, particularly for country motorists.

As I have said in this house on a number of occasions, the City Link system introduced by the former government discriminates most against country motorists. It particularly affects motorists from my area of central Victoria, who have to pay a toll just to get into Melbourne where previously they did not.

A number of my colleagues and I have been pushing Transurban to introduce a more flexible system. A contract has been signed giving Transurban the opportunity to operate this system for 34 years, but it is good to see within that contract a change to a more

flexible system. I congratulate the Minister for Transport on negotiating this change, and also Transurban for listening to the concerns that were raised at a not-so-recent meeting with the company a few months ago, where a number of honourable members, particularly country members, raised the issue of inflexibility. That meeting was held in response to the great disappointment a number of honourable members expressed at the withdrawal of the warning letter system by City Link, but I am pleased to see that Transurban has listened to some of our concerns and has introduced a more flexible system for payment of weekend passes. I commend the bill to the house.

Mr DIXON (Dromana) — It is interesting to hear the honourable member for Bendigo East talking about the Bendigo Bank. The branch in my home town of Rye has set the record for the biggest profit by a branch of the Bendigo Bank in its first 12 months, and we are very proud of that.

I wish to address the taxi industry reform provisions of this bill, especially in relation to the Mornington Peninsula. There is a desperate shortage of taxis in this area, especially on Thursday, Friday and Saturday evenings. When people want to go out they have to travel quite a distance and taxis are really the only alternative available due to the lack of reasonable public transport, especially during peak periods. This particularly affects the young people in my electorate.

Members of the youth council that I run each year have consistently raised with me the great frustration of trying to conduct their social lives, especially on the busy days of Thursday, Friday and Saturday, because of the lack of public transport. They have made submissions to the government on behalf of the young people of the Mornington Peninsula on a couple of occasions requesting an improved taxi service. The main reason, and a laudable one, is that if they catch taxis they are less inclined to drink and drive or take part in other unsafe activities such as hitchhiking. I think we need to encourage young people to do the right thing by providing a service that they really need, especially at peak periods.

I have often spoken about the need for more taxis on the Mornington Peninsula, and I have written to the Minister for Transport on many occasions. The last time I raised the issue the minister acknowledged that he remembered my correspondence. I guess it must have been the volume. The provisions in this bill might go some way to addressing my concerns.

My electorate has the oldest age profile of all the electorates in this place. There are a huge number of

retired people in my electorate, and they particularly rely on taxis, as do the young people at the other end of the spectrum. Many elderly people in my electorate do not drive. They are of a generation where not everybody got their licence and quite a large percentage of them are widows and are not in a position to learn to drive. They are very isolated from many services they would like to access, especially medical facilities and specialists; they have to travel to Frankston for these. They also need taxis to attend social occasions, do their shopping and visit their families. They are isolated and rely heavily on taxis, which are expensive. If they are prepared to pay so much money I think they deserve to have a taxi service when they need it, and especially at peak times.

One of the complaints often referred to me is that even though there are taxi ranks around, often there are no taxis in them. When a bus comes in only every hour and a quarter or so, and the taxi companies know when a bus is due to arrive, you would think there would be taxis at the taxi rank at the corresponding time. However, that is often not the case.

As I said, even though there have been recent announcements about improvements, I am looking forward to action that will result in our public transport improving its frequency — and it is still not accessible. A bus route runs down Point Nepean Road from Portsea to Frankston, but there is still a need for taxis to take people to the bus route, if they do not go the full distance in the taxi. Therefore, the new provisions, especially the peak-time licences, are very relevant to the people in my electorate.

I know that the Victorian Taxi Association's original proposal was that peak time would be between 3.00 p.m. and 7.00 a.m. However, from my experience of the local industry perhaps this is only needed on Thursdays, Fridays and Saturdays. I know the bill provides for seven days a week, but extra licences during peak times on the other days of the week are not really needed. Taxidriviers in my area feel that the current licences will be devalued by what they think will be an oversupply of licences, especially peak-time licences.

I am not complaining too loudly, because I think those peak licences are important — and we certainly need them. I ask the minister to quickly announce how those taxi licences will be allocated. I know there are to be 600 over six years, which is 100 per year, but what is the time line for the allocation and how will they be allocated to the various districts? How will an area's need be assessed? I am putting a bid in for my

electorate, because it has a high priority. I have consistently raised the issue in this place.

Finally, I refer to the reform of the tow-truck industry. The Mornington Peninsula is to be included in the metropolitan area, which will seriously affect Balnarring Towing, a company in my electorate. It feels it will have to lay off workers because of the new arrangements. I have raised the matter with the minister, and I ask him to consider this as a one-off case, because the company will be badly affected by these provisions.

Mr LANGDON (Ivanhoe) — I am pleased to follow the honourable member for Dromana for several reasons — one, the honourable member for Dromana was born and raised in the area in which I now live; and two, I am able to advise him that in the package of reforms there are two to three new licences for the Mornington Peninsula. At least \$500 000 has been allocated for bus service renewal in his area as well. I am pleased to advise the honourable member for Dromana of the things that are occurring in his electorate.

Many things in Dromana and Ivanhoe are similar, although they are miles apart. Ivanhoe is certainly an older area, and I know the honourable member for Brighton has relatives in my electorate as well. Ivanhoe is very similar to Brighton and Dromana in having an ageing population that is in need of bus services. It is my experience that a few taxidriviers also live in my electorate, so I have it from both sides — taxidriviers, although not necessarily taxi owners, and people who use taxi services.

I wish to concentrate on the taxi reforms in the bill, as have most honourable members. My office has been contacted by people who drive taxis. One group is the Afro-Australian Taxidriviers Association, whose members were all in favour of these reforms. They came to my office last week, and I will be meeting them on Friday. They support the government's reforms, and I am more than pleased to tell the house of that fact.

As part of the Bracks government's commitment to delivering better services and opportunities for all Victorians it has drawn up a blueprint for better customer service and accessibility — which will clearly help everybody — and industry sustainability and competitiveness. Clearly sustainability is an important aspect in today's environment, as is competitiveness. We want competitiveness out there because it will help keep prices down. Also included is improved career

paths for taxidriviers and operators, which the association is very keen on.

I am the deputy chair of the parliamentary Road Safety Committee, which is currently looking at the safety of older road users — not that I am pre-empting the report or anything that has been said to the committee. I know that safety on public transport and in taxis is a fundamental concern for a lot of elderly people. Therefore anything we can do to improve security and safety in our taxis will be most beneficial.

I am pleased to support the bill. I know the Minister for Transport is doing a lot to assist public transport, and taxis in particular, and this bill is part of that reform. I acknowledge on the record the outstanding job being done by the parliamentary secretary, the honourable member for Coburg. He has assisted me at many levels in his parliamentary secretary position. I commend the bill to the house.

Mr PHILLIPS (Eltham) — In briefly speaking on the Transport (Further Miscellaneous Amendments) Bill I will refer to a number of points and concerns. The purpose of the bill is to make a number of amendments that include a change to the powers of the director of public transport; a range of hire car industry reforms; a range of taxi industry reforms; a range of reforms to the tow-truck industry; and provision for the Essential Services Commission to investigate and report on issues including an increase in the powers of ticket inspectors and police to verify the names and addresses of suspect offenders.

In the few minutes available to me — which is unfortunately all I have — I will talk about ticket inspectors and touch on tow trucks and public transport. Ticket inspectors have been getting a bit of a pull-through over the airways in recent times. One or two ticket inspectors, through the use or abuse of their powers in dealing with people who deliberately evade paying their fares, are causing some concern to the public. Let me say from the outset that I do not think anyone supports the evasion of fares, whether on public transport or in any other venues where a fee is required to be paid for a service. I believe members on both sides of the house would agree that those who deliberately avoid paying fares or tolls or the price of a ticket to get into the movies should be caught and appropriately dealt with — and if necessary, appropriately fined.

I understand that in this case the fine will increase to \$500. One would think that would be a reasonable incentive for people not to evade the payment of their fares. I suggest it is proper that appropriate fines should

be introduced. However, my concern is for those people who may not carry identification as readily as many of us do, which can be something simple like a drivers licence, a parliamentary pass or whatever, to identify not only who the person is but also the age of that person.

On 3AW recently a couple of examples were referred to. A senior member of the community, a pensioner, was asked to identify herself and to prove her age. If my memory is correct, she was in her 70s. She needed to produce a pension card to show that she was entitled to a concession, which I do not think she was able to produce. The other example was of a younger person who was entitled to a cheaper fare but did not have a student card or some identification.

We need to be assured that the people who have powers to ask for this identification are trained appropriately. At the end of the day it is all about commonsense. Inspectors have a responsible position. Like police, they have to be professional. Police take their job very seriously. The overwhelming majority of police enforce the laws, which is what we are asking the transit police or inspectors to do — to enforce the laws responsibly and to the best of their ability.

I support the concept of enforcing fines for people who deliberately evade, but at the end of the day when police pull over a motorist for travelling over the speed limit of 60 kilometres — they might be doing 63 or 65 kilometres — commonsense has to prevail and discretion has to be used. Ticketing inspectors need to ensure that they have that commonsense and are able to use that discretion.

The tow-truck industry has been reformed many times over the years, certainly from the old days when tow-truck drivers used to attend smashes with iron bars and coerce people to sign their books. In my younger years, when I was in my 20s, I was involved in the operation of tow trucks and I was aware that it went on. In fact, I used to have a tow-truck licence and drive tow trucks, so I am certainly aware of what happens in the industry. I am not convinced that the allowing of trade towing of motorcycles is necessarily in the best interests of the industry. I know the industry itself is very concerned. I understand the principle of what we are trying to do, which is to introduce competition, to make it less restrictive for people, especially those who have motorbikes that might be broken down or smashed and who need to have those bikes towed on a trade tow truck or a trade truck. I understand the principle of what we are trying to do, but I am not necessarily convinced that it is in the best interests of the community.

One of the previous speakers spoke about City Link. This bill provides an opportunity to extend the weekend pass to a three-day pass. There is some criticism of the former government for the lack of flexibility in the weekend pass. With a major project like City Link, which is such a good thing for Victoria, there will always be teething problems, but as we move through the system and become more flexible, again commonsense prevails. Extending the weekend pass to three days is an excellent move and one that I fully support.

The point made that country people will now have to pay whereas they did not pay previously is a nonsense. Country people are now paying for a major road structure. They are coming down from the country into metropolitan Melbourne, and they are using a very expensive piece of infrastructure that would not have been there previously. They are now able to save time and fuel. They can drive on to a section of roadway which gets them very quickly from point A to point B. They also reduce their chances of getting lost because many country people do not know the city all that well; they can drive onto it very safely and quickly and get from one suburb to another without too many hassles. To provide that service someone has to meet that cost. It was either to make the Victorian taxpayers meet the cost, which never would have been done, or to simply find a private enterprise that was prepared to put the money up, which happened. Having done that, that enterprise is now asking for a return for its money over a period of time.

In general, I do not oppose the bill. I have some concerns regarding the motorcycle aspects and the ticketing inspector side of it, but overall it is a good bill. Parliament is all about tidying up legislation as we go along, and I think there should be less criticism from one side to the other when such tidying-up legislation is introduced. It is all about commonsense and getting it right in the best interests of the overall community.

Mr LEIGHTON (Preston) — In joining the debate on this omnibus bill I wish to focus my comments on City Link. Given the situation Labor was faced with when it came to government, it has continually pushed for changes to the tolling to make City Link far more customer focused. I am pleased to say that changes introduced in this bill have been brought about because of pushing by state Labor members of Parliament and follow strong demand from customers and discussions with City Link.

As a result the bill provides that customers will be able to buy Tulla passes and 24-hour passes for up to three days after their first day of travel. In the case of

weekend passes customers will be able to pay up until midnight Tuesday after the weekend of use. That will clearly be of benefit to people travelling by car from country areas, especially down the Calder Highway from Bendigo and so on. In my view it will also be of benefit to those in my electorate of Preston, as it will be of benefit to those in the electorate of Coburg, represented by the Parliamentary Secretary for Infrastructure.

My view since being elected in 1988 is that a lot of the traffic in the middle suburbs such as those I represent of Preston and Reservoir and of those in the City of Moreland, Brunswick and Coburg, does not belong to those areas but is simply passing through. Right from the start of my career I, along with a number of other northern suburbs members of Parliament, pushed for the Western Ring Road. I am keen to see motorists who travel down the Calder Highway or the Hume Highway being encouraged as much as possible to use City Link. They can continue straight down the Tullamarine Freeway to City Link or, if they are coming along the Hume Highway, they can use the Western Ring Road and go on to City Link. The fact that they will be able to purchase day passes for up to three days afterwards will encourage such motorists whose destination is not Preston or Reservoir or indeed Coburg but further on to stay off our residential roads and secondary arterials. Therefore this measure in the bill is particularly welcome.

I conclude by saying that other improvements negotiated by the Bracks government include the introduction of the Tulla pass, which has recently been made available through post offices, with extra hours at no additional charge for weekend passes; increased flexibility in passes to provide 24 hours from the time of first use rather than being limited to a calendar day; and City Link's agreement to the removal of clearways and the downgrading of Toorak Road, which was planned by the Kennett government.

So, especially now that the F2 freeway is going ahead, I believe we need to encourage as much traffic as possible to use the Western Ring Road, the Tullamarine Freeway and City Link. That is an important initiative as well as being customer friendly. I welcome the opportunity to support the bill.

Mr McARTHUR (Monbulk) — Others have made the point that the Transport (Further Miscellaneous Amendments) Bill is a little like the curate's egg: it is good in parts. Other parts, however, are causing considerable concern in the community and in the various industries that are affected.

I point out to the honourable member for Preston and a number of other government members who have made a contribution on this issue that it is not an omnibus bill. It is a series of amendments to transport legislation and does not cross a range of acts and portfolios so it hardly qualifies for the term 'omnibus bill'.

Given the brief time we have agreed to take in debate I will restrict my comments to a couple of issues that affect industries, organisations and residents in my electorate, particularly in three areas: firstly, the amendments affecting the taxi industry; secondly, the changes in powers held by ticket inspectors; and thirdly, to raise a point for the Minister for Transport about a promise the government made about student concessions which he is yet to honour. I will point out to him that it is about time to cough up.

There are significant changes in the bill affecting the taxi industry. Other honourable members have covered those changes very effectively. It is worth while pointing out, however, that the industry is very concerned about the impact these changes will have. There is a widespread view in the industry that this will not work. We will wait and see. We hope it will improve matters; however, we are very concerned that the government has not got it right.

As a representative of an urban fringe area — of what are called the interface councils — I am very interested to see whether this will improve the availability of taxis in the Dandenong Ranges. It is a common story now on a Friday or Saturday night in the Dandenongs that it is impossible to get a taxi. The Dandenong Ranges have a significant wedding and hospitality industry, and some of the biggest wedding centres in Victoria operate in the Dandenongs.

A long community campaign supported by both sides of the house has argued for decades now against drinking and driving. If you are going to ask people not to drink and drive then you have to be able to assure them that they can get home from the event they are attending if there are a few glasses of wine or beer involved. If you go to a wedding in the Dandenongs and finish up at 12 midnight — or 1 o'clock, 2 o'clock or 3 o'clock in the morning, which is a pretty regular event — and you call for a taxi you may get one, but your chances are not good. Often you are told that there is no hope; or that the taxi might turn up the next day. It is very difficult to get a cab, so you cannot assure yourself that you can get home from the wedding reception.

Ms Asher interjected.

Mr McARTHUR — In response to the interjection, even if you are staying at one of the fantastically well-appointed bed and breakfast places in the Dandenongs and you go out to a wedding or a restaurant, you still need to get back to that B & B and you still need access to a cab. I am hoping these changes and these additional licences will make some difference to the number of cabs available in the Dandenongs.

I am a little nervous about the 20 per cent surcharge from 1.00 a.m. to 6.00 a.m., because it may be open to abuse. I would imagine that if someone rings between 12.00 a.m. and 12.30 a.m. for a taxi there is a substantial temptation for the driver to pick up the fare at 1.05 a.m. rather than 12.55 a.m. because it will attract a 20 per cent bonus and it all goes to the driver. I imagine there will be a few drivers having coffee between 12.30 a.m. and 1.00 a.m. I wonder how the minister is going to oversee that issue.

Let's talk about the increased powers of ticket inspectors. As the honourable member for Eltham has said, no-one supports fare evasion; no-one likes the notion that there are free riders on the public transport system. Whether it is government-owned or privately owned transport is immaterial, it is a rip-off and it affects the broader community. We do not support fare evasion at all. However, I have had a number of people in my office complaining about the excessively aggressive and unreasonable activities of ticket inspectors, particularly in relation to young people and people who have difficulties with the English language. These changes, which provide for a fine of up to \$500 and, as I understand it, an arrest power for someone who cannot provide or is unwilling to provide satisfactory proof of their identity in the event of a question about the validity of their ticket, are extraordinary powers to give to people and could be open to a wide range of abuses.

What constitutes satisfactory evidence? Is it a school document or a library card? Does it have to be a concession card with photo identification on it if you are a student? If you are a student with a concession but you are under 14 years of age, as I understand it, you may be among many who do not have concession cards at that age. What constitutes evidence then?

I refer the house to a possible scenario. If you are an adult — not a pensioner, just a full fare-paying adult — and you have a weekly or a monthly ticket and the ticket validating machine does not work at Upper Ferntree Gully, Upwey or Belgrade stations, you hop on the train and are on the way into town. The inspector comes along and says, 'Excuse me, have you got a

ticket?'. 'Yes, I have, but it has not been validated'. 'Why not?'. 'Well, the machine was broken'. 'Who are you?'. 'I'm John Brown, I come from 23 Smith Street, Upper Ferntree Gully'. 'Can you prove that?'. 'Well, no, I cannot, because I am a public transport user and do not have a car licence. I choose to travel on public transport'. Does that put that person in jeopardy of a \$500 fine? Will that person be arrested? Why should a public transport user have to carry a passport or photo ID in order to prove, in the event of a breakdown in the system, who they are to somebody who is not a sworn officer of the law but a ticket inspector?

That is an unreasonable extension of powers to people who are not government employees but private sector employees. I and many other people in this place do not approve of private police forces. I appreciate there is a need to stamp out fare evasion, but in this case the minister has gone too far. I urge him to ensure that there is no abuse of this increased power, that students are not bullied and harassed and that people are not unfairly subjected to \$500 fines.

I remind the Minister for Transport that in the lead-up to the 1999 election he and his leader very proudly promised tertiary students that a Labor government would cut the concession card cost for tertiary students to a level equivalent to the concession card cost for secondary students. They are yet to live up to that promise. Tertiary students in my electorate have contacted me in large numbers saying they feel cheated because they were promised they would pay something like \$5 for a concession card but instead they are paying \$70 or \$80. The tertiary concession card is essentially the same card that secondary students get, yet tertiary students pay 10 or 12 times the amount for theirs, despite the promise given by the Labor Party in the lead-up to the election.

That promise has been broken, and yet there is no reason for the government not to keep its promise because, as it is proudly telling us, the budget is in surplus. The government promised tertiary students it would deliver this reduced cost to them yet there has been no valid reason advanced as to why that promise has not been met. Until that promise is met tertiary students — particularly those in my electorate who go to university or TAFE at Swinburne, Royal Melbourne Institute of Technology, Melbourne or Monash — are fully entitled to feel that they have been conned by the Labor Party. As well as being lied to at the last election, they are now faced with what are seen widely as draconian increases in the powers of ticket inspectors which may well be substantially abused in the coming months.

Mr MULDER (Polwarth) — I raise a brief issue relating to proposed section 9C, which is inserted by clause 5 of the bill, and I ask the Minister for Transport to clarify this issue in his summary and take it on board. Subsection (1) of proposed section 9C states:

The director may on behalf of the Crown, by written notice, require the owner or occupier of any land to fell and remove any tree or wood on that land that is within 60 metres of a railway track ...

Why does that proposed subsection refer only to ‘any tree or wood’, when the actual problem with railway tracks is the maintenance of vegetation alongside the railway reserve? I hope it is just a drafting mistake that has resulted in the bill referring only to trees or wood and not to vegetation alongside railway reserves — vegetation which represents an enormous fire risk, particularly throughout rural Victoria. In my electorate in particular a number of very bad fires have been identified as being started by trains passing through the region. As I say, this proposed section should give the director of public transport, working in conjunction with the Country Fire Authority, the opportunity to take on board the appropriate measures to remove vegetation by any means, whether it be grading, spraying or burning, to provide the best possible protection for the farmers who live alongside railway tracks.

Proposed section 9C should surely be about a good neighbour policy and about protecting adjoining property owners as well as protecting the ability of train drivers to see signal boxes and so forth. I ask the minister to clarify in his summing up whether or not this proposed section covers all vegetation on rail reserves and whether or not it will be expanded to ensure that farmers who adjoin rail reserves are provided with the best possible protection.

Mr DELAHUNTY (Wimmera) — I raise on behalf of the Wimmera electorate an issue that I am sure has already been raised relating to the surcharge. Country taxi operators in my area, particularly in Horsham and Stawell, have raised the issue of the \$2.20 surcharge in country areas, which will be lost under the bill. They believe the bill will negatively impact on their businesses because currently their meters cannot calculate the 20 per cent surcharge, but more importantly because the introduction of the surcharge will take away about \$5000 or \$6000 from each taxi in country areas. I raise that issue briefly on their behalf.

Mr BATCHELOR (Minister for Transport) — I thank all honourable members who have contributed to this debate. On my calculation there are some 20 of

them. I will not thank them by name, but I thank them all.

A number of issues have been raised throughout the debate, and I will clarify some of those with individual members if they want to take them up with me. There have been some misunderstandings, and I am happy to assist in making things clear.

Ms Asher interjected.

Mr BATCHELOR — Do not laugh at your members if they do not understand the bill.

The government is reducing and curtailing the powers of inspectors and putting privacy safeguards around them, and that needs to be clearly understood. While the bill does allow for the payment by instalments of the hire car licence fee, it is the government’s intention that that will be charged as an up-front fee.

Some queries were raised in relation to the Essential Services Commission. The government has asked the commission to be involved not because it regards these industries as essential services but because the commission will have expertise in dealing with regulated industries. I commend the bill to the house.

The SPEAKER — Order! As the bill is required to be passed by an absolute majority and there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bell.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 1.03 p.m. until 2.04 p.m.

QUESTIONS WITHOUT NOTICE

Crime: statistics

Dr NAPTHINE (Leader of the Opposition) — My question without notice is to the Premier. Given that

since the 1999 election of the Bracks Labor government an extra 170 properties per week in Victoria are being broken into, will the Premier now admit that his pledge to cut crime is in tatters, and will he outline the specific action he will take to reduce break-ins in Victoria?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. Recent figures have shown that crime has gone down in Victoria.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. I ask opposition benches to come to order.

Mr BRACKS — Compared with last year crime has gone down 2.4 per cent in Victoria. We have the lowest crime rate of any state in Australia, and our crime rate is some 20 per cent less than the national average. That is no surprise when you put on 800 extra police. The previous government cut police numbers by 1000. They did not pay police properly and reward them for staying in the service. They had high attrition rates. We have recruited more than 800 extra police officers. We are paying police under new performance-based arrangements and they have a new career base. We are seeing improvements in the crime statistics, with the crime rate reducing to become the lowest of any state in Australia.

Hazardous waste: dump site

Mr RYAN (Leader of the National Party) — My question is to the Minister for Major Projects.

Ms Asher — He hasn't got any!

Mr RYAN — He has got one here!

Given the fact that the government's one-month extension to the hazardous waste siting advisory committee has now passed, will the minister inform the house if a suitable metropolitan site has been found for the treatment and storage of hazardous waste, or is it the government's plan to go ahead with the eminently unsuitable site next to the bombing range at Dutton Downs?

Mr BATCHELOR (Minister for Major Projects) — The bombing range, indeed! The government has been going through a process to improve the environment in Victoria by implementing — —

Honourable members interjecting.

Mr BATCHELOR — I welcome the honourable member for Pakenham to question time.

The SPEAKER — Order! The minister, on the question!

Mr BATCHELOR — The government has been working with a siting committee, which has completed the first part of the task and made a report to the government. The government is currently considering that report. Once it has evaluated and considered the recommendations, it will make them available to the honourable member who asked the question and to the public.

Leader of the Opposition: adviser

Mr WYNNE (Richmond) — Will the Attorney-General advise the house of what action the government is taking concerning an allegation that a person has misrepresented himself as an officer of the Victorian Workcover Authority?

Mr HULLS (Attorney-General) — A most serious matter has been brought to my attention. I have been advised that on Tuesday, 14 May, a person named Richard Brice attended the offices of a communications company, Social Shift. He purported to be from Workcover and sought corporate information from that company. Mr Brice subsequently repeated his claim that he was from Workcover and had a further conversation with this company.

There is one element of truth in the statement which was given by Mr Brice — he does work, but not for Workcover. I understand he works for the Leader of the Opposition! It appears he dishonestly and deceptively misrepresented himself to obtain an advantage. We know Richard Brice works for the Leader of the Opposition because he left a facsimile with the communications company that has an identical number to the one listed on the parliamentary letterhead of the Leader of the Opposition. This was an attempt to obtain by deception something he believed that he could not obtain honestly. Mr Brice tried to obtain by means of — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc!

Mr HULLS — He tried to obtain by means of deception and by dishonesty — —

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable member for Mordialloc to cease interjecting in that vein!

Mr HULLS — He was trying to obtain by deception documents he knew he was not entitled to. The question has to be asked: why did he lie?

Mr Perton — On a point of order, Mr Speaker, this is the chief law officer of the state using this Parliament to smear a citizen of this state. It is perfectly inappropriate for him to do so. If he believes — —

Honourable members interjecting.

The SPEAKER — Order! I ask government benches to come to order. The Chair needs to hear the point of order so it can rule on it.

Mr Perton — If the chief law officer of the state believes someone has broken the law, it is his responsibility to take action under the law and not to bring these sorts of allegations into this house.

Honourable members interjecting.

The SPEAKER — Order! Once again I ask government benches to come to order immediately!

Mr Perton — While technically this may not come within your previous rulings on sub judge, Mr Speaker, I put it to you that because the Attorney-General of this state is making allegations that someone has broken the law — —

The SPEAKER — Order! The honourable member for Doncaster appears to the Chair to be making a point in debate. Unless he takes a point of order I will not continue to hear him.

Mr Perton — I put it to you, Mr Speaker, that under previous rulings in respect of sub judge, given the Attorney-General's unique position as the chief law officer of the state, his answer ought to be ruled as inappropriate and outside the standing orders. If he believes that this man has broken the law, it is a matter to put to the police or to the judiciary. I ask you to rule his answer out of order.

The SPEAKER — Order! I am not prepared to uphold the point of order raised by the honourable member for Doncaster, but it is timely for me to remind all honourable members, including the Attorney-General, that matters that are sub judge should not be canvassed in this Parliament.

Mr HULLS — Absolutely, no worries! I know all about sub judge!

This gentleman's meeting on 14 May, when he misrepresented himself as a Workcover officer, was the first step in a plan to receive further documents from

this company. Of course if the company had fallen for this ruse it would have seen documentation — —

Dr Napthine — On a point of order, Mr Speaker, the minister is debating the issue. This is outrageous! They are totally untrue allegations, and I challenge him to repeat them outside the house. If you think they are true, repeat them outside the house!

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc!

The latter part of that point of order is out of order. I am not prepared to uphold the point of order. The Chair is of the opinion that the Attorney-General is providing information to the house, and I will continue to hear him.

Honourable members interjecting.

The SPEAKER — Order! I warn the honourable member for Mordialloc!

Mr HULLS — Obviously Mr Brice was attempting to get documents and information which he clearly believed he would not have been able to receive had he been honest. He is paid by — —

Dr Dean — On a point of order, Mr Speaker, the whole point of sub judge is that this house in no way prejudices any actions or any rights that an individual may have should action be taken against him or her in the future. The Attorney-General has got up and said he is investigating a matter, but in that process he has come to conclusions and stated what in effect is the outcome of the investigation before he has held it, and as a consequence he is severely prejudicing the rights of this individual whom he says he is investigating. By his own statements he is now breaking the rule of sub judge and breaching the privileges of this person by stating in advance what the conclusions of his investigation are likely to be.

Mr Thwaites — On the point of order, Mr Speaker, the rulings of Speakers are clear: there is no question of sub judge when the matter is not before the courts. The Attorney-General is the first law officer. He is responsible for the Crimes Act and any breaches of that act, so it is entirely appropriate for him to inform this house about the administration of the Crimes Act.

The SPEAKER — Order! I am not prepared to uphold the point of order raised by the honourable member for Berwick. In speaking to his point of order the honourable member indicated that this matter was

being investigated by the Attorney-General. The sub judice rule, as the Chair understands it, applies when a matter is before the courts. It would assist the proceedings of the house if the Attorney-General were to assure the Chair that that is the case.

Mr HULLS — That is absolutely correct. Given the role of Mr Brice, I will certainly seek advice as to whether any offences have been committed, including misfeasance of office. Various other offences include impersonating or falsely pretending to be a certain public officer. Finally we come to members of the opposition to see whether they were aware of any deception or dishonest conduct and whether Mr Brice was acting under instructions.

The SPEAKER — Order! I ask the Attorney-General to cease going down the track he is about to go down, particularly if he is about to reflect on other members of this Parliament.

Mr HULLS — Certainly. I will seek advice in relation to this matter. It is interesting that the opposition has today made a big deal about a government adviser who four years ago — —

Dr Napthine — On a point of order, Mr Speaker, the Attorney-General is no longer being relevant to the question, and I ask you to bring him back to the question.

The SPEAKER — Order! I do not uphold the point of order raised by the Leader of the Opposition. However, I remind the Attorney-General that he needs to be succinct and, despite the number of interruptions, to conclude his answer.

Mr HULLS — In conclusion, I find it extraordinary that on the one hand the opposition is making a big deal about an adviser who four years wrote a misguided article in a university newspaper, yet on the other hand just 15 days ago an opposition staffer was misrepresenting himself in order to obtain documents — —

Dr Napthine — On a point of order, Mr Speaker, the Attorney-General said just a few minutes ago that he is investigating this matter. Now he is acting as judge and jury and finding somebody guilty. It is absolutely disgraceful behaviour by the first law officer of the land. He is a disgrace to this Parliament and to his position.

The SPEAKER — Order! The Leader of the Opposition is clearly not taking a point of order but wishing to make a point in debate. The Attorney-General, concluding his answer.

Mr HULLS — And that from the king of mandatory sentencing!

The SPEAKER — Order! The Attorney-General will address his remarks through the Chair.

Mr HULLS — I will seek advice in relation to this matter, and I will do so as a matter of urgency.

Crime: statistics

Mr WELLS (Wantirna) — Noting that official police statistics show that assaults in Victoria are at a record level and have increased over the past two years, does the Premier share the view of the Minister for Police and Emergency Services that the recent crime figures are the best set of statistics in a decade?

Mr Thwaites — On a point of order, Mr Speaker, that question should be ruled out as it simply seeks an opinion and is therefore not an appropriate question.

The SPEAKER — Order! I am not prepared to uphold the point of order raised by the Deputy Premier. The Chair understood the question from the honourable member for Wantirna to be seeking information in regard to police statistics on assaults in the last decade.

Mr BRACKS (Premier) — On the matter of statistics, the crime rate has fallen by 2.45 per cent since last year. On the matter raised by the honourable member for Wantirna about the Minister for Police and Emergency Services, in this cabinet we have one of the best police ministers we have ever had in Victoria.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Bentleigh!

Mr BRACKS — The minister is blushing, but he will be seen as such. He has presided over an increase in the number of sworn police officers from just over 9000 when we came to office to more than 10 000 now. The Minister for Police and Emergency Services has also presided over a record building program for new police stations. The previous government closed police stations and did not employ police. This government has put more police on and opened new police stations. The honourable member for Wantirna asked me for an opinion: my opinion is the Minister for Police and Emergency Services is doing a fantastic job!

Mr Wells — On a point of order, Mr Speaker, the question was clearly about record levels of assault, and I ask that you bring the Premier back to answering the question.

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

Mr BRACKS — In conclusion, it seems that the only solution from the other side of the house is to bring in a failed system of mandatory sentencing. That is the opposition's only solution, and it is not just me or the government saying that. On Channel 9 last Sunday night the Leader of the Opposition asked, 'Why doesn't the government bring in a system of mandatory sentencing?'. The government will not do that. Instead it will have more police and will bring down the crime rate.

Transport Accident Commission: advertisements

Mr SEITZ (Keilor) — My question without notice is directed to the Minister for Workcover as the minister responsible for the Transport Accident Commission. Will the minister inform the house what activities the TAC is undertaking to raise the profile of road safety in Victoria?

Mrs Peulich interjected.

The SPEAKER — Order! The honourable member for Bentleigh!

Mr CAMERON (Minister for Workcover) — I thank the honourable member for Keilor for his interest in community awareness advertising and its effect. Of course that advertising is done by firms, and naturally the government wants to make sure that it is done in a competent way so the message gets through. Yesterday a wild and inaccurate allegation was made in this house that Shannon's Way Pty Ltd had the major advertising contract with the Transport Accident Commission. That is wrong; it is untrue. Shannon's Way does not have the major contract with the TAC — it does not have a contract at all.

Honourable members interjecting.

Mr CAMERON — This is not the Sunday night news — you cannot just come in here and take it back again.

Mr Perton — On a point of order, Mr Speaker, on the question of relevance, what the minister is trying to do — —

Honourable members interjecting.

The SPEAKER — Order! Once again I ask members on the government benches to come to order. The Chair needs to hear the point of order.

Mr Perton — On the issue of relevance, Mr Speaker, the question about Shannon's Way was asked yesterday, and it was asked of the Premier. If the Minister for Workcover had wanted to be asked a question about that it could have been done, but the honourable member for Keilor asked a question about the ways in which the TAC is engaging in promotion. I ask you, Mr Speaker, to order the Minister for Workcover to answer that question and not try to rescue the Premier from yesterday's question.

The SPEAKER — Order! I ask the Minister for Workcover to return to answering the question.

Mr CAMERON — This is not the Sunday night news. You cannot come in here and take it back again!

Notwithstanding the Heffernan-like tactics, I assure the house that the TAC is committed to continuing to raise community awareness. Issues around high-level and low-level speeding are extremely important.

Ms Asher interjected.

Mr CAMERON — The honourable member for Brighton interrupts; she should not, but she does. Talking about Shannon's Way and Workcover, the honourable member for Brighton knows that the Leader of the Opposition told the chairman and the chief executive officer of Workcover last month that he accepted the probity of the process.

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable member for Brighton to cease interjecting, and I ask the Minister for Workcover to cease picking up on interjections and confine remarks to the question.

Mrs Fyffe — On a point of order, Mr Speaker, I realise that the Minister for Workcover is perhaps nervous, but I am having great difficulty in understanding what he is saying. I wonder if he would slow down with his answer.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Bentleigh!

That is not a point of order. However, I ask all sides of the house to quieten down so that we may all hear what the Minister for Workcover has to say.

Mr CAMERON — I assure the house that continuing to raise awareness of road safety and bringing about that community awareness will continue with the TAC.

Snowy River

Mr INGRAM (Gippsland East) — My question is to the Premier. Two months ago you said that Snowy corporatisation could be signed off within two weeks. Given that we are both keenly looking forward to seeing the flows restored to the Snowy River, and I know that after flows are returned you are keen to come to East Gippsland to fish and go canoeing on the river — —

The SPEAKER — Order! I ask the honourable member for Gippsland East to pose his question in the third person, through the Chair.

Mr INGRAM — I ask: when would the Premier expect to be fishing on the Snowy?

Mr BRACKS (Premier) — I thank the honourable member for Gippsland East for his question. I look forward to the day, as soon as possible, when we have a 28 per cent flow of the Snowy going continuously. I can report to the honourable member that I have learnt in the last two days that the federal government has now removed every encumbrance to the signing of the corporatisation arrangements for the Snowy River and the signing of 30 different intergovernmental agreements which are required to give effect to the \$375 million to be committed between Victoria, New South Wales and the commonwealth so that the great Snowy River may flow again.

I am pleased to say that that will be in place, as I understand it through my communication with the commonwealth and the Prime Minister's office, before the end of this financial year. I am pleased to report that matter to the house. That means that the work which is now being undertaken — that is, the water savings program commenced under Victorian government funding, can be used as part of the wider water savings project for the flow of the Snowy River. I am proud to lead a government which has concentrated, particularly in this recent budget, on taking a leadership role on environmental flows for some of the state's key rivers.

If you look at the landmark decision made by this government on the Wimmera–Mallee pipeline, you see that both agricultural production and environmental flows to the Wimmera and Glenelg rivers will be assisted. The bilateral arrangements we have with the South Australian government will see the flow to the Murray River increased. With the arrangements between the governments of Victoria, New South Wales, South Australia and the commonwealth the flow to the Snowy River will also be increased.

What a great legacy to leave behind as a government: better environmental flows, better rivers. I look forward to being on one of those rivers with the honourable member for Gippsland East in the future. I know his expertise in waterways is second to none. He will have to guide me because I am not very good at catching fish, but I know he will give me great instruction.

Corrections: government policy

Mr WELLS (Wantirna) — I refer the Premier to official police crime statistics released today which show a massive increase in robberies, burglaries, car thefts and thefts from cars over the past two years, and I ask: does it remain Labor government policy that criminals convicted and sentenced to jail for these offences may be able to serve their time at home or out in the community?

Mr BRACKS (Premier) — I thank the honourable member for his question. In case there is any doubt in the member's mind, I can give him an assurance that we will not be following the Liberal Party's proposal for mandatory sentencing. We reject it absolutely. The Leader of the Opposition admitted on Channel 9 that we should follow a policy of mandatory sentencing. We will not follow that policy!

Dr Napthine — On a point of order, Mr Speaker, the Premier is debating the issue. As I said yesterday I am happy to debate the Premier or the Attorney-General on minimum sentencing anywhere and at any time. In fact we could call the debate on now. He is debating the question!

The SPEAKER — Order! The latter part of that point of order is out of order. I ask the Premier to come back to answering the question.

Mr BRACKS — In coming back to the substance of the question, Mr Speaker, I reject the allegation that that report shows crime has increased. It has actually gone down by 2.4 per cent on the previous year. For example, looking at some of the statistics: drug offences have fallen some 15.2 per cent and property-related crime has decreased by 3.8 per cent. This government is also fixing the mess it inherited some two and a half years ago which left it without enough prison places in this state. It is building new prison places, and it will continue to do this. We will have more police, more prisons and better crime statistics than we have experienced previously and the lowest crime rate of any state in Australia.

Rural and regional Victoria: government initiatives

Mr HOWARD (Ballarat East) — Will the Minister for Planning advise the house what action the government is taking to accommodate regional Victoria's booming population growth, particularly in centres like Ballarat, Wodonga, Bendigo and Geelong?

Ms DELAHUNTY (Minister for Planning) — I thank the honourable member for Ballarat East for his question. Under the Kennett government people were leaving this state in droves. Under the Bracks government they are coming back to Victoria in droves! In the 90s there was a net migration loss of around 30 000 people. Just last year we saw a net migration increase in one year of nearly 8000. Of significance is the age range of a lot of these new Victorian residents. We are seeing an increase in young people of working age, perhaps in their most innovative years, representing a brain gain to the state.

Melbourne is obviously a very attractive destination for a lot of these people, but we are also seeing substantial population gains in regional Victoria. For example, in Ballarat, the honourable member's own area, we have seen a 4.5 per cent increase. In the Geelong area, which is represented by two excellent members, there has been a 5.4 per cent increase. In Bendigo, which has two outstanding members, there has been a 5.2 per cent increase in the population of the Greater Bendigo region. Also, in a place like Wodonga we see an astonishing increase in the population of 7.2 per cent.

What is the Bracks government doing, apart from providing extra opportunities, restoring services and making regional Victoria a very attractive place in which to live and invest? In Geelong the government has a regional action plan to revive the area around the Geelong railway station and provide cosmopolitan living with a new diverse range of housing. In Ballarat the Lydiard Street rail precinct will be revived as a residential commercial centre, providing an absolutely gorgeous gateway to the central business district of Ballarat.

In Wodonga — and I see there is some interest from the other side in Wodonga — a good example of what this government is doing to provide diverse housing and business opportunities and investment is the removal of the railway station that has scarred the centre of the city. I was up there last week and the councillors and business people were saying they have been lobbying successive governments for about 20 years to try to remove the railway that travels through the centre of

Wodonga. It has taken the Bracks government to do it. The Bracks government is going to deliver on —

Mr Plowman — On a point of order, Mr Speaker, obviously the minister is unfamiliar with what has occurred because she is misleading the house. It is not the Bracks government at all that has brought about the removal of the railway line, and the minister knows it.

The SPEAKER — Order! I remind the honourable member for Benambra that he has risen on a point of order and is not entitled to make a point in debate. There is no point of order.

Mrs Peulich — She is reading the wrong answer!

The SPEAKER — Order! The honourable member for Bentleigh will find herself outside the chamber.

Ms DELAHUNTY — I thought the honourable member was standing up to say thank you! How long has he been the local member? They have been lobbying for 20 years, and it takes the Bracks government to deliver.

The SPEAKER — Order! The Chair has dealt with the honourable member for Benambra's point of order. I ask the minister to answer the question posed by the honourable member for Ballarat East.

Ms DELAHUNTY — It is the Bracks government that will deliver the removal of the railway line that goes through the centre of Wodonga. We have announced the Wodonga central area master plan, which will deliver new cinemas, shops, potential residential —

Mr Plowman interjected.

Ms DELAHUNTY — Don't point your finger at me; you couldn't deliver it!

The SPEAKER — Order! I ask the honourable member for Benambra to cease interjecting forthwith. I ask the minister to address her remarks through the Chair.

Ms DELAHUNTY — I am very happy to, Honourable Speaker, because the new area master plan for Wodonga is symptomatic of what this government is doing for regional Victoria. That mob dismissed regional Victoria as the toenails of Victoria. This government is providing the opportunities for residents, business people and families to live, work, and play in regional Victoria.

Schools: antichroming kit

Mr HONEYWOOD (Warrandyte) — Can the Minister for Education confirm that the government's chief youth affairs adviser, Mr David Henderson, recently refused a formal request by the Youth off the Streets foundation to implement a ground-breaking antichroming kit into Victorian schools, when every other state and territory has embraced this program?

Ms KOSKY (Minister for Education and Training) — I know the honourable member for Warrandyte has been informed in detail by the department about both my responsibilities and those of the Minister for Education Services in the other house. If he had listened to that briefing he would have understood that it is the other minister's responsibility.

Mr Honeywood — On a point of order, Mr Speaker, on the issue of relevance, the minister is well aware that this organisation contacted her office which referred it to Mr David Henderson, so the minister's office actually referred the charity on to Mr Henderson.

The SPEAKER — Order! The honourable member for Warrandyte once again has stood on a point of order and appears to be making a point in debate. The Chair allowed the question to the Minister for Education and Training and has called on the minister to answer it. How the minister chooses to answer it is up to her.

Ms KOSKY — So I will very happily pass this matter on to the Minister for Education Services.

Dr Napthine — On a point of order, Mr Speaker, the minister is saying she will refer it on to the Minister for Education Services. The question relates to the curriculum in schools, and it is my understanding that is her responsibility.

The SPEAKER — Order! Clearly the Leader of the Opposition has not taken a point of order but once again has made a point in debate.

Mrs Peulich interjected.

The SPEAKER — Order! I warn the honourable member for Bentleigh.

Has the minister concluded her answer?

Ms KOSKY — Yes.

Water: sustainable management

Ms DUNCAN (Gisborne) — Will the Minister for Environment and Conservation inform the house of

what action the government is taking to ensure that Victoria's water resources are managed sustainably, and in particular any actions arising out of last week's water summit?

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for her question and for her commitment to sustainable water management. This government has a vision for sustainable water management that involves healthy catchments, clean water and smarter water use, and of course thriving communities and regional growth.

Last Friday the Treasurer and I held Victoria's first ever water summit at Parliament House, and it was an enormous success. The ideas, discussion and debate that came out of that summit will play a significant role in building a sustainable and prosperous Victoria in the future. At the summit the state government demonstrated its commitment to sustainable water use with some announcements, including a commitment to a Werribee vision which will see that area grow through the use of recycled water to become a multimillion-dollar internationally renowned sustainable region with new jobs and new opportunities. The area will be the envy of others around Australia.

We announced the creation of a smarter water fund, which will see \$4 million committed to developing projects for recycling water targeted at the metropolitan region. Of course the Treasurer announced the \$30 million water reuse facility in the Central Highlands, which will save around 2500 megalitres a year.

In keeping with the government's commitment to smarter water use and to better water management, I am happy to announce today \$4.5 million in funding for on-farm water efficiencies right across the state. That will be from our \$30 million Water for Growth funding. Some of that funding includes \$440 000 to the West Gippsland region for water efficiencies on farms, which in the long term will have a beneficial impact on the health of the Gippsland Lakes. It also includes \$828 000 for the state's north-east region, which will improve irrigation, scheduling, training and whole-farm planning. It also includes \$1.2 million for the Shepparton region to support changes to irrigation scheduling and improving irrigation practices, and \$1.1 million for the Loddon-Campaspe region to help to improve ground water impacts, particularly on wetlands in that region. These are big projects with long-term benefits for our regions.

The Bracks government is a world leader when it comes to sustainable water management. However, I have to tell the house that there are some impediments to our water management, and they are sitting opposite. That includes the opposition, of course, which has absolutely no vision for water management. It had none in government, and it has none now.

Mr Perton — On a point of order, Mr Speaker, the minister is debating the question. I ask you to bring her back to order.

The SPEAKER — Order! I ask the minister to cease debating the question and come back to answering it.

Ms GARBUTT — Despite the impediments to sustainable water management in this state, we managed to overcome the seven-month delay on the farm dams legislation in this Parliament caused by the opposition — and the opposition is still not working hard enough to get funding for the Wimmera–Mallee pipeline.

Mr Perton — On a further point of order, Mr Speaker, I think the minister has now finished, but this is a continuing pattern. For the last four weeks every time you have ruled that a minister has been debating the question, the minister has immediately returned to debating it and therefore violated your ruling. I would ask you, Mr Speaker, on the next occasion to act more harshly against the minister when she does that.

The SPEAKER — Order! I have already asked the minister for Environment and Conservation to come back to answering the question, and I do so once again.

The minister has concluded her answer.

CASINO (MANAGEMENT AGREEMENT) (AMENDMENT) BILL

Second reading

**Debate resumed from 9 May; motion of
Mr PANDAZOPOULOS (Minister for Gaming).**

Mr BAILLIEU (Hawthorn) — There is a delicious irony in the fact that the Premier, the Treasurer — the former opposition leader — and the Attorney-General have disappeared from the house before the debate on the (Casino Management Agreement) (Amendment) Act starts. It is not the intention of the opposition to oppose this bill, but opposition members will make a number of comments about its contents, about the

negotiations which have gone on and about the hypocrisy which has been demonstrated by the government on this occasion.

This bill could be described in short as the Lyric Theatre Bill. Victorians will recall that under the casino agreement arrangements Crown Casino entered into an agreement in 1996 to build a second hotel tower and a lyric theatre of some 1800 seats. It was to be completed by the scheduled date of November 1999, and in lieu of its completion penalty clauses were to apply. That agreement was extended to 2003 by a further change agreed to in 1998.

Essentially this bill is about the relationship between the government and Crown Casino in particular. I mentioned the hypocrisy of the government and the fact that the Premier, the Treasurer and the Attorney-General had disappeared before this debate got under way. This is a Premier whose relationship with Crown prior to his elevation to office was described by the then opposition as one of total opposition. We now have an Attorney-General who previously enlisted terms such as ‘corruption’, ‘the Mafia’, ‘the godfather’ and ‘evil’ to describe Crown. We have a Premier who referred to sweetheart deals and an Attorney-General who promised royal commissions into this and that and who said there was a stink of corruption surrounding dealings between the former government and Crown. The then opposition leader described the former Premier as a puppet of Crown and of the gaming operators, referring in particular to arrangements involving the lyric theatre and the second hotel tower.

Victorians must miss the thuggery of the now Attorney-General, although in question time today we saw him revert to type and engage yet again in the sort of thuggery that he stakes his name on. Everything the previous opposition said about Crown was nonsense. It has proved to be nonsense, and now that the Attorney-General, the Premier and the Treasurer have found themselves in government they have run away from it as fast as possible.

Crown is a successful company managing a successful business in a professional manner while engaging its customers. It has added greatly to both Melbourne’s cultural and business environment. Crown never deserved the treatment it got from the previous opposition, and it is just so deliciously ironic that a government that never thought it would be in government is now embracing the very agreements that it so vilely described when it was in opposition.

This bill is fundamentally about ratifying the seventh deed of variation to the management agreement for the Melbourne casino complex. It is a short bill, but it does two things. Firstly, it basically releases Crown Casino from its obligation to build the lyric theatre. I note that the second hotel tower is proceeding: I am told that it is approaching construction but that variations on it will be tabled as well. Releasing Crown from its obligation to build the lyric theatre is the fundamental quid, and there are two quo's. The first part of the quo is that Crown pays the government what is effectively a donation of \$18 million. The second part of the quo is that Crown agreed to an alternative capital project, or ACP, ironically.

That is the fundamental core of this deal, but what is the history of it? In 1996 Crown undertook a commitment to build a second hotel tower and the lyric theatre and in the process to add to the momentum of the Crown complex as an entertainment centre, thus adding to Melbourne's tourism attraction capacity.

In the event that the project was not completed before November 1999, Crown was to pay liquidator damages of \$50 000 a day, or around \$18 million a year. Then, as I said, in 1998 that arrangement was changed to extend the deadline to 30 November 2003. At the time of that change, which was the fifth variation to the casino management agreement, the then opposition made a hell of a stink about how outrageous this extension of time was. The extension was considered by the then government on the basis that there had been a significant downturn in the Asian economy and in the numbers of visitors to Crown, and a tightening at least — and arguably a downturn — in theatre operations at the time.

Crown was a failing business and to have inflicted the liquidated damages then would have simply meant turfing Crown Casino out of its business. Hence the government at the time, under advice from the Victorian Casino and Gaming Authority, extended the agreement to 2003. As I said, the then opposition made a hell of a stink about it and said it was somehow an outrageous deal. I will get back to that in a moment. Then, we are told, Crown approached the government to seek to be released from its obligation to build the lyric theatre. That was certainly within their province, but they had to come to an agreement to do it. We now have a bill before the house, as the act requires that any variation of the agreement must come before Parliament.

The detail of the deal is worth going through. As I said, the fundamental proposition is that the bill releases Crown from the building of the lyric theatre. On the

donation side, clause 4 of the agreement, which forms part of schedule 8 of the bill, requires the company — Crown — to pay to the state \$18 million by six instalments of \$3 million each payable within 30 days of invoice from the state.

Interestingly, there are other clauses attached too. Clause 4.3 of the agreement, for example, states that:

If the Company fails to make the Payment on the due date, without prejudice to any other right or remedy arising because of that failure, the Company must pay to the State interest ...

Fair enough! Clause 4.4 of the agreement states:

This clause 4 and clauses 5 and 6 are not conditions of the Casino Licence and their performance is not to be taken into account in the regulation of the Company ...

An interesting addition is that this part of the act is titled 'Payment to the State', but it is effectively about a donation. If Crown fails in some way to make the donation, that will have no effect on its licence provisions — unlike previous provisions in previous agreements where failure or a breach would have led to a consideration of the licence. On that side of the argument, therefore, there has clearly been a negotiating win for Crown.

I turn now briefly to the alternative capital project (ACP), which forms clause 5 of the agreement. Clause 5.1 reads:

The Company agrees to construct or procure an alternative project the nature and the timing of which is to be determined at the sole discretion of the Company.

Then there are some provisions attached to that. In clause 5.2 of the agreement there is a valuation of this alternative capital project of \$42 million, an amount determined on 9 March 2001 by a quantity surveyor appointed by the state.

Clause 6 of the agreement talks about the location of the ACP and describes a piece of territory. It says the ACP will either:

- (a) form part of the Melbourne Casino Complex; or —

if it does not form part of the Melbourne Casino Complex —

be located on land within the area bounded by Queensbridge Street, City Road, Clarendon Street and Whiteman Street and that such land:

- (i) is designated by the Company as part of the Site; or
- (ii) will not be part of the Site.

Crown owns all of that land except for one portion; so we need to understand that if there is going to be an alternative capital project it will have to be in that piece of territory. The minister nods — not off, but in agreement.

In the event, however, that Crown does not proceed with that project, one turns the page and looks for the penalty clauses. There are none! There are no penalty clauses — in fact, there is no deadline, no start time and no obligation on Crown to enlist the government's approval for any aspect of the ACP other than to get a planning permit in the normal way if it uses the piece of land that it currently does not own or land that is not part of the complex. That is hardly an onerous provision!

The second hotel tower is being built in that area and is itself being varied. As I said, the alternative capital project can include any project, the nature and timing of which is to be determined at the sole discretion of the company. That is a pretty extraordinary proposition! The government claims it in its second-reading speech and certainly marks it as an alternative capital project that will be at the discretion of the government, but that is not the fact.

Coming back to the donation side of this deal, where does the money go? The government has determined that the \$18 million will, over five years in 6 instalments, go to the arts industry. But which component of the arts industry? It is going into the theatre industry. The fundamental proposition for not proceeding with the lyric theatre deal was to not damage the theatre industry in Melbourne. There are reasonable arguments to say that the theatre industry is under stress — as are a lot of industries, particularly under this government. The reality is that the government is rationalising this payment arrangement by saying, 'We do not want to put the theatre industry under more stress', but the money is actually going to the theatre industry just a few blocks away.

Mr Pandazopoulos — A complementary project.

Mr BAILLIEU — It is going to a complementary theatre project, and it was marketed in the press at the time of the doing of the deal as a theatre-to-theatre arrangement. That is a reality, and I will not be critical of that because there is always room for theatre projects in Melbourne, but we can at least be cynical about the rationalisation of this arrangement.

The reality is that the alternative capital project is a complete and utter furphy. There is no obligation on Crown to consult the government about it, there is no

obligation on Crown to start or finish the project and there is no obligation on Crown to have dictated to it in any way whatsoever what the nature of the project should be. There are plenty of projects which Crown would wish to undertake on this piece of territory. It has already nominated the prospect of a car park; arguably car parking is at a premium in that area and there is a substantial car park adjacent to Crown already.

Crown has nominated its desire to build another car park, and I understand that in these negotiations the prospect of a car park was proffered by Crown and that the government rejected it. Now, for \$42 million, Crown can build that car park without any hindrance whatsoever on the part of the government. So be it; that is not in itself a bad thing. But to have this marketed in some way as an onerous consideration in exchange for the release from the obligation to build the lyric theatre is simply a joke.

I turn to the issue of the value of this \$18 million payment or donation to the state in six instalments of \$3 million each. The interesting question that arises from this is: what is the release from the obligation to build the lyric theatre worth? There are plenty of ideas about what it might have been worth, but essentially it is said to be worth \$18 million over five years in six instalments. There is an argument to say that \$50 000 per day or \$18 million per annum, in the event that those liquidated damages continued in perpetuity, would amount to a net present value of around or even over \$200 million, depending on your discount rate. That is a simple calculation: liquidated damages of \$50 000 a day equate to a net present value of over \$200 million at present.

It would probably be reasonable for Victorians and for this house to conclude that over \$200 million seems to be an onerous interpretation of what the value of the release is. The option always remained for Crown to actually build the lyric theatre, and if the cost of building an 1800-seat theatre were of the order of \$42 million, then Crown always had the option not to pay a \$200 million net present value or not to engage in that sort of payment regime but instead to go ahead and build the theatre. I am sure if Crown had done that it would have built a good theatre, it would have operated it well, it would have been a success and it would have added to the Crown Casino's entertainment complex. That is one version of the value.

What value did the Victorian Casino and Gaming Authority put on the release at the time of the 1998 extension to the agreement? It thought it was sufficient to require Crown at the time of the extension to lodge a letter of credit for \$25 million — not \$18 million —

and letters of credit are normally only starters in terms of real value. So there is another sense of what the value might have been — \$25 million!

What value did the previous opposition, now in government, put on the release? It is ironic to look at what value the thugs of the then opposition put on it. The then shadow Attorney-General said that discontinuing the lyric theatre deal was worth \$574 million. That was his calculation, and it is reported in *Hansard*.

Mr Smith — Who said it?

Mr BAILLIEU — The now Attorney-General and former shadow gaming minister said that to discontinue the lyric theatre project and the second hotel deal and to waive the \$50 000 a day penalty was worth \$574 million!

Mr Cooper — Did he say how he worked it out?

Mr BAILLIEU — That is a good question. He said it was probably more than that \$574 million because he calculated it on just a 30-year value. That probably says something about the now Attorney-General's financial capacity.

Mr Smith — And his business sense!

Mr BAILLIEU — And it probably says something about his business sense, as the honourable member for Glen Waverley says, that he could conclude that a waiver of the \$50 000-a-day fine was worth \$574 million. And he did not just say it. The then shadow gaming minister and now Attorney-General — an honourable man, as we saw demonstrated in question time today — said in this house on 22 October 1998 that:

... Crown is seeking a government gift of not \$73 million —

I will come back to that —

but \$574 million!

When that variation to the management agreement was sought in the house he demanded additional consultation time, because Victorians deserved to know about the \$574 million gift to Crown, and he coloured that by saying it:

... could otherwise be used appropriately in a whole range of important areas such as hospitals, ambulances, education, job strategies and the like.

The now Attorney-General was then saying that a waiver of this \$50 000-a-day fine was worth \$574 million, and he did not say it once or twice, he

said it half a dozen times; he repeated it outside the house; he flogged it to death; he flogged Crown Casino; and as a member of the opposition at that time he engaged in a brutal piece of commercial thuggery, claiming that the then government was relieving Crown of a \$574 million burden. That is the value he put on that release.

What value has this government put on it? This government has put a value on it of \$18 million in six instalments over five years.

Mr Pandazopoulos — Plus an alternative capital project.

Mr BAILLIEU — Plus an alternative capital project, says the minister sitting at the table. I have just demonstrated that has absolutely no substance in terms of obliging Crown Casino to do anything other than what it wants to do.

Mr Smith — Who is the minister at the table saying these things?

Mr BAILLIEU — The Minister for Gaming at the table says that somehow the alternative capital project is a burden on Crown. In fact, the alternative capital project is an opportunity for Crown to do as it wishes in whichever area it wishes to act. As I said, there is no penalty for it not doing so; there is no penalty for it not starting the project; and there is no requirement on it to describe the nature of the project or to seek the approval of the government.

The only thing to go on here is the value of this release. We have a net present value of \$50 000 a day representing a value around the \$200 million mark or perhaps a bit more, depending on your discount rate. I could argue that that would be an unreasonable way of calculating the value of the release, but the former shadow gaming minister, now Attorney-General, said its value was \$574 million and he mentioned that figure to the world. He screamed it and shouted it all over Victoria; he got stuck into Crown; he claimed at the time that there was outrageous corruption involved; he said there would be a royal commission into the issue; and he accused people of being godfathers.

The then Leader of the Opposition, now the Treasurer, joined in that chorus, as did the now Premier. What is the \$18 million worth in itself, and why is the \$18 million divided up into six instalments over five years? If you take a discount rate on \$18 million, with six instalments by three over five years, the net present value of it is really only about \$10 million to \$12 million — depending on the discount rate.

Mr Cooper — That's about right.

Mr BAILLIEU — The honourable member for Mornington says that is about right. Why is it spread over five years? We need to think about the contribution, although the honourable member for Mitcham may like to describe it as a consideration. It is not a consideration and nor is it a fine, because Crown has not done anything wrong. This is being done by agreement with the government. Liquidated damages of \$50 000 a day, had it been unsuccessful, would have been a fine. A fine is treated in a certain way in an accounting sense. How is a donation treated? As a tax deduction. That is perfectly acceptable, but then what is the value of the payment?

If you are making a net value contribution of \$10 million to \$12 million and you are anticipating a tax deductible status for it, the real cost to the business would be of the order of, I say rhetorically as I invite the honourable member for Mornington to make a suggestion, about \$5 million to \$6 million. That is another valuation.

The only thing we have to contend with here is what is a reasonable value for the release of this obligation. Without going into any great science, the valuations range from a reasonable proposition that the cost to Crown is about \$5 million to \$6 million to the government's much-flogged \$18 million and the Victorian Casino and Gaming Authority (VCGA) requirement in 1998 of \$25 million as a letter of credit through to a present net value valuation, which I would have thought was unreasonable, of about \$200 million and right up to the extraordinary figure that the now Attorney-General gave of \$574 million.

Mr Cooper — With construction costs of \$42 million.

Mr BAILLIEU — Yes, with construction costs of \$42 million — although arguably there is another value, because if it would have cost Crown \$42 million to build it, Crown could have gone ahead.

My point in going through that exercise is to demonstrate that a range of values can be put against this change. We are not in a position to say one way or another what the value should be. I am not going to engage in the sort of brutality that the previous shadow gaming minister, now the Attorney-General, became involved in when he flogged the \$574 million figure as hard as he could for nothing more than base political mileage and to beat up a legitimate business in the marketplace. He sought to build his career on that sort of thuggery. I will not engage in that.

There ought to be at least an independent assessment of whether this arrangement is appropriate, and it may well be that an appropriate value has been established here. Who is best placed to do that? As happened in 1998 when the fifth deed of variation went through, one may have thought that the VCGA would have been consulted or that it would have made a recommendation. It is interesting that in 1998 the involvement of the Auditor-General received maximum coverage, because the Auditor-General reported on this process. He was encouraged to put a valuation on the then four-year extension, and his valuation was \$73 million.

The VCGA was involved on the previous occasion, as was the Auditor-General. Who has been involved this time? Nobody! Neither the VCGA nor the Auditor-General has been involved. Last Friday the Minister for Gaming appeared before the Public Accounts and Estimates Committee (PAEC) and conceded that neither had been consulted and neither had been involved in the negotiation of this deal. It may be a perfectly legitimate deal and a legitimate value to have struck.

Mr Cooper — How did they come up with it?

Mr BAILLIEU — Indeed. As the honourable member asked, how did they arrive at this figure? It is easy to say that \$18 million is one year's turnover at \$50 000 per day. So what? What is the nature of the present value arrangements? The government in opposition strongly advocated the involvement of the VCGA and the Auditor-General in these matters, but it has deliberately chosen not to do so on this occasion.

It also comes down to the payment of this donation, because as I said earlier, under clause 4.4 if for some reason or other the money is not paid, the licence is not affected. I can only imagine what the former shadow Minister for Gaming would have said had the previous government included a condition such as that. I can also only imagine what the previous shadow gaming minister would have said about the money being payable only on invoice. As we discovered in the briefing, if the invoice is not forwarded by the government, there is no obligation to pay. One must wonder why the government has allowed itself to be negotiated into a corner like this, where it is dependent on an invoice, with no impact other than the interest on a no-payment regime. It is a potentially deferrable obligation, and the value itself is variable.

That is not the only thing I want to comment on. We have talked about the value issue and the non-event alternative capital project, but the deception of the

government must be mentioned. The process of negotiation, according to the second-reading speech, commenced a couple of years ago. When the Minister for Gaming was asked the question before the PAEC last Friday, he took advice and said, 'I think it was about 18 months ago'.

The reality is that Crown approached the government in June 2000. We know that because page 41 of the *Report of the Auditor-General on the Finances of the State of Victoria, 1999–2000* states:

In June 2000 the Minister for Gaming —

the minister now in the house —

was advised by Crown Ltd that plans for the second hotel tower were well advanced. However, Crown Ltd advised that, in its view, there are no commercial, social or community needs for a lyric theatre at the casino complex and have requested approval for an alternative capital project.

In June 2000 the Minister for Gaming was approached. That is perfectly reasonable and within the bounds of both the agreement and commonsense. However, during question time in this house on 27 February 2001, some six or seven months later, the Premier said when asked about this proposition that he was unaware of any change in plans. He said:

The government will adhere to the contract as it had been derived, and we do not expect any departure from that.

That prompted me to think, 'Hang on, this is odd. The Premier is claiming he did not know'. How could it be that the Auditor-General said the minister had been approached but the Premier said the government did not expect any change? Now we find out that negotiations were conducted over two years.

So I made a freedom of information (FOI) application seeking any documents in regard to the 'alternative capital project', as it was described by the Auditor-General. Why did the Auditor-General use that phrase? It was because it was the phrase used by Crown in pursuit of its application. I sought documents in June 2000 from the Department of Premier and Cabinet, from the Department of Treasury and Finance, from the Minister for Gaming and also from the Premier's office. It took a while but I got a response from the Department of Premier and Cabinet. I received a letter on 17 August 2001 from Marisa Patitucci, the senior freedom of information officer in the Department of Premier and Cabinet. She wrote:

A search for official documents of the Premier, in the office of the Premier, was conducted and no documents have been identified which are relevant to the terms of this request.

No documents! There was a lovely little out that they had to be official documents.

What about the Department of Treasury and Finance? I had a letter on 24 August 2001 from Vivian Chung, the freedom of information officer. She wrote:

There were no documents located that fall within the scope of your request. A thorough and diligent search for any relevant documents in the ministerial office has been conducted.

How did the Auditor-General know that the Minister for Gaming had been approached in June 2000 yet there are no documents 12 months later which record any indication of this?

Mr Pandazopoulos interjected.

Mr BAILLIEU — The Minister for Gaming, who is at the table, has just said that the freedom of information request went to his office — to the Department of Treasury and Finance — and he was letting us know and Victorians know of the way to avoid FOI under this government. They slip it around from office to department — —

Mr Pandazopoulos interjected.

Mr BAILLIEU — You probably popped it in the back of your car so that no-one could find it!

Mr Cooper — You can put the file back now. We have given up!

Mr BAILLIEU — An extraordinary proposition!

Mr Pandazopoulos interjected.

Mr BAILLIEU — The minister is at the table, encouraging the opposition to abuse the FOI process when it is in government. He has just confessed that he has abused FOI.

Mr Pandazopoulos — On a point of order, Mr Acting Speaker, the honourable member for Hawthorn is making this all up. He should learn how to apply for FOI. That is what I am advising him.

The ACTING SPEAKER (Mr Nardella) — Order! There is no point of order.

Mr BAILLIEU — Thank you for that confession, Minister! You have pulled a swiftie to protect the Premier, who did not want to go down this track and was trying to hide it under questioning in February 2001 because he knew the relationship between him, the Attorney-General and the now Treasurer with Crown prior to the last election, and he was embarrassed. He knew that he was going to have to

embrace a reasoned variation to the management agreement, and he was feeling uncomfortable. You sought to protect him under FOI, and it is yet another indication of the slippery game that goes on under this government.

The bottom line is that we have an agreement, which the opposition does not oppose. We have a government deeply embedded in its own hypocrisy. We have a donation being made to the state, and that is terrific. Presumably it will be used in a reasonable way in the arts community, and good luck to them! One wonders whether this will be a simple substitution and whether the money might have actually gone to the consolidated fund in the first place. But there is no-one attesting to an independent valuation of the donation as an appropriate response to the release from the obligation, and we have an alternative capital project which is anything but. I trust that Crown will engage in a capital project of its choosing in its own time and make yet a further contribution to the state in that way. Rest assured that the minister and the government will not be having anything to do with it.

I trust the money will be well spent, but I also trust that somewhere along the line this government will stand up and say, 'Mea culpa! We were wrong! We played crude, crass politics with Crown prior to the election'. I trust also that the government will engage an independent valuation or at least an independent assessment of this deal, be it by the Auditor-General or the Victorian Casino and Gaming Authority. The opposition will not be opposing the bill.

Mr RYAN (Leader of the National Party) — The National Party will not oppose this legislation, although it affords the opportunity to make some comments around the issue to do with the Casino.

Whatever happened to the royal commission? I spent the first term of the previous government as a member of the gaming committee, which was chaired by the Honourable Haddon Storey, who was then in another place. In the second term of the former government I was the chair of the gaming committee and the minister at the time was the Honourable Roger Hallam in another place. Over those seven years that I participated in debates in this place in relation to the casino I would hate to think how many times we heard about the prospect of a royal commission. This royal commission was going to be the absolute ants pants. There were going to be terms of reference that were going to be extraordinary in their content. The whole thing was going to be tipped up by the heels and shaken out. Truth, justice and the Australian way of life were ultimately to emerge.

Whatever did happen to the royal commission?

Mr Smith — Well, Hulls didn't get the job.

Mr RYAN — By interjection the honourable member for Glen Waverley says that the current Attorney-General did not get the job. That is a story in itself. Whenever the book is written that will be worth a chapter or two as to how the now Attorney-General was shifted sideways when this government landed with the cup after the last election.

Harking back to the rhetorical question I asked a moment ago, whatever did happen to the royal commission? After the last election I heard the Premier trying to explain it to such luminaries as Jon Faine on ABC Radio. I am sorry to see the Minister for Gaming is departing but I understand the rotation system — oh no, he is not departing, he might be staying. I heard the interviews with Jon Faine asking the Premier, 'Where is the royal commission?'. Eventually one morning I heard him ask the Premier, 'In the absence of having held it and in the complete absence of any materials to support the contentions you made about it, shouldn't you apologise?'. That caused a bit of a flurry.

However, historically these debates used to engender an enormous amount of entertainment in this place. I used to run a double act with the then shadow Attorney-General. The debates took an inevitable course — it was like a set play that you see in sporting arenas, be it football, basketball or anything else. The shadow Attorney-General would come in here and defame everybody — usually Lloyd Williams and Ron Walker but also anybody else who happened to be in the general district — he would make all sorts of spurious and outrageous allegations in relation to each of those people, either singularly or jointly, and then he would ultimately in some way, shape or form deal with the legislation at hand. Essentially the attacks took that established path — namely, a defamation of Messrs Williams and Walker, an attack on the then government because of its purported association with each of those gentlemen and all sorts of wild assertions about how the casino came to be and the need for this famous royal commission.

Here we are today, only a few years on, and is life not strange? After the election we saw the current Attorney-General shifted out of the gaming role. That was seen as diffusing the otherwise obvious conflict of interest he would have had because he would have been left with having to deal with the people he had been defaming for years. We have also seen the unseemly association the current government has developed with the casino. I say 'unseemly' in the sense that we know

that a \$50 000 donation changed hands at the time of a by-election after the last election.

An honourable member interjected.

Mr RYAN — I stand corrected, \$100 000 changed hands. The sort of activity which we had heard and seen from Labor over its years in opposition never materialised because the casino forms part of the gambling revenue of this government, a situation which continues to this day. Those issues will be the subject of discussion at another time.

However, when this bill was introduced I had occasion to go back to the debate in 1996 and reflect on some of the comments made by the honourable member for Niddrie, the present Attorney-General, and I would like to highlight the way he used to conduct himself in these debates. The irony should not be lost on the house. I refer to page 960 of *Hansard* of 20 June 1996. After giving Messrs Williams and Walker a general thrashing the Attorney-General summarised the position with regard to the amendment which represented the approval of the third variation to the original agreement by saying:

As I said, this is really the Walker amendment. It is in the bill to protect Ron Walker lest an associate of his is found to be an unfit and improper person. Why has the government gone to these lengths to protect Ron Walker? It is simple — Ron Walker is the major fundraiser for the Liberal Party. That is the real problem with the casino. There is an obvious conflict of interest when the federal treasurer of the Liberal Party, the main fundraiser for the Liberal Party, is involved in the biggest cash cow in town.

I do not know whether I am mistaken but I would have thought that that was the same Ron Walker who continues to provide his services to the people of Victoria under the current administration and has done a superb job.

Mr Cooper — For free!

Mr RYAN — And, as I am reminded, he provides his services free of charge. To this day he is intimately involved in arrangements for the Commonwealth Games to be held in Victoria. When I reflect on the sorts of statements made by the now Attorney-General on 20 June 1996 and the way people were so readily defamed, the extent of the hypocrisy of the current government astounds me. With the passage of time and the change of government, with Labor now having the reins, the same Ron Walker continues to serve the state of Victoria very well.

The changes that are reflected in this bill relate to the third variation which was the subject of negotiations between the former Minister for Gaming, the

Honourable Roger Hallam in another place, and the casino. It is extraordinary to read commentary by the current Minister for Gaming about how the arrangements reflected in the bill now before the house came about. Obviously he conducts his ministry in an entirely different fashion to that of the Honourable Roger Hallam who was intimately involved in the negotiation of the third variation to the original agreement.

Mr Smith — He understood it!

Mr RYAN — As was said by interjection, he did understand it. When this deed of variation was brought before the Parliament in 1996 it was pursuant to an agreement of 3 June that year. In essence, it varied the original agreement by allowing for the construction of a lyric theatre and the expansion of the hotel. However, it also imposed two other important changes: it extended the completion date for the project to 30 November 1999 and added an all-important provision in clause 17.2 which appeared in the agreement at paragraph (q)(iv):

‘(d) in the event that both the lyric theatre and the southern tower of the hotel are not completed and open for business by the completion date (as varied by any force majeure event pursuant to clause 16.3) —

a penalty is to be paid —

at the rate of \$50 000 for each day from that day to the date that both the lyric theatre and the southern tower of the hotel are complete and open for business.

That was the core figure underpinning the arrangement. The Honourable Roger Hallam was intimately involved in the negotiations that enabled the state of Victoria to enjoy a benefit to the extent of \$50 000 per day for every day that the extended project was not open. As we know, that date was later extended to November 2003 and there was an enormous hue and cry from the Labor Party, then in opposition, about the extension and the way Victoria would be sacrificing money — it was said to be worth \$73 million — by granting the extension and so on.

Here we are now and what do we have before us? The process of events has been rather interesting. It was only on 27 February last year that the Leader of the Opposition asked the Premier about the position with regard to the casino contract. Since that was in the current session of the Parliament I cannot quote from *Hansard*, but if I were able to do that I would be reflecting the fact that the Leader of the Opposition referred the Premier to Crown Casino’s requirement to build by November 2003 a second hotel tower and a lyric theatre. I would be referring to the fact that the

Leader of the Opposition asked the Premier to guarantee that if the tower and theatre were not built on time the government would stand firm and collect the \$50 000 a day fine until they were finished.

That is what I would have been quoting from had I been quoting. And had I been quoting I would have referred to the Premier's answer, because in effect he said, firstly, that he was not aware of any change in plans; secondly, that the government would adhere to the contracts as had been derived; and thirdly, that he did not expect there would be any departure from that. They were the three elements of the Premier's answer in Parliament on 27 February 2001.

The next public chapter of events is that on 20 February this year, which is almost a year on from the Premier's answer, the Minister for Gaming issued a media release under the heading 'Government negotiates resolution to Crown contract' that contains a couple of interesting statements. In his press release the minister said:

The Premier had made it clear in Parliament in February last year that the government would not waive the penalty clause if the theatre was not built in time.

That is not right. The press release does not reflect what the Premier said. He did say that as one of the three elements to his answer, but what he said a year earlier was that he did not know of any change in plans. The Premier said that the government would adhere to the contract as it had been derived, which is the \$50 000 component, and to that extent the minister's press release is right. However, the Premier had also said that he did not expect any departure from the plans as they then stood.

The Minister for Gaming used selective commentary in his press release in commenting on only one of the three elements of the Premier's answer from almost a year before. A little further on the press release states:

Crown first wrote to the government in June 2000 ...

Again reflecting on the answer the Premier gave to the house on 20 February 2001 — and we now know that it was given eight months after Crown first wrote to the government in June 2000 — we find that although he told the house in February 2001 that he did not know of any change in plans, that the government would stick to the contract and that he expected no departure from those plans, he surely must have known at the time he gave that answer that eight months beforehand Crown had written to the government seeking the sort of variation which is now reflected in the bill before the house.

Put together those basic facts lead to the conclusion that one must be very suspicious about the reality of the Premier's knowledge at the time his answer was given. The events reflected in this legislation suggest that at the time the answer was given there was more going on than the Premier had us believe.

In any event, this bill lets Crown off. The company would otherwise be faced with payments of \$50 000 a day and the lyric theatre issue hanging over its head, as well as other issues arising from the variation that are causing problems. Crown came to the government to see if it could get out of the contract, and the end result of the legislation will achieve that outcome.

As a matter of general principle, and it is the reason the National Party does not oppose this bill, I understand the commercial pragmatics of this matter. There is nothing wrong with Crown coming to the government to seek a mechanism to excuse it from the terms of the agreement. That principle is fine. The issue, though, is how all this has come about and the end result which has been achieved.

When you look at the legislation before the house you realise that various other issues arise. The summation of the negotiated outcome is that \$18 million is to be paid in six instalments over a period of five years. As I read the agreement — and I am now referring to the bill and the agreement contained in clause 6, which deals with the proposed insertion of schedule 8 — clause 4 talks about payments to the state. Clause 4.1 states that Crown agrees to pay to the state \$18 million by six instalments of \$3 million, each payable within 30 days of invoice which is to be sent from the state of Victoria, and so on and so forth.

The first comment I make is that there is no interest component in the \$18 million, in the sense that no interest is being charged on the balance of whatever is left outstanding of the \$18 million as that amount is gradually reduced by instalments of \$3 million. That carries with it the implication that some element of interest must surely have been discussed as part of the negotiations and then bulked up and converted into a factor as part of the \$18 million which was eventually settled upon. But what were the figures? What was the interest rate that must have been discussed?

To put it the other way around, in this day and age the government surely cannot have negotiated an arrangement with Crown on the understanding that an amount of money by way of substitute capital, if you like, was to be paid across without any interest component. These payments are being made over five years, so what sort of commercial naivety would it take

to allow a substantial sum of money to be outstanding over the period contemplated in circumstances where no interest was to be paid on it? That proposition would be ridiculous.

It must surely be the case that a lesser figure than \$18 million was negotiated with Crown, that an interest rate talked about and that in the end the two components of that arrangement were rolled into a single capital sum and a payment structure was settled upon in the way the legislation describes. Was that the process? Does the figure of \$18 million comprise the two elements of capital and interest? If interest rates were talked about, what were they? What was the original capital? Those are the sorts of things the Parliament is entitled to know in considering whether this \$18 million is appropriate, including how it came about in the first instance.

The next element of the agreement, which is set out in clause 5, talks about an 'alternative project'. This is an absolute classic. I do not know who negotiated this and I will come back to that point in a moment. Clause 5.1 of the agreement reads:

5. Alternative Project

- 5.1 The Company agrees to construct or procure an alternative project the nature and the timing of which is to be determined at the sole discretion of the Company. The Company, at its cost, shall be solely responsible for obtaining all permits and approvals necessary for such alternative project.

Let us break that into components. We know that the company is Crown Casino. It has agreed to 'construct or procure', so it has agreed to either build or buy something, but we do not know which. How can you have an arrangement with that sort of latitude over issues of such significance as this?

Crown is either going to build something or it is going to buy something. It is going to build or buy an alternative project, the nature and the timing of which is to be determined at the sole discretion of the company. It is going to build or buy an alternative project, the nature of which is entirely up to Crown. This agreement does not specifically say what it is supposed to be or what form it is to take. There is some further material about location, but the terms of this agreement do not tell us what this alternative project is to be. There is not even a rough outline.

Now we get to one of the classic aspects of this agreement, the timing. Clause 5.3 of the agreement states in part:

... the timing of which is to be determined at the sole discretion of the Company ...

That is absolutely unbelievable. In this commercial age it is inconceivable that the government has let Crown out on the basis that one aspect of the agreement is that this proposition it is advancing as an alternative is to occur at a point of time which is to be determined at the sole discretion of the company. There is no fall back and no further clause that talks about what happens in the event of a breach. There cannot be a clause in relation to a breach because the clause in the first instance does not have any semblance of a finite aspect to it. No-one knows the timing of when this agreement is to take effect. There is no mechanism whereby, for example, the Auditor-General can be called in for the purpose of examining the efficacy of this agreement and whether Crown has complied with it or whether the government has attempted to enforce it. There are no parameters within which this supposed agreement is to operate.

I pose the rhetorical question — and I ask the Minister for Gaming to provide Parliament with an answer — what happens if the company does not ever agree to build or procure an alternative project? What is the government going to do? Under the terms of this legislation how is the government empowered to enforce the completely open-ended provision contained within this agreement? One cannot help but think that when the minister was signing off on this agreement — and I will come back to that in a moment — he was surely briefed about it in a way that would have indicated to him that there quite properly was a concern about it. I would like to hear from the minister and I am sure the Parliament would like to hear from him about the discussions which took place between the minister and his advisers. On the face of it this aspect of the agreement to the tune of \$42 million is simply unenforceable. It seems to me that the state of Victoria cannot recover this money. There are subsequent subclauses within clause 5 of the agreement which deal with estimated costs and verification of those costs. In themselves those subclauses would give rise to plenty of debate in time to come. Leaving all that aside, the principal problem is that this is a provision with which Crown need never comply and there is no mechanism whereby the government can ever call it to account.

This already difficult position is aggravated by a couple of aspects of the evidence of the minister before the Public Accounts and Estimates Committee on 24 May. What materialises from the minister's answers is that unbelievably the Victorian Casino and Gaming Authority was at no stage consulted and the Auditor-General was at no stage consulted — there was

no public scrutiny on how this whole proposition was negotiated. As I have already said, we know nothing as to the constitution of the figures that comprised the \$18 million, and as I have just outlined, it seems the other \$42 million is a fantasy. That is enough in itself to be a cause of concern.

The other thing that emerges from the minister's answers is that he has, certainly at 24 May, absolutely no idea who negotiated the arrangements with Crown, because that is what in effect he told the Public Accounts and Estimates Committee. He was asked by a member of the committee, the Honourable Roger Hallam in the other place, if he negotiated the deal, and he said, 'No, I did not'. He was asked who did, and he said, 'I don't know'. Mr Hallam reasonably asked him a series of questions to try to get to who was involved in all this. The best that is offered from the minister's evidence is that it was somebody from the Department of Treasury and Finance. That is all we know from the content of the minister's answers, which is an extraordinary state of affairs. The minister was then asked if he signed off on this, and he said that yes, he did sign off.

You have to ask all the obvious questions that arise out of those answers. If my interpretation of this agreement is right — and I am the first to concede that I may well be wrong, and someone may be able to point out why I am wrong — how can it possibly be that this minister has signed off on a document which on the face of it means that \$18 million is to be paid to the state of Victoria over a period of five years, constituted by a figure the nature of which we do not know, which includes a figure of \$42 million and which seems to be absolutely irrecoverable and cannot be enforced in any way, shape or form? The whole process was negotiated by someone the identity of whom the minister does not know. Then to add to it the minister was also asked by the Honourable Roger Hallam what was the net present value (NPV) of the \$18 million. The minister did not know that either. He was unable to tell the Public Accounts and Estimates Committee the NPV of the \$18 million.

Those are all issues about which the Victorian public needs to know. It seems that what has happened is the complete antithesis of what used to happen when the arrangements with regard to the legislation — which I acknowledge to be difficult — and the development of the casino were under the hand of a minister in the form of the Honourable Roger Hallam, who really knew what he was doing and who made very sure that the interests of Victoria were looked after first and foremost. Those sorts of issues need to be further explored.

I hope and trust that in due course the Auditor-General sees fit, even if it is after the event, to carefully scrutinise what has transpired here because it seems to be a sorry chapter of events highlighting the naivety and incapacity of government cabinet members to be able to manage even the basic issues which are reflective of commercial responsibility in the discharge of their responsibilities to the people of Victoria.

While the National Party does not oppose the legislation it expresses those concerns which I have set out. I hope someone from the government will explain those issues. I see the honourable member for Mitcham is warmed up in the traces. I hope he has a note or two of what I think are pretty reasonable and basic queries with regard to the constitution of this agreement. He is about to have his chance to stand up and explain those issues, and I look forward to his explanation. He could do with as much success as those mighty Demons have had this year. Although the honourable member for Mitcham and I differ on a lot of things, we share support for the Melbourne Football Club. This is one occasion where I am looking forward to what he has to say about some of the fundamental points I have raised.

Mr ROBINSON (Mitcham) — The part of the contributions made to date to which I agree wholeheartedly is that the bill delivers a potential substantial benefit to the owners of Crown Casino, now being Publishing and Broadcasting Ltd (PBL). In deference to standing order 2, I am pleased to declare I do not have any direct interest in PBL. I am sure all honourable members making a contribution to the debate — —

Honourable members interjecting.

Mr ROBINSON — No direct interest. That is not to say that I have not benefited in some way from the Crown entertainment complex. Indeed tomorrow evening will be the third occasion on which I will have been able to attend the Australian International Beer Awards. For those honourable members in this chamber who have not yet been afforded the opportunity of attending that esteemed event, I encourage them to get down to the Palladium for what is a fantastic night in the company of Jack Seymour. I am also conscious that Crown is the centre for the call of the card on Melbourne Cup eve, which I have not had the pleasure of attending but will one day.

The bill addresses a profound deficiency in an early variation to the Casino (Management Agreement) Act. That deficiency, which has been glossed over by other honourable members in their contributions, is that the construction of an 1800-seat lyric theatre, which at the

time was required under the agreement, would have been a folly. Arthur Andersen conducted very detailed research and found that a theatre of that size — —

Mr Baillieu interjected.

Mr ROBINSON — I will come to that. It found a theatre of that size would not be filled. We have heard a bit during the debate about management styles and business acumen. In deference to the Leader of the National Party, who has contributed to the debate, you would no more build a theatre that could not be filled than you would go out and build a dam in a desert. How smart is it to prescribe that something must be built if the utility of it is yet to be proved? In the earlier variation to the agreement the then government specified that an 1800-seat theatre needed to be built without the foggiest idea of whether it would actually serve the purpose for which it was intended. What a very strange management style that demonstrates.

The only thing that would match a requirement to build a theatre that could not be filled in terms of curiosity might be a decision by a government to put traffic cameras where there was no traffic. That is precisely what the former government did. I see the honourable member for Mornington in the chamber. I do not know if he was the minister, but he was at the cabinet table. That is what happened on the Bolte Bridge. The previous government paid for the establishment and operation of traffic cameras on the bridge before there was any traffic. In Sir Humphrey Appleby's terms, they were the most efficient traffic cameras ever seen — they were perfect — but the problem was that there was no traffic, so it was a little strange.

Mr McIntosh — On a point of order, Mr Acting Speaker, I ask that you bring the honourable member for Mitcham back to the bill. This has nothing to do with the disgraceful performance of the government over the lyric theatre and PBL. Perhaps you could bring him back to the bill.

The ACTING SPEAKER (Mr Richardson) — Order! Does the honourable member wish to contribute on the point of order or shall I rule?

Mr ROBINSON — On the point of order, Mr Acting Speaker, I thought my comments were direct, as lots of traffic goes over the Bolte Bridge to get to the casino and to where the lyric theatre was to be. I require a little latitude in making that point, but I am happy to move on, Mr Acting Speaker.

The ACTING SPEAKER (Mr Richardson) — Order! The honourable member should wait until the Chair rules. It is the view of the Chair that the path that

has been followed across the Bolte Bridge is a rather tortuous one!

Mr ROBINSON — Thank you for your guidance, Mr Acting Speaker. In deference to the point of order and the concern expressed by the honourable member for Kew, who has moved once again, let me turn to an example of a management style which is more pertinent and which goes to the heart of the casino management agreement and the earlier variation to construct the lyric theatre. The previous two speakers claimed that the acumen and fortitude the government showed in extracting from the casino a dividend in exchange for its not proceeding with the agreement that was earlier provided for means that somehow we are lacking or that we have let the casino get off lightly.

I guess you can only compare that with what the previous government had intended to do. I draw the attention of the house to a conversation that occurred on 20 February this year between the former Premier, now hosting a radio program, and a Mr Gary O'Neill, who I think is the corporate affairs or government affairs manager at Crown. The conversation went right to this very issue, and I will quote from the transcript:

KENNETT: All right. Well, this was part of an arrangement that was struck between Crown and the previous government in order for extra tables. Part of that was associated with an extra hotel, which you're in the middle of building now ...

O'NEILL: That's right.

KENNETT: ... and the lyric theatre. I remember very well — he says 'very well' —

although it's probably not public knowledge, that prior to the last election there had been substantial representation from theatre owners, et cetera, that we did not need another theatre and that we as a government —

this is where it gets very interesting, Mr Acting Speaker, —

then, I think verbally, had undertaken that the price of the lyric theatre would not have to be met.

Let me read that again for the attention of the honourable members opposite.

... I think verbally, had undertaken that the price of the lyric theatre would not have to be met. In other words, the hotel and the other conditions that we had on Crown were sufficient to make good the extra tables that at that time were allocated.

Then the former Premier prompts Mr O'Neill with a question:

Was that correct, do you remember that at all?

Mr O'Neill, not surprisingly, said:

Yeah. I think your recollection of that is an accurate one, Jeff. I don't think it was made public at the time.

Well, strike me blue! It was not made public. That is a purler! I guess it is a problem that when former premiers become radio announcers these things tend to slip out of the bag. This is extraordinary. So much for this government being soft in negotiating a concession from Crown for relieving it of its burden not to construct a cinema, because the previous government, had it been re-elected, would have let Crown off scot-free!

We are not talking about a valuation which incorporates an interest component or which somehow deals with future valuations, and we are not talking about future valuations. We are talking about no valuation — a big fat zero, an absolute free kick, a total absolution, a total waiver of the deal. I am not surprised that this was kept quiet, and I think members opposite in their contributions on this debate should bear in mind what their former Premier was prepared to give — and in fact he has stated that he had given the undertaking verbally.

I am not sure whether the Leader of the National Party was told, despite the various roles that he fulfilled under the former government — including those committees that he is so keen to tell us about and the leadership role he played behind the scenes on gaming policy. The former Premier might have kept it a secret from the Leader of the National Party, but it is all out in the open now.

Mr Ryan interjected.

Mr ROBINSON — That is the other point. The Leader of National Party does me the service of reminding me that the former Premier may well have stitched Crown up by offering this undertaking to it verbally but then never allowing it to be consummated in any way. There they were, looking at the big free kick and thinking, 'How easy is this!', and it did not come to pass!

Let me say that I am not sorry it did not come to pass. I make no apology to the people of Mitcham and Victoria that we are extracting from Crown something that the previous government and the previous Premier were inclined to simply let slip through to the keeper. This deal returns something to Victorians, and to the arts community in particular, that the previous government was prepared to forgo. Let us just bear that in mind for the remainder of the debate.

The agreement in this legislation is evidence of a far superior management style on this front than was employed by the previous government. The renegotiated management agreement, which allows for the liquidated damages power and penalties to be dispensed with, is a far better thing for the arts community in this state because it has the effect of preserving a benefit for it on the government's terms, not on the terms of Crown and certainly not on the terms that the former Premier was inclined to offer.

A number speakers have commented on the \$18 million being paid in six instalments and the agreement specified in the bill that:

Crown Ltd will also construct or procure an alternative capital project in the vicinity of the Casino Complex —

the total value of which will not be less than \$42 million in March 2001.

This is a very sensible agreement that deserves the support of the house. The opposition ought to think twice about pointing the finger at this side of house and saying that on this issue the government has somehow been deficient in the negotiations it entered into with Crown, given what we know from the transcript of that interview on 3AK — not that many people listen to it. The former Premier certainly rated more highly — and that is saying something — as a Premier than he does as a radio announcer! But we now know that the cat is out of the bag and that the former Premier was prepared to let Crown off scot-free. That suggests a very curious style of management, one that those on this side of the chamber do not support. The bill deserves support, and I wish it a speedy passage.

Mr COOPER (Mornington) — This is a bill that will get a reasonable amount of attention from those on this side of the house because of the things that occurred and the things that were said by members of the Labor Party back when it was in opposition — and of course, those chickens are now coming home to roost!

I was sorry that the honourable member for Mitcham seemed to be drawing away from the house, and I am delighted that he has now come back, because he has given a most entertaining version of what he believes occurred back in the days of the Liberal–National Party coalition government. He relied for his evidence on a conversation that was conducted on Jeff Kennett's program on 3AK.

What the honourable member for Mitcham would have us believe is that this wonderful philanthropist, Kerry Packer, has been prepared to pay the government of the

day \$18 million, despite the fact that the honourable member claims that some sort of an agreement was in place that said he would not have to pay that money.

The honourable member for Mitcham is trying to tell the house that some agreement was reached between Crown and Jeff Kennett when he was Premier, or between Kerry Packer and Jeff Kennett, that they — the Victorian government of the day — would just walk away from any compensation payments for the non-building of the lyric theatre, and despite the fact that this occurred, according to the honourable member for Mitcham, this wonderful, hard negotiating government went out there and got \$18 million from Kerry Packer when he did not have to pay it. What kind of planet does the honourable member for Mitcham think we are living on? Where does he think we are? Does he think anyone would believe that kind of fantasy? He must think we are all drongos. He has put out this crazy story and hopes we will swallow it. Desperate men have to come up with desperate defences, and that is the task given today to the honourable member for Mitcham: the unenviable task of being the lead speaker for the government to defend it on a bill that shows it to be culpable, incompetent and very dodgy indeed.

Mr Baillieu — Let alone hypocritical.

Mr COOPER — The honourable member for Hawthorn uses the word ‘hypocritical’, and one would have to say he is probably right to do so.

The first point I want to make is that the bill should be renamed. The title of the bill is the Casino (Management Agreement) (Amendment) Bill. That is a gross misrepresentation of what the bill is all about. The bill should be renamed the Bracks Rollover Bill because that is really what it is all about. It is about the Bracks government, and the Premier in particular, rolling over and saying, ‘It is okay, Kerry, take what you want, do what you like, we are just going to give in — but our price for doing it is \$18 million’. An \$18 million rollover tag is attached to this government on something that the previous spokesman on gaming said was worth over \$500 million.

Mr Baillieu — It was \$574 million.

Mr COOPER — Yes, \$574 million. So the Attorney-General, the spokesman for the then opposition on gaming matters, said that Crown was seeking a government gift of \$574 million as its price for not proceeding with the lyric theatre — in other words, if it was allowed to not proceed with the lyric theatre the privilege would be worth \$574 million. If

that were the case, if it was worth \$574 million, how come the government has rolled over for a measly, awful \$18 million? How come it has done that?

There are many questions that need to be answered. How did the government arrive at the figure of \$18 million? Who was it who arrived at that figure? The Minister for Gaming, who signed off on it, does not know. He told the Public Accounts and Estimates Committee that he has no idea who came up with the figure. If I recall the words of the honourable member for Hawthorn and the Leader of the National Party, the Minister for Gaming said, ‘It is somebody in the Treasury department’ — that is, someone over there at 1 Treasury Place has come up with this figure and has clearly been so good he has managed to slide it under the minister’s door and the minister has been prepared to sign off on it. He does not know who it is, but he was prepared to sign off on it!

What sort of an extraordinary Minister for Gaming do we have in this state? Who the heck is running this show? Some unnamed bureaucrat in the Treasury Department bobs up with a figure of \$18 million and says that is a fair compensation figure, a fair payout, to allow Crown to get away with not building the lyric theatre, and this minister says, ‘Yep, okay, I do not know who came up with the figure, but I am prepared to sign off on it’. That is one of the most ridiculous statements I have heard from a minister.

I have appeared as a minister before the Public Accounts and Estimates Committee, and I know that leading questions are asked and ministers are expected to answer them honestly and to the best of their ability. If the Minister for Gaming attached those criteria to the question he was asked — that is, to the best of his ability and honestly — then one would have to say the minister should be sacked today because he is not competent and is hardly honest. I do not believe a minister would not know who put a recommendation in front of him for signature and approval. I do not believe he could not know. I do not believe this minister’s explanation to the Public Accounts and Estimates Committee, and I do not believe that anybody in this state who pays any attention whatsoever to this issue would believe what the minister has said. It is an incredible explanation by a minister who is desperate to avoid scrutiny and desperate to avoid answering questions honestly, and who should be condemned for it.

Who arrived at this figure? All the obvious suspects for arriving at compensation figures of this kind were avoided by this government: the Auditor-General, the Victorian Casino and Gaming Authority, any

independent assessor whatsoever — not one of them was consulted, had their opinion sought or gave reasonable advice. Advice was not given because it was not sought. The government slid around the back door and came up with a cosy deal, clearly one that was initiated by the people on the other side of the arrangement. That is the only conclusion you can come to. It is an agreement that was struck by a government that was prepared to bend over and give whatever was needed to get itself out of this whole arrangement.

The people calling the shots were clearly on the other side. They were Publishing and Broadcasting Ltd people or Crown Casino people. How else can the government explain the fact that for a \$42 million project to not go ahead there is a compensation payment of only \$18 million — and \$18 million to be paid over five years, not even \$18 million up front! — and with the most extraordinary arrangement attached to it about the way Crown will be able to construct ‘an alternative capital development’ of not less than \$42 million in value.

That was the agreement: \$18 million worth of compensation over five years and a \$42 million arrangement for an alternative capital development which, as has already been pointed out to this house, cannot be enforced. It is a phantom \$42 million. It will never ever happen! All the arrangements and all the decisions about what will happen, when it will happen and what the real value of the development will be are all left in the hands of Crown Casino — every part of it!

This is an agreement whereby Crown has signed up to construct an alternative capital development of not less than \$42 million, and if it does not do it for 500 years it will still be in conformity with the agreement. That is a really good agreement! Don't the taxpayers of Victoria come out well from an agreement like that! They will get a discounted \$18 million, because being payable over five years it has to be discounted. As the honourable member for Hawthorn pointed out, the discounted value of that \$18 million to the taxpayers of Victoria is somewhere between \$10 million and \$12 million, so by the time we get the final payment we will have already done nearly half the money — and the \$42 million capital development project will never ever occur.

Somebody on the government side might well say, ‘But hang on, what about the second hotel tower? Doesn't that qualify as part of the \$42 million alternative capital development?’. The answer to that is no, it does not, because it is already under way, it is already part of Crown's plans and it is not part of the lyric theatre compensation or replacement. The \$42 million project

that is referred to in this bill as an alternative capital development is over and above anything that has happened in the past and anything that is happening right now.

I warn members of this house not to fall for any argument that might be bobbed up by somebody in the Labor Party saying that the second hotel tower will meet the second part of this agreement, because it will not meet the second part of this agreement. What we have here is a deal that has been done under the counter and agreed to by a compliant and incompetent government, and worse, by a government that is totally hypocritical in its current attitude to Crown Casino and PBL given its attitude back in the days when it was in opposition.

Honourable members on this side of the house remember only too well that when we were in government and the Labor Party was in opposition we had constant calls for inquiries and royal commissions from frontbench members of the Labor Party, led by the chief thug, the now Attorney-General. That is what he was and that is how he behaved, using disgraceful and awful language to describe Ron Walker and Lloyd Williams and making disgraceful, vile and filthy allegations about those people when he was in opposition.

He was calling for a royal commission, and he had the help of the cheer squad over there in the form of the now Premier and the now Treasurer. What happened when they came into government? Suddenly the royal commission went off the radar screen! Two things happened very quickly when the Labor Party came into government in late 1999: one was that the royal commission into the takeover of Crown by PBL disappeared off the radar screen; and the other was that the honourable member for Niddrie, who was the spokesman on gaming for the then opposition, disappeared off the radar screen as the incoming Minister for Gaming. He was shot sideways so fast that his feet did not hit the floor!

The reason for that was that the new government and the new Premier suddenly understood that what the Attorney-General had been saying as spokesman on gaming for the opposition was not only disgraceful and baseless but was also politically dangerous. They could not afford to have somebody like him as the Minister for Gaming, so they removed him from that portfolio and gave it to the present Minister for Gaming in the hope that he would bring some kind of reasonableness, some kind of commonsense, and more importantly, some kind of decency to the role of Minister for Gaming. He may have brought a few of those things

with him, but one thing he did not bring with him was honesty. His performance before the Public Accounts and Estimates Committee showed that this minister is not prepared to be honest and is not prepared to be transparent, but he certainly is prepared to show himself up as being grossly incompetent.

What happened when this Premier was asked about the inquiry into Crown Casino? On 27 February 2001 the Leader of the Opposition asked a question without notice of the Premier about the second hotel tower and the lyric theatre. The Premier's response is reported at page 10 of volume 450 of *Hansard* as follows:

I am not aware of any change in plans. The government will adhere to the contract as it has been derived, and we do not expect any departure from that.

Earlier that day the Premier had been asked a question about the Crown Casino inquiry by the Leader of the Opposition, and he said, 'We have released the documents so we don't think there is any need to go into it'. What a cop-out and what a let-out after all the things that had been said at that time by the honourable member for Niddrie, by the first Leader of the Opposition, who is now Treasurer, and by the second Leader of the Opposition, who is now Premier; and after all the allegations they had made against PBL, Kerry Packer, Lloyd Williams and Ron Walker, none of which were cloaked — all of those allegations were made right out in the open.

If you were looking for transparency from the Labor Party that was the time you got it. It was very transparent in the vileness of its attacks and the way in which it went about character assassination and making disgraceful allegations that all proved to be baseless and false.

Following on from all of that the government has now taken an attitude towards PBL over the question of the future of the lyric theatre of lying down and copping it. We have an arrangement that is discounted in the extreme — that is, an \$18 million compensation payment over five years to allow Crown not to proceed with a project worth \$42 million — and as part of that agreement, as I have said before, Crown Casino at a time of its choosing and whenever it feels like it can build an alternative capital project for \$42 million. Crown can proceed now to not do anything and be totally in compliance with the agreement that this bill will put in place.

This government has now been shown up by this bill as being not only incompetent but grossly hypocritical. The government probably did not expect that this would happen. It would have thought that the bill was a

little bit of housekeeping, a little bit of cleaning up around the edges, and it would have expected it to go through with a few speeches from the opposition about whether Melbourne needed the lyric theatre and whether the arts would get a good deal out of the \$18 million payment that will be made in stages over the next five years.

It must have come as a terrible shock today, particularly for the lead speaker for the government, the honourable member for Mitcham, to discover that both the honourable member for Hawthorn and the Leader of the National Party had drilled to the very core of this issue. As a result, the hypocrites from the Labor Party in opposition have now been exposed and will continue to be exposed.

The bill shows up this government for what it is. While the Liberal Party does not oppose the bill it certainly opposes the gross hypocrisy of the government, including the Minister for Gaming, the Attorney-General and the Premier.

Mr STENSHOLT (Burwood) — I support this bill in spite of the sanctimonious blatherings of the honourable members for Hawthorn and Mornington. The previous government knew about rollovers, because in February last former Premier Kennett admitted it. If anything, the bill shows the incompetence and hypocrisy of the previous government.

The house has had to listen to fantastic exercises in numerology by the honourable members for Hawthorn and Mornington. Their clutter of numbers did not seem to relate to any sound financial or economic analysis on either a net present value basis or on the basis of any shadow pricing assumptions.

Through this set of amendments to the deed of variation the Victorian people will actually gain. What would they have gained under the previous government?

Mr Robinson — A nice round number.

Mr STENSHOLT — Yes — zero! The figure would not have even registered. The house heard long expositions from members opposite about what happened in 1998, but the opposition failed to mention that, when in government, it waived the amount for five years to give that very poor, struggling company a chance to get on its feet.

I might add that the economy has been improving at 3.5 per cent on average over the past 10 years. What did that mean? It meant a forgoing of about \$18 million a year — at least that was the figure given by the

honourable member for Hawthorn. If you multiply that by five it totals about \$90 million, if my maths are correct. But what would Jeff Kennett have given? He would have wiped it off. What would the Victorian public have received? Zero! What will they get through this bill? They will actually receive \$18 million.

What will that amount be applied to? The answer is the arts precinct. In other words, it will be channelled to useful purposes, which was originally the intention — that is, to support the arts in Victoria. There is even more. The bill provides that the promised \$42 million investment in infrastructure will continue to be invested in an alternative project. It will benefit the Victorian public, whereas under the previous government Victorians would have received nothing.

The house has heard expositions from honourable members opposite about various agreements, but the bill shows that the project would have been a complete failure. That in turn demonstrates the failure and incompetence of the opposition when it was in government and shows what Victorians would have faced had the opposition continued in government.

The bill produces an excellent result for Victoria. A lyric theatre will not be built, because the government and Crown have accepted that that would have impacted on other theatres, particularly our heritage theatres. Last Saturday I was at the Regent Theatre, which is one of Melbourne's most significant heritage theatres and well worth preserving.

The bill gives Victoria a win-win-win situation. It is sensible legislation that will help turn the state around and fix the mess left by the previous incompetent and hypocritical government.

Mr SMITH (Glen Waverley) — The debate this afternoon reminds me of the thuggery and hype we heard prior to the last election about the lyric theatre and about the scams that were meant to be going on. The Leader of the National Party and the honourable member for Hawthorn both referred to the questions without notice asked in this place almost daily by the honourable member for Niddrie, then in opposition, and the allegations of corruption and ineptitude that were made day after day about the running of Crown Ltd.

One of the most honest people I have struck in politics would have to be the Honourable Haddon Storey, a former minister in the other place. His name was slurred day after day, as were those of Ron Walker and Lloyd Williams, who, the then opposition claimed, were friends of the Liberal Party but who have since

been embraced by the Labor Party in government. We heard those claims day after day after laborious day.

The claims affected the media, because when you throw mud some of it sticks. I remind the house of the question without notice asked on 22 October 1998 by the honourable member for Niddrie, then the shadow gaming minister. He tried to put a monetary value on a lyric theatre. He said it would amount to \$574 million — an enormous amount of money! As I said, if you make any sort of allegation, some of it will stick.

The then Labor opposition called for a royal commission into the alleged atrocities that had occurred as a result of the establishment and operation of Crown Casino. People reading *Hansard* would have noticed that day after day the matter was raised in the house. It was a mantra that reverberated around the press gallery day after day. If even a small amount of that mud stuck the average voter would have been affected — but I remind the house that this has all been found to be baseless.

The most fascinating fact revealed in the debate today concerns the appearance of the Minister for Gaming before the Public Accounts and Estimates Committee (PAEC) last Friday. What really must happen now — and I call for it — is that the Auditor-General should thoroughly investigate the process by which the Minister for Gaming conducted the negotiations on the present variation.

The Auditor-General has an obligation to Parliament, as he is an officer of this place. His responsibility is to ensure that he conducts a thorough investigation. As the Leader of the National Party said, the minister told the PAEC he did not know how the processes went for the negotiated sale. Was it again done by Graham Richardson on behalf of Kerry Packer over the telephone? We know about the \$100 000 donation to the Labor Party. Is that the way government ministers negotiate, allowing bureaucrats or advisers to do it for them? The Auditor-General has an obligation to Parliament, and indirectly to Victorians, to let everybody know about the real process.

I suspect, as does the Leader of the National Party, that the process was not properly followed. Therefore we have a real case not for a royal commission, which the Labor Party in opposition called for, but for an investigation by the Auditor-General, whose job it is to conduct such inquiries.

I also believe that the honourable member for Mitcham let the cat out of the bag when he said it would not be

viable to have the lyric theatre at Crown Casino. They would not be able to fill the seats! For goodness sake, if a theatre is to be built on another site, as the government has said, surely the government is obliged to ensure that before that is done its own business advisers ensure there is a market demand for it. There is no point in building a white elephant just for the sake of it. There has to be insurance that it works properly.

What we had before was thuggery of the highest order from the honourable member for Mitcham — I meant to say ‘the honourable member for Niddrie’. I withdraw the words ‘honourable member for Mitcham’, because he is such a wimp we could not imagine him doing that!

It is not as if the Attorney-General has turned over a new leaf. Today in the corridor he promised the Honourable Andrew Olexander that he would get his own back for the celebrated story on the front page of today’s *Herald Sun*. That is the way in which the Attorney-General operates, thinking he will intimidate someone like Andrew Olexander. No doubt that was why the government pulled one out of the bag to try to get its own back. That is the way it thinks!

If you have allegations to make, in the first place you have an obligation to ensure they are right rather than relying on one of your staff telling you they might be right; and before you name people in this place you have an obligation to ensure you are right. If the Attorney-General thinks that what that person has done is wrong, he has an obligation to charge them. Therefore we are back to the old rule of — —

Mr Baillieu — You would have thought the first law officer would know that!

Mr SMITH — The honourable member for Hawthorn makes the point that the first law officer should have known it. I am not a bit surprised, because with so many decisions made by this first law officer incompetence comes to mind straightaway.

I see that you are about to bring me back to the bill, Mr Speaker, which of course is why we are here today. The point about the bill and the provisions dealing with the lyric theatre is that they are symptomatic of a government that, firstly, got into power through its own thuggery and intimidation, and secondly, did not know what to do once it got there and had to work on the system used by schoolboy bullies, intimidating members of Parliament in the corridor, in here or wherever.

This government is not fit to be in office. That is why I call on the Auditor-General to thoroughly investigate

the process by which the current Minister for Gaming conducted negotiations on the bill before the house, including how it came into effect. We know the bottom line, and that is why the opposition is not opposing the bill. It is because the government has said the money will go to build a theatre somewhere at some stage. Like everything this government is going to do, it is a matter of when. We wait and wait and wait, as we have done for the start of the Scoresby freeway. But the point at issue here is that this government has been caught out — and, as the honourable member for Mornington said, caught out well and truly — as far as its own integrity and honesty go.

I would also like to know the reasons behind the government’s decision not to hold a royal commission. The opposition has known all along that there was no justification for holding a royal commission, but let’s hear the government’s bumbling answer. This was one of the main platforms pursued by the government in the lead-up to the election. We know that when it got into office it had people going through this day and night trying to find things wrong with it, and they could not find them. There was nothing there!

The government must also have known that to keep on people of integrity and business acumen such as Ron Walker, who is still about. We knew about Ron Walker all along, particularly because of the things he has run for governments in this state. Interestingly enough, he was originally appointed by Joan Kirner when she was the Premier and was kept on by Jeff Kennett and by the current Bracks administration. This type of person was denigrated to the nth degree by the present Attorney-General when he was the shadow Minister for Gaming. Each day he could not resist asking questions during question time about such people.

As the honourable member for Mornington said, this is the epitome of it all. Government members thought they would get away with it! They thought this bill and its technicalities would be only briefly discussed in this place. In point of fact, today we are getting to the bottom of the extraordinarily inept and probably incompetent way in which the government has gone about it. If it is not incompetent then it is probably more than that, and that is what I want the Auditor-General to look into. As I said, I am personally calling on the Auditor-General to conduct an inquiry into the processes involved in this. I want him to investigate how the Minister for Gaming conducted the negotiations — who said what and whether things were done properly. In my opinion he needs to do this as a matter of urgency.

The opposition is not going to oppose the bill, but it has highlighted where this government is going and what its shortfalls are. During the previous Parliament the honourable member for Niddrie asked the Premier about Crown Casino and tax concessions. He asked:

... will he now rule out using the Parliament to waive those fines for the remaining 30 years of the licence — a waiver that would amount to a \$574 million taxpayer gift to his mates at Crown?

The Premier of the day, the Honourable Jeff Kennett, said that the honourable member for Niddrie:

... hates and loathes success.

... what Crown Casino and the Crown entertainment centre has brought to Victoria or this wonderfully successful government — the honourable member just hates success!

Mr Kennett went on to say:

Like any other large shareholder in any public company in Australia, Mr Packer is entitled to put to that company any views he may wish. Unfortunately, Mr Packer does not —

The honourable member for Williamstown interjected, 'Pay tax!', to which Mr Kennett's response was:

Again, you're wrong! The honourable member for Williamstown interjects inanely that Mr Packer does not pay tax.

Mr Packer must have loved that when he gave Labor \$100 000 at some stage after it got into government. Mr Kennett then said:

That is not so. He pays tax on a range of business organisations. He also pays payroll tax in this state, because he employs many people at Channel 9 and elsewhere. That is the sort of inane interjection from the wet-behind-the-ears member for Williamstown that ensures that the opposition will remain irrelevant to the community.

Mr Kennett went on to say of Crown Casino:

It may make submissions, it may not. It is entirely up to Crown. If Crown makes its application for change, as it has in the past, it will go through the gaming authority, as it has done in the past.

The bill before the house — —

Mr Trezise interjected.

Mr SMITH — Do I still have the floor? I thought with the noise coming from over there that perhaps the honourable member for Geelong had the call!

What we need in this place — —

Mr Trezise — On a point of order, Mr Speaker, on the question of relevance, Jeff Kennett is irrelevant because he is no longer here. What the honourable

member for Glen Waverley is talking about is irrelevant to the bill.

The SPEAKER — Order! The latter part of that point of order is out of order. In regard to the earlier part, I do not uphold the point of order.

Mr SMITH — In conclusion, everything we have heard this afternoon from the Leader of the National Party and the honourable members for Hawthorn and Mornington shows that this government is nothing like what it cracks itself up to be and its spin doctors want it to be. It seems to everybody who has anything to do with it that this government is a government of bumbling incompetence that is not able to run things properly. Even the way the negotiations were conducted with Publishing and Broadcasting Ltd to reach the agreements in the bill — —

Mr Robinson interjected.

Mr SMITH — The honourable member for Mitcham is back in here. He let the cat out of the bag about the real intent of the bill, and he showed a lack of business acumen in trying to defend the indefensible. We have reached the stage where people have lost confidence in this government. We need an inquiry to investigate where the government is going, particularly on this bill, and that is what I am calling on the Auditor-General to carry out.

Mrs MADDIGAN (Essendon) — What an extraordinary line the Liberal opposition is running today! We have heard a lot about what was said at the Public Accounts and Estimates Committee, mainly of course from members who were not at the hearing. The opposition's reports of what happened remind me very much of that children's game where you whisper a sentence in the first person's ear and they whisper the same sentence to the next person and so on through about 10 other people, because you find that what comes out in the end is totally different from what you started off with. What members opposite have said today is very much like that.

This gives us a very interesting view of how the Liberal Party operates. We listened to the honourable member for Glen Waverley, who wants the Auditor-General to investigate. Members opposite have said that they think there is something wrong with the way this deal was organised and that it should have been done a different way, although it was done through Treasury in the normal way.

Members opposite say they are so concerned that they are going to ask the Auditor-General to look at the process — but they are still going to vote in favour of

the bill. What an extraordinary approach to a bill! It makes you think, quite rightly, that the Liberal Party is probably very pleased that this bill has been introduced, because it takes some of the emphasis off the very strange behaviour of the former Premier when the Liberal Party was attempting to run the state of Victoria.

Interestingly enough, it is almost six years to the day since, in answer to a question from the honourable member for Caulfield on 28 May 1996, the then Premier announced the proposed construction of this glorious lyric theatre. The former Premier told the house what a wonderful place it would be and what wonderful shows would be put on there. He guaranteed that he had a wonderful system in place whereby if the theatre was not built by 1999 a huge fine would be paid.

When the present Leader of the National Party contributed to that debate he concurred that that would be a great incentive to ensure that Crown built the theatre on time. We all know that the lyric theatre was proposed in the first place as a sweetener for the Crown Casino legislation. If you were really sincere about having a lyric theatre you would have built it at the same time as the casino. That happened with the Star City Casino in New South Wales, where under a Labor government the lyric theatre opened before the casino did. If the former government had been sincere about building the lyric theatre it would have convinced the former Premier not to come in here in 1999 with a bill to put it off until 2003.

If the Liberal Party were still sitting on this side some time later in this sitting we would have had another casino amendment bill putting off the completion time for another four or five years down the track. There was never any intention to build a lyric theatre, as everybody knows. That was made clear by the fact that, as we all recall, the former Premier was also the Minister for the Arts. He and I and everybody else knew that the Melbourne arts community was totally opposed to the building of a lyric theatre at Crown Casino. As the Minister for the Arts I am sure he would have taken that into account.

The City of Melbourne and previous governments had developed a theatre complex up this end of the city. That was the heart of Melbourne's theatrical and other activities, so building a lyric theatre down the other end of the city could have had a quite disastrous effect on this area. That is quite apart from the fact that nobody was able to demonstrate a need for a 1800-seat theatre except the former Premier, who thought *Miss Saigon* could be put on down there, complete with a flying

helicopter. That was his grand plan for the 1800-seat lyric theatre; that was his idea of good entertainment.

It was fairly obvious from the start that Crown Casino never intended to build the lyric theatre and the Kennett government never expected it to. It was about trying to make Crown Casino look attractive to the people of Victoria. I think Crown would have had to do considerably more than build a lyric theatre to make it attractive to large proportion of Victorians, but that is truth of the matter.

As the honourable members for Mitcham and Burwood pointed out, we could have sat here forever without a lyric theatre and without any compensation for the people of Victoria. If the former Premier had been sincere, he would have been charging Crown \$50 000 a day from the end of 1999, not putting bills through this Parliament to put off that date for another four years. If the Liberals were still in government nothing would have been done.

In a perfectly appropriate manner using perfectly appropriate whole-of-government provisions this government has established an agreement with Crown Casino whereby \$18 million will be paid and another arts facility of some kind will be built in the future. I think we can say that the people of Victoria will be very pleased. I am sure this is why members opposite keep bringing up the Public Accounts and Estimates Committee hearing, even though they were not there. They are trying to take away from the fact that the decision reflected in this bill is a very good outcome for the people of Victoria. We should congratulate the Minister for Gaming on his work in coming to this arrangement. He has done far more than would ever have been achieved under the previous government.

I will finish by once again saying to those members opposite who have stood there misrepresenting to a certain extent what was said at the Public Accounts and Estimates Committee hearing that I cannot understand how they can suggest that this process has been outrageous, or how the honourable member for Glen Waverley can insist that he is going to see the Auditor-General, when they are still going to vote for the bill. It seems to me that if they were really concerned about this they would vote against the bill.

Mr MULDER (Polwarth) — I rise to make a contribution in relation to the Casino (Management Agreement) (Amendment) Bill. I open by saying what a difference a day makes; what an absolute difference a day makes in relation to the government's change in attitude to Crown Casino and the change in attitude to

gambling which it has taken on board since coming to power.

I was not in the house at the time that many of these decisions were made, and I can only take up the media commentary in relation to the then opposition's absolute hatred of gambling, hatred of the casino, hatred of the proponents of the casino and hatred of the people who were successful in relation to the casino application in Victoria, and its overall condemnation of the entire process. But what an absolute difference a day makes!

It is public record where the Attorney-General stands in relation to the people involved in the Crown Casino bid and the successful tendering process of the Crown complex: what he thought about them, what he was going to do to them, and the royal commissions and investigations that would take place in relation to that entire process. But what a difference a day makes; what an absolute difference a day makes! In a day government members have gone from being haters of gambling and haters of Crown to being the mates of gambling and the mates of Crown. What a difference a day makes to this Labor government, which was never going to be reliant on gambling, never going to be reliant on Crown and was going to be open, honest and transparent in all its dealings.

When it came to power the government found itself in the embarrassing situation of having the greatest opponent of gaming in a position where he would have to negotiate with Crown Casino. What did the government do when it found itself in this totally embarrassing situation with the Attorney-General having to negotiate these processes from this point forward with Crown? It said, 'This man has baggage'. I would not call him Hullsy the Hack, but many other people would. He had too much baggage to negotiate with Crown Casino, and he was pushed aside because it was going to be too hard for him to swallow all the garbage he had dribbled out over the years in opposition — the attacks he was going to make if the Labor Party came to government, what he was and was not going to do to Crown Casino. But he had to crawl under a log somewhere; he could not do it. He was pushed aside. He is no longer the minister and the negotiation processes now take place with another minister.

It is interesting to look back at some of the contributions made in relation to Crown Casino by members of the then opposition. The now Attorney-General said, 'Enough is enough, no more favours, no more gifts, no more handouts, no more concessions — the Casino must sink or swim on its

own'. What do we find now? We find the stinking underhanded deals of the Labor government are starting to come out. What are their words worth? The answer is nothing. What did the Treasurer have to say about Crown when in opposition? He said that the failure to proceed with the lyric theatre made the government nothing more than a puppet of Lloyd Williams and the Crown Casino.

One need look only at the payment structure put in place by the Labor government in this bill. The company has agreed to pay \$18 million. What is the value of that \$18 million over the period in which the payments will be made? It probably represents somewhere in the order of \$10 million to \$12 million net present value with five years to pay, and when you look at some of the tax issues related to the payment, \$5 million to \$6 million after tax deductibility processes. What sort of a deal is that, and how easily has Crown been allowed to walk away from this entire process?

Clause 5 of the agreement contained in the bill itself deals with the alternative project. It says:

The company agrees to construct or procure an alternative project the nature and the timing of which is to be determined at the sole discretion of the company.

I do not know who drew up this agreement. The Minister for Gaming says that the Public Accounts and Estimates Committee knew absolutely nothing about it. I do not know who drew up the arrangement or who drafted it, nor do I know who took part in the negotiations but it was not me. The minister responsible has no idea who has been involved in this entire process.

Can you imagine if you were looking for an agreement with the best outcome for yourself and you went to a legal firm and said, 'I have a scenario. I wish to obtain the best outcome for myself in negotiations. Would you prepare a proposal for me?'. How would you like it if something like this was put forward to you; how would you like it if they were drafting a pre-nuptial agreement for you and something like this was what they put forward?

The agreement states that you can construct or procure an alternative project. Is it a car park; is it a brothel; what is it? Some honourable members on the other side have said it is an alternative arts project. Can they show me where it says that in the bill. It does not say it at all. The company can do anything it likes whenever it likes, or it does not have to do it at all and there is no fall-back position. What an outrageous situation for a government to agree to. The Minister for Gaming says

that he had nothing to do with it. If it was not the minister, who on earth could put this forward as an alternative to the payment that could and should have come to the state. Who could negotiate a process that allows Crown to walk away and never fulfil its agreement that last year the Premier said was not to be renegotiated. He said he knew nothing about any plans to alter the agreement and that as far as he was concerned Crown Casino would abide by its contract — it would build a theatre, it would not be let off, it had to abide by the agreement in place.

During that time who on the government side was negotiating this legislation, this process, this provision in the bill which virtually says, 'What we will allow you to do is decide if or when you want to build something, or if or when you don't. That is what we call a strong binding agreement that will certainly return something to the state. There is no doubt that the previous agreement was too tough and too hard. We will put you in the position today that you can, at will, decide if you wish to proceed with an alternative project. It does not have to be arts or a theatre; in fact it does not have to be anything at all. Make your mind up, give us a bell, a nudge and a wink. We'll let you know and we'll help to process all your planning permits and other documentation. But if we don't hear from you it doesn't really matter because you don't have to go ahead with it anyway'.

That is the sort of agreement we have in front of us. When you think of it, if the lyric theatre had been allowed to proceed, the Minister for Major Projects may have actually had a major project in his term as minister — that is, if he had not allowed the whole thing to fall over.

In conclusion I say what a difference a day makes — going from opposition into government and being faced with this scenario. The Attorney-General is out the door. The government says, 'We have to get someone a little bit softer in terms of their approach with the Packers because they are now in control of this scenario. We can't have anyone rocking the boat. We know a bit of a hand behind the back with an envelope came forward to the Labor Party very early in the negotiations to soften the water and make way for these very sensitive negotiations to take place'. What we have here today is what we always knew would happen: a government wholly and solely dependent on gambling; a government that is taking even more gambling dollars out of the pockets of Victorians on a day-to-day basis; a government that is great mates with Crown Casino; and a government that makes soft deals that allow Crown to walk away from an agreement that would have put valuable dollars into the state, money

that could have gone into infrastructure in rural and regional Victoria. As I said, what a difference a day makes!

Mr TREZISE (Geelong) — I am happy to support the Casino (Management Agreement) (Amendment) Bill. I note that the opposition is also supporting the bill, once you cut through the rubbish, the rhetoric and the grandstanding that has taken place over the last hour or so. No doubt the opposition is supporting the bill because it knows that this is a commonsense outcome which is advantageous not only for this government but also for the people of Victoria. This bill essentially puts in place an outcome that is a win-win situation for all parties concerned: Crown Casino, the government and, importantly, the people of Victoria.

My reading of this bill reveals that it has three key elements and these are contained in the agreement between the government and Crown Casino. The first part of the bill releases Crown from its previous contractual obligation to build the lyric theatre. This arrangement in itself is of benefit not only to Crown but also to the state and the people of Victoria. It is of benefit to the state in that the construction of the lyric theatre at Crown would have severely affected the theatre industry in Melbourne. Therefore, in essence this assists, protects and bolsters Melbourne's theatre precinct and theatre industry.

The second part of this bill that provides a benefit to both Crown and the state is the agreement for Crown to pay the state \$18 million over a six-year period and we have heard much about this payment during the debate today. This payment essentially releases Crown from its contractual obligation to build the theatre whilst the \$18 million, importantly, will be spent in a major arts project on the Yarra River.

The third part of the bill, which ratifies the seventh deed of variation, is Crown Casino's requirement to bring on an alternative capital development. This development will be to the value of at least \$42 million, which was the value of the lyric theatre. It will be Crown's responsibility to ensure that all permits et cetera are in place before and during the construction of this project.

As I said, the bill puts in place the seventh deed of variation of the management agreement of the casino complex. It is importantly a win-win outcome for Crown, the government, and the people of Victoria. As such, I commend the bill to the house.

Mr McINTOSH (Kew) — I wish to clarify one matter raised by the honourable member for Geelong — that it is a win-win situation we are

supporting. I make it perfectly clear that the opposition is not opposing this bill because it does not want to necessarily frustrate this matter, but there are a number of grave concerns about the operation of the bill. We under no circumstances support the bill or commend it to the house.

This bill is about a deed of variation to the original contracts that existed between the government and the Melbourne casino relating to the building of the lyric theatre. I was in the house when the honourable member for Mitcham raised the proposition that the previous government did not know what the lyric theatre looked like. Part of the original arrangement entered into between the government and the Melbourne casino was the building of an 1800-seat theatre as part of that complex. There were penalties in place in the event that it was not built. It was part of the original package the casino wanted to build on the site, and necessarily there were penalty clauses that related to the situation. Most importantly in relation to this bill, notwithstanding Labor's comments and behaviour in opposition, when it was highly critical of the tendering process, all of which amounted to nought — it was a waste of time and effort — we had an almost pristine tendering process. There was nothing there and the royal commission proposal just evaporated.

The honourable member for Niddrie, who is now Attorney-General, as the shadow Minister for Gaming was running around the countryside criticising the previous government in relation to the lyric theatre, and talking about a value of something in the order of \$574 million in the event that it fell over. Now the reality of the government's actions demonstrates quite a different behaviour pattern.

I have heard people say that perhaps there was some correlation between Publishing and Broadcasting Ltd making a large donation to the Labor Party in the dying days of the Kennett caretaker government, just before the Frankston East by-election. There could be some suggestion there was nefarious behaviour between the two, but I do not think so. It comes down to demonstrating what an incompetent government we have here in Victoria — and incompetent in a large number of ways.

The Minister for Gaming is sitting at the table. In a previous guise he was the minister for major projects. He is probably the only minister in the whole of his tenure who did nothing, had no major projects — none, zip, nought! Again we have a demonstration that this minister has no handle on his portfolio. When he went before the Public Accounts and Estimates Committee he was asked about the \$18 million payment. He does

not have any idea of what is going on. He did not know who negotiated it, although he signed it, what it was for or otherwise. It is incredible!

The minister also wants to sign off on this open-ended \$42 million scheme. As the honourable member for Gippsland South said, even the most basic fundamental legal perusal of this proposition demonstrates its absurdity. There are no penalty provisions in the event that this magnificent edifice is not built. We do not know what it looks like; we certainly do not know what colour it will be. Maybe the minister has some idea of what the edifice will look like. We do not know of what it will be made and we do not really know where it will be. It could be a car park, a brothel, another casino, a bridge or a road — nobody really knows — yet this minister has signed off on this proposal. They have taken the minister in hook, line and sinker!

One could suspect some nefarious dealings, but I do not. I think it is just incompetence on the part of this minister. Maybe it is the minister's own public service setting him up so that he will look embarrassed — and he looks really embarrassed about this! He has no idea about this deal. Not only does he not know what this thing will look like — what colour it will be, where it will be, what it will do — what is more he does not even know how he will enforce this requirement. There is no enforcement provision. There is absolutely no obligation on the casino to actually build this \$42 million edifice. The minister does not know what it is. It is at the sole discretion of the casino.

The minister has taken \$18 million. What a depreciation from the high of \$574 million put by the shadow gaming minister in the previous opposition — \$574 million down to \$18 million! There seems to be utter confusion. Notwithstanding that the Auditor-General reported on this particular matter in about June 2000 when these matters were under review, in February last year the Premier indicated it had not been the subject of any negotiation, yet something was happening there. Certainly the Minister for Gaming has no idea of what has been going on. He does not even know who is negotiating it or how it is being negotiated. The responsible minister in the other place does not know how to answer the questions about who is responsible, yet this deal has been signed off.

The most important thing, and I reiterate it for the benefit of the honourable member for Geelong who is no longer in the house, is that this is not being supported by the opposition. We are not opposing it.

Mr Robinson — Make a decision!

Mr McIntosh — The honourable member for Mitcham yells out, ‘Make a decision’. Why don’t you people make a decision rather than selling out this state?

This is another indication of the government’s disgraceful behaviour, inaction and inability to deal with commercial realities. It has sold out this state. The Minister for Gaming is now doing the job. His previous job was as Minister for Major Projects and Tourism, and he is the only minister for major projects who can gleefully claim he had no projects. This is a disgraceful decision. I do not think it is based on any degree of nefarious behaviour — I am not ascribing to that for 1 minute — but it is a classic demonstration of an incompetent government that has no capacity to rule this state and is still living off the good years of the Kennett government.

Mr Mildenhall (Footscray) — I take a deal of pleasure in participating in this debate. I am surprised the debate is still going. Based on the revelation provided by the honourable member for Mitcham I thought the criticism of the government being offered by opposition members would have evaporated at a quick rate when they heard what their former and still revered leader was up to.

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Kew has had his go.

Mr Mildenhall — This simple bill deals with the provisions that the government is making in an agreement with Crown Casino to relieve it of the obligation to build the Lyric theatre and to collect in return \$18 million for the arts precinct in the Southbank area, and in addition to that the completion of some capital works on the casino site to the value of at least \$42 million in present terms. This is obviously a sensible outcome of the negotiations, discussions and analysis conducted by both the former government and this government.

If there is anything that demonstrates the different approaches by the respective governments it is this episode. On its part the Bracks government had an analysis undertaken by Arthur Anderson on what the impact would have been had the Lyric theatre gone ahead. We have responded to representations made to the government by operators of theatre facilities around Melbourne, and indeed by the casino itself. All the arrows were pointing in the same direction — that it would not be in the best interests of either the existing

arts industry or the casino had the original deal proceeded. So the representations were made, the analysis was done, the negotiations were concluded and the details of this legislation are out there and open to public scrutiny.

Compare and contrast that with the behind-the-scenes discussions that were going on between the previous Premier and the casino as evidenced by that extraordinary discussion held in February this year between Mr Kennett and Gary O’Neill, when the former Premier revealed that the Kennett government had planned to relieve the casino of its contractual obligations under the legislation. The Bracks government’s actions have been clear and transparent. The Kennett government’s discussions were obviously conducted with a wink and a nod behind closed doors, and the deal was done.

This bill, combined with the evidence from the transcript of that radio interview, demonstrates that on present-day values and comparing this deal with the deal that Mr Kennett had concluded with Crown Casino the Victorian community will be better off to the tune of \$18 million cash and \$42 million worth of capital works than it would have been had the previous government stayed in office. That is an extraordinary difference, and I am sure any reasonable member of the community would say, ‘Thank God that Mr Bracks and his government were elected so we can get value for money, we can have these agreements and arrangements out in the open for all to see, and we do not have those secret, funny-money deals being done behind the scenes between Mr Kennett and Crown Casino’.

This legislation is a step in the right direction. Out of it the community will receive a very significant contribution to the Dame Elizabeth Murdoch recital hall. This will be another major cultural institution in the arts precinct in the Southbank area that must by now be becoming a landmark not only in Australia but in the world because of its quality, diversity and the quality of the product that comes out of it. I must say that the previous government assisted with the developments in that area, but this legislation and this monetary contribution will ensure that that precinct will continue to be enhanced. Partnerships with the philanthropic sector were obviously formed and will continue to be formed and strengthened and the whole community will benefit.

One of the very pleasant parts of my responsibilities as the Premier’s parliamentary secretary and having a certain involvement in the arts portfolio has been to observe the developments in that area and to witness

first hand the quality of the product. It is something that all Victorians should be proud of. It probably presents some contrasts to the less wholesome activities that make up a lot of the base products of the casino's operation. It is a tale of two cities within the same precinct, but each to his own taste. Plenty of my constituents participate in activities at each end of that precinct, and they all seem to have a good time. They are often seen celebrating the recent victories of the Western Bulldogs!

It is a great pleasure to support this legislation. I am somewhat astonished at the criticisms of it by the opposition, particularly in the light of the secret deal that the former Premier did with Crown Casino. I would have thought that after that revelation it would have been appropriate for the opposition to quietly withdraw from this debate, allow the legislation to go through, put it down as one of those seedier episodes that characterised the opposition's term in government and get on to the next piece of legislation to save on the amount of time we are all going to spend in this place this week and next. This shows both the stronger points of the Bracks government and the less wholesome aspects that characterise those years of the Kennett government.

I wish the bill a speedy passage so that the benefits may flow to the Victorian community in the very near future.

Mr LUPTON (Knox) — The honourable member for Footscray indicated that this is a simple bill, which it is. The second-reading speech fits on one and a quarter pages and the bill itself is quite thin. However, the implications of what this bill is going to do cause a great deal of concern.

Previous speakers have indicated that negotiations have taken place, but apparently nobody knows who conducted the negotiations. We are talking about an amount of \$18 million which will be given to the people of Victoria. It will be a wonderful boon. But if you look at the tax implications of what that cost will finish up being to the Crown Casino, I think you will find the \$18 million is a totally different concept. The overall cost to the Crown Casino will not be \$18 million.

I will go firstly to the second-reading speech. I will not quote it, but it states that Crown will pay \$18 million over five years, not straightaway. As I said, the tax implications will make it much less for Crown eventually.

The contribution will be allocated towards a major arts project in the arts precinct on the Yarra River, yet nowhere in this bill are we told what the building will be, where it will be, what size it will be, what use it will have, what colour it will be, what it will be made of or how high or small it will be. The bill provides no penalties if this thing never takes effect, yet we were told in the second-reading speech that this particular facility was going to be a major arts complex. Nothing in the bill verifies that.

I have concerns about the Minister for the Arts. Looking at the magnificent work she has done with the Federation Arch, if we are going to leave it to that same minister to determine the supposed future arts complex, which is to be built over five years as a result of this \$18 million, I wonder what this contribution is going to finish up as. If it is to be an arts complex somewhere down the track, I wonder what we will be left with. Her capability as an arts minister has not exactly endeared her to all the people of Victoria.

The project has, as I said, no penalties attached. What happens if Crown does not proceed with it? There is no provision in the bill for what would happen. While there was some penalty of \$50 000 a day for non-completion of the theatre, there is no penalty in the bill if this project does not take effect. The Attorney-General, when in opposition — although he is now the top law-maker in the state — was also the shadow Minister for Gaming. I quote from *Hansard* of 13 November 1998 when the honourable member said:

... Enough's enough, no more favours, no more gifts, no more handouts, no more concessions; the casino has to sink or swim on its own merits ...

He was speaking in debate on the Gaming Acts (Further Amendment) Bill. I quote again from the same speech:

The bill represents the most extraordinary use of the parliamentary process to bestow a financial advantage on the government's business mates that this Parliament has ever seen.

That is what the opposition spokesman for gaming was talking about then — and bear in mind he is now the state's no. 1 lawman; but because of the way he behaved as the shadow Minister for Gaming he got the boot from that portfolio and it was given to somebody else. In the current government a minister for gaming he cannot be, because the government has done too many deals with Crown Casino, and there has been too much money in the back pocket of the Australian Labor Party from the current owners of Crown Casino. I quote again from the same speech by the same honourable member:

... there is absolutely no reason for the Victorian government not to hold Crown to the conditions of its licence, or at least require some form of stiff penalty for not building the hotel, if not quite \$50 000 a day forever as the licence requires.

Back in 1998 the then shadow Minister for Gaming was abusing, kicking and vilifying anyone who had anything to do with Crown Casino, or anyone who had anything to do with the Liberal Party. You may recall, Mr Acting Speaker, how the same person ripped into and tore to shreds the likes of Lloyd Williams and Ron Walker. And yet this government, of which that shadow minister is a member, has now taken up and embraced Ron Walker to the extent that he is now part of one of its major organisations.

Why? Because he is a good bloke. Yet when Labor members were in opposition all they wanted to do was denigrate, belittle and vilify that person. There was no attempt to turn around and recognise the worth of the man and what he did for Victoria. All they wanted to do was abuse him, cut him down and ridicule him. While he was big enough to stand up for himself the fact is that it was a personal attack on a man who did not deserve it and should not have suffered that sort of abuse from a member of Parliament who was then shadow Minister for Gaming and is now not fit to carry out that role, as decided by the government.

In February 2001 the current Premier said no negotiations were to take place as far as Crown was concerned. From what we can ascertain from the debate that has taken place here nobody knows who conducted the negotiations. Yet there will be a donation of \$18 million over five years to this government and to the people of Victoria. After the tax breaks and so on the figure will be much less, probably about \$6 million or \$7 million.

The Auditor-General first reported in November 2000 on the Crown Casino request of June 2000 for variations to particular aspects. It was looked at by the Auditor-General then; and yet the government now does not know who did the negotiations. Apparently it is just a *fait accompli*. The negotiations have been carried out to construct a building — sorry, you cannot say ‘building’ because we don’t know what it is, how big it will be, or where, what colour or what size it will be. We do not know what it is. There is nothing in the bill that defines what the building will be.

What are the penalties if Crown does not proceed with it? That should be a real concern to the people of Victoria. What is the building going to be, and what happens if it never eventuates? The bill does not provide for any penalties whatsoever to be brought

down against Crown Casino if the facility never eventuates.

I have great difficulty accepting the fact that we are going to proceed with the bill the way it is. It represents a complete and utter turnaround by the government compared to what it wanted to do in opposition and what it said and believed about Crown Casino and its owners or anyone who had anything to do with Crown Casino, despite what Crown provided to Victoria. The casino people were ridiculed, abused and belittled, and all under parliamentary privilege.

The government did not give the gaming portfolio to the former shadow Minister for Gaming because he had put Crown Casino so far offside that it was no longer funny, and now there has been a complete reversal of roles. The government has sold itself out for \$18 million over five years. It is letting Crown Casino off the hook, because this bill does not provide for any penalty if the development never eventuates, and it does not provide for what will be built, how big it will be, what colour it will be and what its uses will be. It could even be a car park! At no stage does this bill make any provision for what is to happen in relation to the requirement of Crown Casino to build something.

I have very real concerns about this. I believe the bill is flawed, and while the honourable member for Footscray and other members have said it is simple, I believe it has more holes in it than a Swiss cheese — and it stinks as badly as a Swiss cheese.

Mr CLARK (Box Hill) — I will say a few words about this bill to reinforce some of the points that have been made previously on this side of the house. I approach this bill from the point of view of an ex-lawyer. What catches my eye about it are the provisions set out in schedule 8, which is to be inserted into the Casino (Management Agreement) Act 1993 by clause 6. Schedule 8 incorporates the seventh deed of variation to the management agreement for the Melbourne casino project. What strikes me about clause 5 of that deed of variation relating to the alternative project is the non-legal language that appears in it, which is clearly not there for legal purposes *per se* but to provide some form of window-dressing.

Another thing that concerns me is that when you boil it all down, this clause of the deed of variation is completely unenforceable by the government because it contains no provision for the time in which the alternative project is to be undertaken, except to say in clause 5.1:

The Company agrees to construct or procure an alternative project the nature and the timing of which is to be determined at the sole discretion of the Company.

When the clause says that the timing is to be determined at the sole discretion of the company, it appears to be saying emphatically that the company has complete discretion as to when the alternative project is to be undertaken. If the clause were silent it could well be concluded that the alternative project had to be constructed within a reasonable time, but because the clause expressly provides that the timing is to be determined at the sole discretion of the company it would seem to mean exactly that, so if the company determines in its sole discretion that the timing is to be put off indefinitely there would seem to be no remedy for the government in this clause.

Similarly clause 5.2 of the deed of variation has a reference to a cost of constructing the lyric theatre of \$42 million, and then the further words:

... the amount determined on 9 March 2001 by a quantity surveyor appointed by the State.

Again, why is this wording in the agreement? What legal efficacy does it have?

To date there has been no explanation from the government about that. It does not seem to have sunk into the government's head that the same standards of accountability apply to it as it argued should have applied to others. The more the honourable member for Footscray stands up and makes innuendoes about the previous government, the more he reinforces the need for a high standard of accountability on the part of the present government.

The facts on the public record are clear. The present government received a sizeable donation from Publishing and Broadcasting Ltd or its associated interests in the form of a donation to the ALP, and despite the vilification it previously heaped on the casino complex, numerous Labor Party fundraisers are now held there. The government has to be fully accountable about its dealings with the casino and, indeed, with other parties with whom it has dealings.

What causes the Liberal opposition to continue to press this point in particular is that the more it fails to get answers to what are seemingly simple questions, the more its cause for concern grows. We have had nothing to date from the minister in either the second-reading speech or in any other forum to explain what exactly is going on with this alternative project, why the government agreed to provisions that appear to make it a total nonsense, what the reference to 9 March 2001 is about, who conducted the negotiations on behalf of the

government and how long they took, and what legal or commercial advice the government had. All we have got is waffle by way of the answers to those questions and the many other questions raised by the honourable member for Hawthorn.

The minister is in the chamber. He is in a position to close the second-reading debate and give the answers to all the questions that the opposition has posed. I certainly hope the minister will take the opportunity in closing the debate to give those very answers.

Mr PANDAZOPOULOS (Minister for Gaming) — I thank those honourable members who took part in the debate. Obviously the opposition is saying that despite all the issues it is raising it will be voting for this bill, which gives rise to doubts about the politics it is playing.

Let's go back to basics and recall where we are at. Originally there was a Casino (Management Agreement) Act — and honourable members will notice the word 'agreement'. The act requires that any changes made to it are to be made by agreement between the parties. That act was the previous government's legislation.

The original owners of Crown Casino were required to build the lyric theatre by 1999, and that requirement was changed to 2003 for whatever reason. Comments have been made about why there was never a royal commission, but an audit inquiry was actually conducted, and this government released all the casino documents.

We will never really know why the lyric theatre was ever thrown into the agreement and whether the original owners of Crown Casino ever intended to build it. The fact is that the new owners do not want to build it, and the government agrees with their point of view for one reason — that is, simply because of the impact it would have on the arts industry.

The government has invested in the arts industry, and previous governments have certainly invested in places like the Regent Theatre as major projects. If in a public sense the opposition wants to centralise the performing arts in the Crown Casino complex, thereby giving it a huge benefit to the disadvantage of the rest of the arts industry, it can then oppose the bill and the lyric theatre will get built.

As the former Premier said on his own radio program, at the time the previous government entered into this agreement the arts industry lobbied against the lyric theatre, and that lobbying has continued since we have been in government. The government has been

concerned to protect the state investment that has gone into arts facilities, and it is concerned that if places like the Princess Theatre and the Victorian Arts Centre start suffering financially the operators will be coming back to the government for financial support, because that is what they would be doing.

The government obviously had to consider all those measures and then decide whether it agreed with the consultant's report commissioned by Crown which found that the project would damage the arts industry. The fact is that the government has agreed, but it wanted to ensure that it got a good outcome for Victorians and for the arts. While nothing in the bill says where the \$18 million contribution will go, there have obviously been press releases around that issue, and it is clear that the government will be supporting those arts facilities.

The government chose to put funding into facilities that do not exist now but which will complement the arts — things such as a recital hall and a home for the Melbourne Theatre Company, a theatre group that has been around for a while. In effect we want to complete the arts projects that Melbourne is missing. I agree that the government is getting part of that money from Crown. Those projects will cost about \$61 million and Crown will provide in effect the equivalent of one year's fines — it does not have to build the lyric theatre — to go into complementary arts projects. The government believes that is a good public outcome.

The proposal talks about an alternative project. The government had a choice between letting the lyric theatre be built, or accepting a range of payments to the state and trying to ensure Crown was tied to an alternative project. As to whether the lyric theatre should progress — and the second hotel tower is under construction — the government had to decide whether it waited until it was satisfied about an alternative capital project, or whether in continuing negotiations the government weakens its position in what it may be able to get for the state by waiting for a longer period, noting that the time is ticking away until 30 November next year when the lyric theatre was to be built. Through the bill the government has tied Crown to an alternative project.

Mr Ryan interjected.

Mr PANDAZOPOULOS — The Leader of the National Party and opposition members say it is unenforceable, but has anyone opposite moved an amendment to have something included in the bill? No. The opposition says it is prepared to raise these issues and not, in effect, vote for the bill. Although the

opposition and National Party have doubts about certain areas, they will not try to amend it. One must question their credibility on these matters.

As the bill says, the alternative project has to be in the vicinity of Crown Casino. We want an alternative project because we wanted some time in the future — and the government solicitor has advised that it is about a reasonable time frame — to gain an economic benefit from the construction value of an alternative project. The obligation is on Crown, as it states in the bill. If the opposition or the National Party want to improve it they could move an amendment.

Mr Ryan interjected.

Mr PANDAZOPOULOS — It is part of the agreement, because in the end that is the legislation we inherited from the previous government. Nothing will change unless there is agreement. If there is agreement, the government is prepared to bring it before the house for consideration. If the house knocks it off, fine, the lyric theatre will be built.

I am concerned that the opposition comes in here and says all sorts of things knowing full well that the previous Premier, on his own radio program, recently said that Crown would get off scot-free for not having to build the lyric theatre. Any outcome this government negotiates, even if it is for only \$1, is a better outcome than the previous government could have delivered. The test is not what the opposition says now, but more on what the former Premier said on his radio program. I have no doubt that that is the test.

Mr Ryan interjected.

Mr PANDAZOPOULOS — No. One would imagine that what the former Premier says on radio, which is obviously documented, is highly important and relevant to this debate and to whether there is a good outcome for Victoria. This announcement has been applauded by the arts industry. It will return a cash benefit to the state as well as an alternative capital project to the equivalent construction value that was obviously set at the time the project was valued at \$42 million in 2001. The house has a choice whether to support the bill. The government believes, on balance, it is a fair outcome and I thank all honourable members who have been involved in the debate. I urge the house to support the bill.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

ADVENTURE ACTIVITIES PROTECTION BILL

Introduction and first reading

Received from Council.

Read first time on motion of Ms ASHER (Brighton).

Ms ASHER (Brighton) — I move:

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

Leave refused.

Ms Asher — On a point of order, Mr Acting Speaker, this is a private members bill from the other house. It will take only 5 minutes for the second-reading speech. The Minister for Tourism has just prevented a significant tourism bill from having its second-reading speech delivered, and the record should reflect that. I repeat my request for leave to have the second-reading speech delivered forthwith. The bill would have an enormous impact on the tourism industry. Perhaps the minister may like to reconsider.

Mr Pandazopoulos — On the point of order, Mr Acting Speaker, my understanding of the protocols of this house is that a bill can be read a second time forthwith by agreement, and that when a bill is prepared by the government briefings are held for the opposition. No briefing has been offered to me as the Minister for Tourism. The shadow minister wants me to accredit and license pony clubs. That fact is contained in the second-reading speech.

Mr McArthur — On the point of order — —

The ACTING SPEAKER (Mr Plowman) — Order! I have heard enough on the point of order. As the government has refused leave, the Chair has no option other than to accept the government's decision.

Ordered to be printed and second reading to be made order of the day for next day.

STATE TAXATION ACTS (FURTHER TAX REFORM) BILL

Second reading

Debate resumed from 9 May; motion of Mr BRUMBY (Treasurer).

Mr CLARK (Box Hill) — This bill gives effect to the so-called tax cuts and other taxation measures announced by the government in recent days. The bill comes to the house from the kings of taxation or, to put it more accurately, the taxation junkies — members of the Labor government — who are desperately dependent on tax revenue simply to keep their budget in the black. The government likes to go around and claim credit for responsible financial management, harking back to the claims of a former Treasurer, Rob Jolly, about modern financial management and with about as much credibility.

As I have made clear to this house, if it were not for the fact that the government has obtained something in the order of \$1.5 billion worth of windfall revenue in this financial year, a large part of which is unbudgeted windfall taxation, in excess of \$1.2 billion of unbudgeted blow-outs and other additional expenditure would have seen this year's budget being reported in the red with none of the justifications in terms of defence or border protection that, for example, the commonwealth government has. This government desperately depends on taxation to keep the budget in the black just two and a half years into its term of office. If it were not for that revenue, it would be writing this year's bottom line in red.

The total increase in the taxation burden that has been imposed during its term of office, after you allow for the taxation revenue that is being met by the goods and services tax, is equal to an amount approaching \$1500 for every Victorian household. Next year every Victorian household is set to be hit with a tax burden, the increase of which is an amount approaching \$1500. In aggregate terms the total tax take is set to reach \$11.495 billion in the 2002–03 financial year — \$2.639 billion higher, or almost 30 per cent, than in 1998–99.

These tax increases have ranged across the board. For example, after a massive windfall of well in excess of \$700 million, revenue from stamp duty this year is set to be 84 per cent higher than in 1998–99. By next year we can expect to see land tax up 66 per cent. Insurance taxes — profiteering on the back of soaring public liability insurance costs — will be up 49 per cent; gambling taxes, 31 per cent; payroll tax, 27 per cent;

motoring taxes, 17.4 per cent; and, to cap it all off, police fines will be up a massive 240 per cent. It is clear that the government has a hidden agenda and a hidden strategy in this. The government figures it can ramp up the tax burden, particularly in the field of property taxes; that it can defy taxpayers who suffer from this burden and leverage the tax take up to permanently higher levels on the back of bracket creep.

Mr Haermeyer interjected.

Mr CLARK — To remind the Minister for Police and Emergency Services and others of some of the salient figures, since September 1999 the cost of a median-price house in Melbourne has risen by 37.3 per cent. Over the same period the stamp duty payable on a median-price house in Melbourne has risen by 54.4 per cent. A higher and higher proportion of the value of houses is being taxed at a duty rate of 6 per cent, which applies to that part of the value above \$115 000 rather than the 2.4 per cent or 1.4 per cent rates which apply below \$115 000. Stamp duty on a median-price house in Melbourne is now \$14 650, and there is not a penny of relief in terms of the stamp duty rates granted in this budget. Of course the figure I have cited is purely a median figure, and I have made the point before that in many suburbs across the west of Melbourne, including those the Minister for Police and Emergency Services may aspire to represent in the future, the increase to the stamp duty impost has far exceeded the average percentage increase.

The government has to realise the revenue it reaps into its coffers does not come without a price being paid by the taxpayers concerned. It may well be something that is swept up into the mortgage and the funding that is provided under the mortgage, and it is something that is paid off over years — the cost is borrowed and then paid back with the repayment of the mortgage — but the bottom line is that ordinary, hardworking Victorians, many of whom require two incomes to pay for their family homes, are being forced to spend hundreds more hours of long, hard work in order to raise the funds they need to pay off the increased stamp duty that has been imposed since this government came to office.

Stamp duty has not only a direct human cost. It has a cost to business efficiency, and therefore a cost in terms of attracting investment into this state and the efficiency with which decisions concerning location are made. Some businesses may continue to operate in less than ideal premises because of the transaction cost of changing premises. It is because of this that some businesses are unwilling to move to larger premises.

Families face similar problems and can find that the transaction costs of moving, of which the largest is stamp duty, means that they find it prohibitively expensive to move to a more suitable home. Therefore they stay on in less suitable homes and perhaps use their money to capitalise the property, whereas the better outcome in terms of quality of life and lifestyle would have been for them to move to other homes.

Therefore stamp duty is a burden not only on first home buyers but also on growing families and self-funded retirees and pensioners who are looking to move to smaller homes. However, as I say, there has been no adjustment to the scale of stamp duties in any of the measures the government has announced in recent times.

Similarly the government is relying on the property price boom to push up the land tax burden at a rapid rate. Although it has announced grandly that it is lifting the threshold from \$125 000 to \$150 000, that represents a reduction in the land tax take of only some \$3 million. The figures in the budget update published in January showed Victoria to be on track to receive an increased take from land tax of \$156 million since 1998–99.

It is interesting to note that the budget figures came in with a somewhat lower figure for the increase in tax take than that. The budget papers purport to give an explanation of that in terms of diminished impost arising from differences in valuation factors, but I have the very strong suspicion that a large part of the shortfall in revenue between the budget update and the final budget figures is due simply to delays in issuing assessments.

I see that the Parliamentary Secretary for Treasury and Finance is busy taking notes. Hopefully he will be making a contribution to the debate. He will make a valuable contribution to the debate if he is able to provide to the house figures not only on the revenue collections the government is expecting this year and next but also on the level of assessments issued and the total collections from those assessments the government is expecting this year and next in comparison with the recent past. It is the total level of assessments adjusted for expectations as to default and non-payment that give the best indication of what is happening to the land tax burden.

The provision contained in this bill is a very modest change to the land tax scale. For anybody with a property valued above \$150 000 it makes no difference to their tax bill whatsoever. This rapidly increasing tax take from land tax is yet another source of revenue for a

government which is happy to take the bulk of it, give back a token amount and apply the rest to a miscellany of spending increases, not all that many of which would be welcomed or considered adequate value by the taxpayers of Victoria.

I turn now to the specific provisions of the bill. It brings forward the exemption from duty on unquoted marketable securities from 1 July 2003 to 1 July 2002. When the Parliamentary Secretary for Treasury and Finance makes his contribution he might see if he can make a better fist than the Premier or the Minister for Small Business in another place of explaining to the house and the public exactly what unquoted marketable securities are. It seems that despite all the eloquence and enthusiasm of the Premier for extolling the glories of his tax cuts he really did not know what it was he was cutting.

Another provision of the bill amends the Duties Act to increase thresholds for duty exemptions and concessions for family first home buyers and concession card holders on the purchase of a home to provide an exemption up to \$150 000 and a partial concession up to \$200 000 for contracts entered into on or after 1 July 2002. I referred earlier to the provision increasing the tax-free threshold for land tax from \$125 000 to \$150 000 commencing in 2003.

The bill brings forward to 1 July 2002 the reduction in payroll tax from 5.45 per cent to 5.35 per cent which was previously scheduled to commence on 1 July 2003 and further reduces the rate to 5.25 per cent from 1 July 2003. It also brings forward to 1 July 2002 the increase in the threshold for payroll tax from \$515 000 to \$550 000 that was previously scheduled to take effect from 1 July 2003. In relation to the changes to payroll tax it is worth making the point that this is a debate which the opposition has been leading very vigorously. The government has been dragged kicking and screaming behind and has come only a very small part of the way in terms of what is needed. Some time ago the opposition committed to reducing the payroll tax rate in Victoria to 4.95 per cent. That rate would make Victoria one of only two states with a payroll tax rate below 5 per cent and would provide a real competitive breakthrough for Victoria vis-a-vis other states, particularly Queensland.

It is worth making the point that given the wide number of other imposts and deterrents to doing business in Victoria arising under the current government we need all the help we can get in terms of competitive tax rates. We not only have the union movement running amok on the sites of projects like Saizeriya at Melton and the Somerton power plant, we also have all the problems

which are slowly coming out at the royal commission into the building industry, where people are finally blowing the whistle on the misuse of occupational health and safety claims et cetera. We have all of that on top of the union movement and sections of the Australian Labor Party starting to flex their muscles at the ALP state conference and passing motions critical of the government's private-public partnerships policy — its Partnerships Victoria policy — and thereby further undermining business confidence about investing in Victoria.

We have all of this lead in the saddlebag created by the present government, and we need a vigorously competitive tax policy to provide at least some offset to that. We are seeing the gradual loss of business in this state, not only in terms of existing businesses closing down, scaling back or moving operations but also the state failing to win key potential new investments. The most noticeable of those is Virgin Airlines. The magnitude of that failure is now becoming fully apparent — Victoria did not just miss out on having the third airline headquartered here but in fact missed out on having Australia's second airline headquartered here. We need competitive taxation, particularly competitive payroll tax, to help make up for that.

We also need competitive property taxes. I am consistently getting feedback from businesses in the property sector that investment trusts and others that have money to invest in different jurisdictions are finding the tax burden in Victoria a very big disincentive to placing some of those funds in this state. However, despite all these compelling reasons of economic efficiency, competitiveness and the necessity to create jobs and attract investment on top of the simple fairness to ordinary Victorians whose available income is being eaten into by these imposts we are seeing purely nominal tax cuts being made by the present government.

I have pointed out in the past that the tax cuts of \$83 million for the 2002–03 year that were allegedly provided in last month's business statement represent about \$1 in every \$30 of the Bracks government's increased annual tax revenue since 1998–99. The further point needs to be made that part of what the government is doing is robbing Peter to pay Paul and taking a very large cut out of the proceeds on the way through. Paul, in fact, receives only a very small amount of the funds taken from Peter.

Mr Ryan interjected.

Mr CLARK — There is an enormous tax burden, and to follow on from the point made by the Leader of

the National Party, in those terms the government is robbing Paul as well as Peter! Overall, the property tax burden has massively increased, and only very small reductions have been made in the payroll tax rates.

To really drive competitiveness in this state we need some genuine and significant tax relief. On this side of politics we have committed to reduce the rate of payroll tax to 4.95 per cent. We have also committed to give genuine stamp duty relief and to remove the unjust and arbitrary \$50 per head tax on motorbike riders. The first two of these measures are targeted at providing genuine competitiveness in our tax rates as well as giving some tax relief to ordinary Victorian families and households. The third measure is simply about removing a gross injustice perpetrated on motorbike riders.

There is a stark contrast between the opposition, which is committed to genuine and affordable tax reform, and the government, which is committed to ratcheting up the burden of taxes in Victoria, hoping it can get away with it but in the process not only being unfair to Victorian families and other individual taxpayers but also continuing the loss of economic momentum which Victoria has been experiencing under its administration.

Mr RYAN (Leader of the National Party) — This legislation can be dealt with in pretty short terms. Although it is called the State Taxation Acts (Further Tax Reform) Bill, it is a charade. You need only turn to page 155 of budget paper 2 for this year to see that. Let's take the payroll tax cut. Payroll tax revenue for 2002–03 is estimated to be \$2.710 billion. By 2005–06 that figure will have risen to \$3.102 billion. Therein lies the story.

I have not really bothered to look up land tax, because the figures are of similar ilk, as are the duties. While I am on this page I point out that the gambling tax take in this budget is \$1.455 billion, rising to \$1.708 billion by 2005–06; insurance is \$789 million this year, rising to \$912 million in 2005–06; and motor vehicle revenue will rise from \$1.050 billion this year to \$1.150 billion in 2005–06.

What we have here is absolute fiction. The effect of this legislation is that the government is going to increase taxes but not by quite as much as it would otherwise have done. Rather than pinching most of the cake the government will pinch just a little under most of the cake! An example of that is the so-called cut in the payroll tax rate to 5.35 per cent, which is to apply from 1 July 2002. Previously it was announced that it would apply from 1 July 2003. A rate of 5.25 per cent is to apply from 1 July 2003. The payroll tax threshold will be lifted from \$515 000 to \$555 000 as from 1 July

2002, and this in turn is a year ahead of what was previously announced. The bottom line is that payroll tax revenue this year is \$2.710 billion, and in 2005–06 it will rise to \$3.102 billion, showing the myth about the government cutting payroll tax.

Insofar as land tax is concerned the threshold has been lifted from \$125 000 to \$150 000, which is to apply in respect of the 2003 tax year. The net take will, in fact, go up. Duties on unquoted marketable securities will be abolished from 1 July 2002, which is 12 months earlier than announced previously.

The concessions enjoyed by first home buyers and pension card holders have now been standardised. Both now apply in full for properties up to \$150 000 and partially for properties from \$150 000 to \$200 000. In effect this removes the income test which previously applied to first home buyers. The maximum concession under both these schemes is \$4660. It was formerly \$2200 for pensioners and \$2560 for first home buyers.

The effusive language used by the Treasurer and Premier to describe the impact of these changes is insufferable. The government claims to have delivered \$1 billion in tax savings. I use the term 'delivered' advisedly, because that is the term which is used recklessly by both the Premier and Treasurer. In fact the bulk of that relief will only be received in the out years of 2005–06. It will be a long time before this purported \$1 billion of tax savings is actually delivered. In the meantime, as the forward estimates in the government's own budget papers show, whatever might have been saved is going to be well and truly overtaken by the government putting the axe into the poor old taxpayer to the tune of the figures I have just read out. I say again these are the government's figures. They are not my figures, the opposition's figures or the Independents figures — these are the government's own forward estimates in relation to what its tax take is going to be from the long-suffering taxpayers of Victoria.

The government is claiming credit for the discarding of another tax and the title of the state with the lowest number of taxes when in fact this is a direct product of the GST deal. The government could not be cutting any taxes out unless the GST deal had been done, and again this is another area that is much maligned by the Treasurer, who squeals about the GST payments when in fact he knows that the state of Victoria is not suffering any loss because the gap between the GST income as opposed to what would otherwise be coming in is made up until such time as the GST income takes up the slack. We think at the moment that will occur in about 2006–07, although at the rate this government is going it may well be before that.

The long and the short of it is that no credit is given for the GST implications of all of this which make these provisions regarding the deletion of some taxes possible in the first instance. This also completely ignores the extent to which the tax take has and is expected to increase steadily despite this so-called relief, given the underlying growth in land values, payrolls and the economic activity which we hope to enjoy.

The legislation is a myth. Although the National Party will not oppose the bill, it will go through this house with much misgiving on our part.

Sitting suspended 6.30 p.m. until 8.00 p.m.

Mr ROBINSON (Mitcham) — It is a pleasure to have a full house listening to my address on the State Taxation Acts (Further Tax Reform) Bill. Perhaps I could encourage the house, prior to my dissection of the — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Kilgour) — Order! I ask the house to maintain a little silence so we can listen to the honourable member for Mitcham.

Mr ROBINSON — As I was just about to suggest to the house in the most polite terms, Mr Acting Speaker, before I try and dissect the Duties Act and other exciting pieces of legislation that emanate from Treasury, members may like to make a slow and orderly exit from the chamber so that no-one is injured in the process!

The State Taxation Acts (Further Tax Reform) Bill is evidence of this government's sound financial management. It delivers the fruits of this sound management in spades to the people of this great state — or in bucketloads, as the honourable member for Gisborne has suggested.

Essentially the bill does four things, and I will try to explain these as succinctly as I can. The first thing it does is abolish the duty on unquoted marketable securities as from 1 July this year. I know that is of riveting interest to members of this chamber. Not many members on this side tend to dabble in unquoted marketable securities; perhaps it is something that the other side does.

It will be at the cost of \$10 million per annum. I hear very interested and astute honourable members inquiring of me what is an unquoted marketable security, and I am prepared to indulge the house momentarily. The definition comes from section 3 of the Duties Act. 'Marketable securities' means:

- (a) shares referred to in section 10(1)(b);
- (b) units referred to in section 10(1)(c);
- (c) an interest in shares or units referred to in paragraph (a) or (b).

That is pretty clear-cut but for the benefit of honourable members who still remain in the chamber and have not taken up my offer of departing in an orderly manner perhaps I could explore it a bit further. Section 10(1) of the Duties Act suggests that:

"Dutiable property" is any of the following —

- (a) each of the following estates in land in Victoria —
 - (i) an estate in fee-simple;
 - (ii) a Crown leasehold estate;
 - (iii) a term referred in section 153 of the Property Law Act 1958 that may be enlarged into a fee-simple under that section;
 - (iv) leasehold estate, if the lease is of a kind referred to in section 7(1)(b)(v);
- (b) shares —
 - (i) in a Victorian company; or
 - (ii) in a corporation incorporated outside Australia that are kept on the Australian register kept in Victoria ...

The opposition thought the Premier was confused! His answer was very succinct compared to the technical definitions. Suffice to say, in layperson's terms we talk about a share or an equivalent holding in a private or unlisted company. That seems to cover most of those circumstances. The bill will abolish the duty that is charged on the transfer of those items.

Secondly, and perhaps more importantly, the bill will extend the benefit of the duty concession for first home buyers and concession cardholders. It will do so by extending the value or the concession to purchasers of properties between \$150 000 and \$200 000. This compares with the current limitations of values between \$100 000 and \$130 000. That is of particular benefit to country Victorians where property prices have traditionally been lower than they are in the city. It is estimated that this measure will benefit 4000 Victorians with a concession on the purchase of property in those circumstances.

Honourable members interjecting.

The ACTING SPEAKER (Mr Kilgour) — Order! There is too much audible conversation in the chamber. If honourable members wish to continue a conversation

I ask that they leave the chamber, as they have been invited to by the honourable member for Mitcham.

Mr ROBINSON — We hope, Mr Acting Speaker, they do so in an orderly manner.

Thirdly, the bill offers some reforms of land tax arrangements in this state by increasing the threshold from \$125 000 to \$150 000, which will mean that some 15 per cent of all current land tax payers will be removed from the burden of that tax. That is a good thing.

Fourthly, the bill makes some payroll tax changes. Currently payroll tax is 5.45 per cent. The bill will bring forward the changes and we will go to a rate of 5.35 per cent on 1 July this year, and to 5.25 per cent on 1 July next. At the same time, and importantly, we are raising the threshold which is subject to payroll tax, which will go from \$515 000 to \$550 000 from 1 July. That is a great measure which will directly benefit 300 businesses and ensure hundreds of others are kept out of the payroll tax net as their payroll bills increase.

Those measures were announced by the government prior to the state budget and the business statement, which was very well received. I am surprised that the opposition cannot see the virtue of these measures. It seems to be suggesting they are a con job. The opposition seems to be falling into the trap of preaching the politics of envy — for example, it seems to be suggesting there is something wrong with house prices going up. I tend to disagree. The people in my electorate are very happy that their house prices are rising because in almost every case the family house is the greatest asset owned by the family. We do not believe in the politics of envy.

The tax cuts have been well received. I quote from the *Australian Financial Review* of 23 April this year which talked about the government's decision putting the heat on interstate governments to match us in terms of competitiveness. The article states:

The Victorian Employers Chamber of Commerce and Industry said it was the first time a government had made a substantial business statement of this kind.

VECCI's chief executive officer, Neil Coulson, said: 'It recognises that Victorian business is in a national as well as an international competition'.

The key body representing the manufacturing sector — the Australian Industry Group — said the statement would provide a welcome stimulus for manufacturing growth and investment.

And of course the Australian Retailers Association talked up the changes.

In regional papers the moves were welcomed as well. The *Warrnambool Standard* reported favourably on the cuts, which were part of a broader statement that was canvassed in the bill. These included some \$26 million in funding to promote local business opportunities in rural and regional Victoria, incorporating \$8 million over two years to boost the competitiveness of the farm sector under the Farmbis program — I know you, Mr Acting Speaker, speak highly of that program — \$3 million over four years to help identify new food industries, which is a booming industry in the state for anyone who has some familiarity with it; a further \$10 million allocated to develop regional tourism infrastructure; and \$5 million to improve regional telecommunications infrastructure. The article notes:

The package was welcomed by the business community, but slammed by the state opposition ...

The opposition claimed it was a con. That was an article published in the *Warrnambool Standard* and it did not quote anyone from the National Party. That is certainly a change, because once upon a time anything that came out of Warrnambool featured comments by the National Party. We wish the National Party well in its efforts to recapture the seat of South West Coast from the Liberal Party next year, but it will have a run for its money from us in that contest.

Mr Perton interjected.

Mr ROBINSON — I think we will end up with a better candidate — —

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Mitcham, on the bill.

Mr ROBINSON — I know time is of the essence. The only con going on here is that the opposition believes its tax promises add up to anything. Its modus operandi appears to still be, after seven years of rather dismal government, that it announces tax cuts and then tries to fit in what services it will or will not provide. Certainly the opposition spokesman, the honourable member for Box Hill, has form in this regard. He was involved heavily with the Workcover system and oversaw the premium decreases there which were unsustainable. That was a perfect case in point where premiums were slashed. The former government had an objective of having the lowest premiums in Australia, regardless of whether the system could support that. In the case of Workcover it is a dangerous thing to be cutting premiums, and then cutting them again without measuring and assessing the impact of the original cuts. It is for that reason that the deficit blew out horrendously under the previous government.

It is similar with land tax where the opposition spokesman, the shadow Treasurer, understands full well that the policy settings imposed by the previous government in the early to mid-1990s had a very damaging impact on the land tax base to the extent that it took about five years of further reforms and extending that to get it back to a position of some parity with the early 1990s. It is very reckless for the opposition to be throwing around promises of slashing taxes. Tax cuts must be affordable and sustainable, and that is what motivates the government in delivering the tax cuts proposed in the State Taxation Acts (Further Tax Reform) Bill. The bill is excellent. I know all government members support it fully and I look forward to their succinct contributions later this evening.

Mr WILSON (Bennettswood) — I am pleased to make a contribution to debate on the State Taxation Acts (Further Tax Reform) Bill currently before the house.

The bill contains the government's tax measures for 2002–03. The second-reading speech tells us that this is the legislation that enacts the government's Building Tomorrow's Business Today package, which was released on Monday, 22 April. In releasing that package the Premier and the Treasurer claimed it provides for \$364 million worth of initiatives for Victorian businesses and the ultimate creation of jobs.

The honourable member for Mitcham, who is about to leave the chamber, gave us the usual selective quotations from newspapers around the country on how good the package and the state budget are. As someone who has done a lot of work in the area of freedom of information and government media monitoring, it comes as no surprise to me that the honourable member would have that material at his disposal, because the government is spending a lot of money collecting those newspaper clippings.

The opposition is not opposing the bill, which purportedly implements the government's taxation strategy. The main provisions of the bill can be briefly stated. It amends the Duties Act to increase the thresholds for duty exemptions and concessions for first home buyers and concession card holders on the purchase of a family home. It increases the tax-free threshold for land tax from \$125 000 to \$150 000, commencing in 2003. It brings forward to 1 July 2002 the reduction in the rate of payroll tax from 5.45 per cent to 5.35 per cent, previously scheduled to commence on 1 July 2003, and it further reduces the rate to 5.25 per cent from 1 July 2003. This point reveals a stark difference between the Labor and the

Liberal approaches to state taxation: the Liberal Party is committed to cutting payroll tax to below 5 per cent, the Labor Party is not. Finally, the bill brings forward to 1 July 2002 the increase in the threshold for payroll tax from \$515 000 to \$550 000, which was previously scheduled for 1 July 2003.

It goes without saying that any reduction in state taxes is welcome, but the reductions and the modifications in the bill are indeed modest. They must also be judged in the context of the increase in state taxes since the Bracks government has been in office. It is important for us to examine some of the state tax increases that have occurred under the Bracks government, because the bill brings little or no relief to Victorian taxpayers, families or businesses. Since 1998–99 payroll tax has risen from \$2131.9 million to \$2602.4 million, a 22 per cent increase. Stamp duty on land transfers has risen from \$1006 million to an estimated \$1.8 billion, a 79 per cent increase. Land tax collections have increased from \$369 million in 1998–99 to \$525 million in 2000–01, a 42 per cent increase. Taxes on insurance have risen from \$531.7 million to \$721.3 million, a 35 per cent increase, as the government profiteers from soaring public liability and other insurance premiums. Finally, motor vehicle taxes have risen from \$895.2 million to \$999.2 million, an 11.6 per cent increase.

In the area of police fines, which I know is troubling a lot of people in the Victorian community, the facts are as follows. In 1998–99 the total amount of police fines collected was \$99 million; by 2001–02 that had risen to \$206.1 million, which is a staggering increase.

The house will remember the Labor Party bleating about gambling taxes when it was in opposition. Total gambling tax revenue in Victoria has increased from \$1443.2 million in 1998–99 to a forecast \$1778.6 million in 2001–02. That represents an increase of \$335.4 million, or 23.2 per cent. The gambling tax take in Victoria is forecast to be \$2015.1 million in 2003–04, the first time it has risen above \$2 billion.

I referred earlier to the 79 per cent increase in stamp duty revenue since 1998–99. In my electorate of Bennettswood home buyers are being hit hard by this state tax, and the bill before the house offers no relief. The stamp duty on a house in Mount Waverley that is sold for \$350 000 will total \$16 660. This compares most unfavourably with the situation in all other Australian states. In New South Wales the stamp duty payable on a residential property that sells for \$350 000 would be \$11 240; that represents a difference between Victoria and New South Wales of \$5420. In

Queensland the gap is even greater: the stamp duty payable on a sale price of \$350 000 would be \$10 725. In Western Australia the stamp duty would be \$12 230; in South Australia it would be \$12 830; and even in Tasmania — we know of the budgetary problems that state is always encountering — the stamp duty payable would be \$11 550, significantly less than in Victoria.

I am disappointed that the honourable member for Mitcham has chosen to leave the chamber, because I wanted to offer him an example I have offered once before, even though it seems to have had no impact on government policy. I previously advised the house that in the electorate of the honourable member for Mitcham a house in Owen Street was recently sold for \$331 500. The stamp duty payable on that sale was a whopping \$15 550 because of the tax regime implemented and supported by the Bracks government. Had that sale taken place in New South Wales, the stamp duty would have been as little as \$10 407.50. That is an incredible difference that is taking money out of the pockets of hardworking Victorian taxpayers and putting it into the coffers of the Bracks Labor government, which are already overflowing.

The bill contains some measures which the opposition supports; and as I said earlier, any tax relief is welcome. However, the bill does not go far enough, and the government's policies do not go far enough. The government is not serving the Victorian electorate, Victorian taxpayers and Victorian families well.

Mr LONEY (Geelong North) — I am pleased to enter this debate to support the reforms in state taxation that the government is pursuing through this bill. These are important reforms that will reduce the tax burden on large numbers of Victorians. Effectively this bill does a number of things, including lowering the rate of payroll tax to 5.35 per cent from July 1. That is a year ahead of the original schedule the government set for those reductions. It further reduces that rate to 5.25 per cent on 1 July next year.

In an area like mine — a large industrial manufacturing area like Geelong North — these are very significant moves. The dropping of payroll tax means increased jobs to my area. I thoroughly support that and congratulate the Treasurer on not simply pursuing this reduction but bringing it forward a year earlier than was originally proposed.

But it goes further than that. It also increases the tax-free payroll tax threshold from the current \$515 000 to \$550 000 from 1 July — again a year ahead of the original schedule. It is interesting that in spite of the huff and puff we have had from the other side this is

actually the first threshold increase for 10 years. I simply invite you to do your own maths on that, Mr Acting Speaker, and work out which was the last government to increase the threshold.

We have heard a lot about land tax from those opposite but the one thing we have not heard from them is about what they would really do. What is included in this bill is real. The bill increases the land tax threshold from \$125 000 to \$150 000, which will remove 21 000 taxpayers in the state from the obligation to pay that tax. That is not trivial, and I am sure the 21 000 taxpayers to be relieved of that burden will not see it as trivial. For those of us outside Melbourne that also equates to some 6000 properties in regional and rural Victoria. I welcome that.

Another thing the bill does is abolish stamp duty on unquoted marketable securities from 1 July this year. One thing we have not heard from members on the other side is what their policies are about those matters. We hear a lot of hot air from them about land tax but I have not yet heard them say that they will abolish land tax or even that they will cut land tax. We have had this very strange thing from the Leader of the Opposition about — what was it? — giving back half of the windfall. He criticises the fact that it is a windfall tax but then says, 'I am prepared to take some of the windfall'. That is the opposition's policy: 'We will accept some of the windfall'. That is the only policy it has announced on land tax: 'We will take the windfall, thank you very much'.

The only other policy it has — it is not even a policy; when you do not have substance you go for semantics, I suppose, Mr Acting Speaker — is about unquoted marketable securities, and all opposition members can say is that they do not know what that means. I suggest that says more about the intelligence of the opposition than it does about its policy settings.

A few other myths could well be destroyed. Opposition members come into the house talking about how the tax take goes up. I had a look back at some other documents. In the 1998 budget documents I found that between 1992 and 1998 the wonderful former Liberal government that opposition members are now hailing actually increased the tax take by \$3 billion! We can then look at the 1999 budget documents and find that —

Dr Dean — Talk about tax cuts.

Mr LONEY — The honourable member for Berwick says, 'Talk about tax cuts'; well, let's talk about the tax cuts. The 1999 budget talked about tax

cuts, but what did its figures reveal? The tax take it was talking about went up and up and up! The 1999 estimate for tax take was up \$200 million on the year before and had the former government continued in government its out years would have produced another \$600 million increase in the tax take over that time according to its own estimates.

Let's look at some of the individual rates members of the opposition want to talk about. The 1999 budget talked about stamp duty on land, didn't it? The opposition's own budget document on land tax in 1999 says its projection for stamp duty on land transfers was an increase of 33.7 per cent in that budget year. It managed to mention marketable securities too and projected an increase of 27.8 per cent on that item. On gambling taxes — I heard opposition members railing on about that before — the former government projected a 14.8 per cent increase.

Dr Dean interjected.

Mr LONEY — These are single-year increases.

The projected single-year increase in government fees was 119.7 per cent!

Dr Dean interjected.

Mr LONEY — This is the mob that comes in here today, the honourable member for Berwick and others, and wants to talk about tax. Of course the honourable member for Berwick, as soon as you start pointing out the former government's record to him — —

Dr Dean interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Berwick shall cease interjections across the table as they are disorderly. The honourable member for Geelong North, without assistance.

Mr LONEY — As I was saying, when you look at the former Liberal government's record in its own 1998–99 budget papers in the nice Liberal blue, you see that its tax take was tremendous. So when opposition members come in here today saying, 'We will be the party that cuts taxes', I just say, 'Have a look at their last budget and you will know the truth'.

Mr PATERSON (South Barwon) — The honourable for Geelong North is living proof as to why Richard Marles is stacking the branches against him and trying to get rid of him.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for South Barwon, on the bill.

Mr PATERSON — And as to why there was an unseemly wrestling match for the attendance book at the Geelong West branch of the ALP the other night. Who has it now is anybody's guess. The honourable member for Geelong North may illuminate us in the next week or so.

It is a pleasure to make a contribution tonight on the State Taxation Acts (Further Tax Reform) Bill, which covers a range of measures.

Mr Vogels — Wide ranging!

Mr PATERSON — It is wide ranging, and I am indebted to the honourable member for Warrnambool for his assistance. The bill brings forward the exemption of duty on unquoted marketable securities. Of course, the Premier is an expert on unquoted marketable securities. As Neil Mitchell found out, the Premier had never heard of them but apparently he is going to get rid of them, so that has been a great step forward for Victoria. That will all occur from 1 July 2003, and isn't that terrific! I understand the Premier is now aware of what they are, and that is good. We look forward to his contribution on this debate as well.

The bill amends the Duties Act to increase the thresholds for duty exemptions and concessions for first home buyers, and when we are talking about first home buyers we should give credit to the federal government for the enormous assistance it is giving to first home buyers and for the great fillip that is to the economy. Congratulations to Prime Minister Howard and Treasurer Costello on that initiative.

An exemption from duty will apply to properties up to \$150 000 and a partial concession from duty for properties up to \$200 000 for contracts entered into on or after 1 July 2002. I note that the other day the state Treasurer — who is still trying to be Premier — indicated that the federal government was being too generous at the higher end of the first home buyers scheme. I recommend that all those who fell for the state Treasurer's line read Terry McCrann's article in the *Herald Sun* the other day, in which he completely pulled the rug from underneath the Treasurer and exposed him for the dill he is.

The bill also increases the tax-free threshold for land tax from \$125 000 to \$150 000; it changes the payroll tax regime — the changes are nothing like what a future Liberal government would do, but I have no doubt it is trying its best — and it also brings forward to 1 July 2002 the increase in the threshold for payroll tax

from \$515 000 to \$550 000. I heard government members crowing earlier about how they are now bringing that date forward, but of course it still remains a high-taxing and high-spending government. Reductions in tax rates are always welcome, and both sides of the house would concede that, but these reductions are very modest compared with the increase in the tax take since the Bracks government came to office.

Victorian families and individual non-business taxpayers have received no tax reduction whatsoever, unless they happen to own a holiday home or other non-business property valued between \$125 000 and \$150 000. Enormous increases have occurred in the tax take under the Bracks government, particularly in property taxes, and it is causing enormous damage throughout Victoria. What is this government doing with all these taxes, given that it is rolling in money? What is it doing with this significant tax take? It is certainly ignoring my electorate and most of Geelong. Where was the money, for instance, for the Grovedale railway station or for the Torquay police station? If it is taking all these taxes, it ought to be ploughing them back into the community.

The government has committed a paltry \$20 million from the tax take to the Grace McKellar Centre in Geelong when about \$80 million is needed. Where is the money for the duplication of the Princes Highway between Geelong and Colac? It would seem that that has been abandoned by Labor. The Geelong ring-road did not even rate a mention.

These taxes are rolling in but the government is certainly not spending them down my way. Barwon Heads, for instance, has been forgotten. The Barwon Heads Football and Netball Club has received no funds for its upgrade, and Barwon Heads has been ignored and cut loose by this government when it comes to the connection of natural gas. Where are the extra train services between Geelong and Melbourne? They certainly appear to have been forgotten in the budget. The performance of the Bracks government continues to be extremely disappointing. It is a high-taxing and high-spending government, and the sooner we can get rid of it the better.

Mr STENSHOLT (Burwood) — I rise to support the State Taxation Acts (Further Tax Reform) Bill which I believe is an excellent measure because it delivers on a number of pre-budget tax reform promises and announcements. The bill delivers today and builds for tomorrow and implements a large part of the business package Building Tomorrow's Businesses Today, particularly in regard to the \$262 million in

taxation reduction for business in addition to the previously announced \$774 million in tax reduction, which adds up to over \$1 billion worth of tax cuts for business by the Bracks Labor government. The tax cuts achieved by the Kennett government had a similar digit — digit number 1 — but it was only \$1 million, which is one-thousandth of the \$1 billion tax cuts being delivered by the Bracks Labor government in its first term of office.

This bill deals with a number of areas of taxation. The payroll tax rate will go down to 5.35 per cent on 1 July this year, a year ahead of schedule, and there will be a further cut to 5.25 per cent on 1 July next year. By then a full 9 per cent reduction in payroll tax will have been achieved by the Bracks Labor government. The abolition of stamp duty on unquoted marketable securities is being brought forward to 1 July this year. On 1 July this year the payroll tax threshold will be lifted for the first time in 10 years — in other words, the Kennett government did not do anything about the payroll tax threshold, but the Bracks Labor government will lift it from \$515 000 to \$550 000 from 1 July, which is again a year ahead of schedule. At least 300 businesses around Victoria will benefit from this new threshold, and those businesses which might have just gone over the existing threshold will benefit as well.

A further measure — it is one which I particularly support because I argued quite strongly for it during the consideration of the tax reforms last year — is the raising of the land tax threshold, which was raised last year from \$85 000 to \$125 000. Honourable members might remember that it was the Liberal government that lowered the threshold from \$200 000 to \$85 000, but the Bracks Labor government is raising it yet again — this time from \$125 000 to \$150 000, which will remove 21 000 land tax payers from the tax net next year in addition to the ones who were provided relief last year.

That is obviously an excellent initiative by the Bracks Labor government, which is providing support for business, as the honourable member for Bennettswood stated, with a total package of initiatives worth \$364 million, of which tax cuts represent \$262 million.

There is no doubt that business has received this with open arms and great grace. This is an excellent tax reform for small businesses and larger businesses, and in my electorate and in surrounding areas they have welcomed the tax cuts. They know that Labor represents and looks after small business in Victoria. It is not the Liberal Party, which only looks after the business end of town. It is the Labor Party that supports

small business. I commend this good-news tax bill to the house.

Mr VOGELS (Warrnambool) — The State Taxation Acts (Further Tax Reform) Bill deals with already announced tax changes. While the reductions in tax rates are no doubt welcomed by those who will benefit, they are modest compared with the huge increase in taxes that the government has collected since it came to office.

Victorian families and individual non-business taxpayers will receive no tax reductions whatsoever, unless they happen to own holiday homes or non-business properties valued between \$125 000 and \$150 000. If there was ever any doubt that the Bracks Labor government was any different from previous Labor governments, its levering of taxes and charges onto the community puts that illusion to rest. Since coming to power in 1999 this government has inflicted exorbitant taxes on Victorians, with the average family paying about \$1500 a year more in taxes and charges than it did in 1999.

I shall highlight some of the tax hikes the government has inflicted on Victorians. Land tax collections are up from \$369 million to an estimated \$611.4 million — a 66 per cent increase. Taxes on insurance are up from \$531.7 million to \$789 million — a 49 per cent increase — as the government profits from soaring public liability and other insurance premiums through stamp duty collections.

Payroll tax is up from \$2.131 billion to \$2.710 billion — a 27 per cent increase. Motor vehicle taxes are up from about \$895 million to more than \$1050 million — a 17.4 per cent increase. Police fines are up from \$99 million to \$336 million — a 240 per cent increase. Gambling taxes are up from \$1.4 billion to \$1.89 billion — a 31 per cent increase. Victorian families have every right to ask what value they are getting for their money.

Despite raking in an extra \$250 million in insurance premiums, public liability insurance schemes have just about killed off our volunteer organisations, clubs and outdoor activities. The members of one volunteer organisation in Warrnambool, the State Emergency Service, cannot get funds to repair its leaking asbestos-filled shed. It is falling down around their ears, yet the government will not give them any money to move to a new site.

Pony clubs, sporting bodies and even lifesaving clubs are all severely at risk. What has the government offered to help sort out the mess? Nothing but talkfests.

It should be supporting the Liberal Party and National Party initiatives to address the problem as well as spending some of its huge surplus on overcoming the problems.

As I said earlier, police fines are up a staggering 240 per cent, at the same time as the road toll is increasing. The incidence of murder, assault, kidnapping and youth crime is on the increase, yet all we hear is that the government has employed an additional 800 police. It is not a matter of how many police are in the force but how they are deployed to achieve effective results. But the latest statistics do not reflect that, because the government is using the police force not to combat real crime but to act as de facto tax collectors.

We all remember that when Labor was in opposition it said it would rein in the government's dependence on the gambling dollar, yet gambling taxes have risen 31 per cent since 1999. All we have seen are token gestures such as putting in clocks and dimming lights in gambling locations.

According to Tim Colebatch, the economics editor of the *Age*, since the government has come to power spending on education, employment and training is down by 7.05 per cent; transport and infrastructure spending is down by 3.32 per cent; and the Department of Natural Resources and Environment has suffered a massive decrease of 14.19 per cent in its funding. When you consider that more than one-third of the budget is spent on health and human services, there has been an increase in spending of 0.22 per cent. Thanks to the \$1 billion surplus left by the Kennett government and the buoyant economy managed by the federal government, including its \$14 000 first home buyers scheme, the Bracks government is swimming in money. However, very little if any is finding its way into rural Victoria.

I have heard the Treasurer waxing lyrical about his \$180 million Regional Infrastructure Development Fund. Yes, it has funded some good initiatives, including the power upgrades and the cattle underpasses. But that is a drop in the bucket. The government should be looking at ways to return a set percentage of taxes and charges to rural Victoria, but it lacks the vision and the will to do so. For example, \$1 billion a year in superannuation is being transferred out of rural Victoria and into investments in Melbourne or overseas. That money was previously retained in rural Victoria, but because the amount of superannuation is always increasing it is being dragged from rural areas and is being spent in the city.

The money raised from gambling taxes, stamp duty and police fines is basically spent in the major cities. We keep hearing about fast rail links, rail standardisation and the new Warrnambool court complex. I noticed in the *Warrnambool Standard* that for the fourth time the Attorney-General has announced the rebuilding of that complex. The paper showed a photograph of him, but not one sod of earth has been turned. Nothing has happened!

I congratulate the previous Minister for Aged Care on the interest she took in the Lyndoch home at Warrnambool. It has successfully obtained an \$11 million upgrade, which is an excellent initiative. What we now need from the Minister for Health is a similar commitment to South West Health Care, which needs to extend its services to the next level, such as upgrading its palliative care unit at the Camperdown campus.

It has been waiting for nearly three years for a new hospital, but the budget contains nothing for that. Timboon is still waiting for a full-time ambulance paramedic. The Koroit hostel is seeking four respite care beds, which would allow those wonderful people who look after their sick, frail and elderly loved ones to have some respite care of their own. That is a small ask.

The May Noonan hostel is desperately waiting for the government to reach an agreement with the nurses union to enable division 2 nurses to administer drugs to their patients. I know this would cost money, but if the government can afford to give stamp duty relief to people who own holiday homes, it can find some money to spend on these issues.

I can find no funding for connecting rural centres to the natural gas pipeline. This is especially galling for townships in my electorate such as Terang, Mortlake, Port Fairy and Timboon, as well as a township just outside my electorate, Camperdown, whose residents basically all live on top of the gas reserves but cannot be connected to that natural resource. For them it is so abundant, yet so far away.

The government should be issuing a directive to all the gas companies vying for pipeline contracts throughout south-west Victoria saying that whichever of them come up with the idea of connecting some of the local towns to the grid as they are building the pipeline will be looked at favourably, rather than just putting a pipeline all the way from Port Campbell to Adelaide. Nobody gives a thought to the towns along the pipeline, so maybe pressure should be applied there.

One hundred years ago unless you lived along a railway line or a road your town did not grow. Now it is connection to the natural gas grid that is imperative if we are to sustain community growth in rural Victoria.

In conclusion, while the government pays lip-service to the needs of rural Victoria my opinion is that unless you live in Melbourne or the regional cities of Ballarat, Bendigo or Geelong tonight we are talking about some stamp duty relief which basically does nothing for anybody except the rich. We get heaps of spin from members of the government saying, 'This is fantastic, it is great!', but it will not help at all. There is plenty of smoke and mirrors stuff but very little if any substance.

Mr LANGDON (Ivanhoe) — It is my great pleasure to join the debate on the State Taxation Acts (Further Tax Reform) Bill. I notice my briefing notes are subtitled 'The good news tax bill', and that really sums it up. The honourable member for Burwood also summed it up nicely when he said that the previous government offered \$1 million worth of tax relief during its seven years in office. In the two and a half years of the Bracks government we have had over \$1 billion in tax relief. Again compare the figure of \$1 million with the \$1 billion of tax relief achieved by this government.

Clearly there is a lot of good news in this bill, such as lowering the rate of payroll tax from 5.35 per cent in July this year, which is ahead of schedule, and lowering it further to 5.25 per cent from 1 July next year. It is a remarkable achievement and something which I know even the opposition is not deriding very much at all. An increase in the payroll tax threshold from \$515 000 to \$550 000 will apply from 1 July, a year ahead of schedule. Another interesting point is the increase in the land tax threshold from \$125 000 to \$150 000. This will remove 21 000 land tax payers from the tax net next year, including the owners of 6000 regional Victorian properties. What cannot be overlooked and what should be stated to this house quite clearly is that the Kennett government reduced that threshold from \$285 000 to \$85 000. Under two reforms brought in by the Treasurer the threshold has increased to \$150 000 and is slowly getting back to the level the previous government reduced it from.

I notice the honourable members for Bennettswood and South Barwon raised the issues of increases in payroll tax and police fines. For example they quoted increases in fines from \$99 million to over \$300 million. To put it simply, that is not a tax. If people choose to speed and break the law on the roads they are putting up their hands to make a contribution. People in this house, particularly those on the Road Safety Committee,

would love people to follow the road rules, to not speed and not get those fines. Clearly if people were not breaking the law they would not be receiving the fines. The money from those fines comes from people who break the law, but the opposition likes to push the nonsense that it is taxation — that the government is trying to increase fines as a form of raising revenue. No-one is making anyone speed on the roads; they do it themselves. You can see ad after ad from the Transport Accident Commission as it tries to reduce the numbers of people who speed.

The issue of stamp duty has also kept coming up. As a recent purchaser of a property worth about \$300 000 I paid my stamp duty of over \$15 000 and I was more than pleased to do so. I note that the opposition likes to say, 'Where is this money going? It is not going anywhere'. The Austin Repatriation and Medical Centre development in my electorate is worth more than \$300 million. It is a major project but people in the opposition never — —

Dr Dean interjected.

Mr LANGDON — I have never heard such a farce in all my life!

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Ivanhoe should ignore interjections, and the honourable member for Berwick knows full well that the interjections across the table are disorderly. The honourable member for Ivanhoe, without assistance.

Mr LANGDON — Thank you, Mr Acting Speaker. That was a very wise ruling.

To clarify to the house the issue of the Austin hospital, the previous government endeavoured to privatise it and sell it. It did everything else but it did not plan to spend any money on doing it up or doing what this government is doing — implementing a \$325 million development.

As the Government Whip I am aware that we have a speaking limitation, so I shall conclude my contribution to this debate.

Mr MULDER (Polwarth) — I rise to make a contribution to the debate on the State Taxation Acts (Further Tax Reform) Bill. One would have thought, given the extreme and generous surplus that had been left to it by the previous government, that this Labor government would have come forward with some meaningful and worthwhile taxation concession packages for Victorians and for Victorian business. What we have in front of us is legislation that is chasing

a buoyant economy thanks to the great economic management of the Howard government and thanks to the hard work and the hard yards put in by the previous Kennett government. Today we have a government that is cruising; it is on cruise control. It is happy to chip out a little bit here and a little bit there but not to make any real gains in terms of true taxation reform in the state of Victoria.

In relation to the great payroll breaks, as they are calling them, for business, all honourable members would know that the little bit that is being chipped off the bottom is being picked up at the top end of the payroll tax bracket because of the buoyant economy. That is something that Victoria's Labor government has had absolutely nothing to do with.

Subsequently there was the issue of land tax thresholds which went from \$125 000 up to \$150 000. When you look at the growth of property values, particularly around the coastal area in my electorate of Polwarth, you would know that that offers nothing in terms of genuine relief with land tax.

I refer to the stamp duty issue. You can imagine the money — huge sums of dollars — that is just pouring into the state government's coffers, a lot of which is coming from rural and regional Victoria, including the coastal areas where there is tremendous property growth. A lot of that is on the back of tremendous economic growth because of the great performance of the federal government. Huge amounts of money are pouring into the state government coffers and coming out in dribbles. One would think that the government in the position it is in today would take a serious look at that scenario and say, 'Okay, at this point in time the state is receiving huge windfall gains with payroll tax', and help Victorians.

The government is slugging small businesses and telling them it is helping them, it is slugging property owners and telling them it is helping them, and it is slugging people involved in property purchases. I really feel for the young families who are attempting to buy their first home. They line up for their first home buyers grant courtesy of John Howard and the federal government and then the greedy, miserly state Treasurer immediately puts his hand in their back pockets and drags out stamp duty. John Howard is putting money in their pockets and the Treasurer of the state of Victoria is tearing it off them. That is typical of how the Labor government hits and taxes country Victorians.

An honourable member interjected.

Mr MULDER — My word!

How rightly my friend and colleague the honourable member for Warrnambool pointed out that the funds that are flowing in from rural and regional areas are finding their way into the Treasury here in Melbourne and being spent on metropolitan projects. Look at my electorate of Polwarth and the great footing that was put in place there by the previous government. What it is looking for now is simply a carry-on effect but after the tax grab by this government only an absolute dribble of money is flowing back into the seat of Polwarth. From what it is generating in state taxes from payroll tax and stamp duty that electorate is getting nothing back.

Look at the Princes Highway project, which was a \$175 million commitment by the previous government. As soon as the government changed the Labor government of the day dropped the project, turned around, walked away and left it. It is happy enough to jump on the great success of south-western Victoria, a region that undertook the great reforms that were required, but it is just not causing any genuine money to flow back into the electorate.

I recall a visit to my electorate by the now Minister for Health when he was in opposition about the privatisation of nursing home beds at the Colac Community Health Service. After he arrived he said, 'Under no circumstances whatsoever will I allow the nursing home beds attached to the Colac Community Health Service to be privatised. We will redevelop those beds, we will provide the funding that is required to keep them in the hands of the state of Victoria, and when we get into government you will find that that promise will be met and that commitment will be given to the people of the area'. But what happened? The service applied for \$11.2 million to redevelop the nursing home beds and in the last budget it was given a commitment from the department that the \$11.2 million would be there but instead today over 70 elderly people are stuck in the middle of a demolition and construction site as there is no money to upgrade the beds.

The government either wants to retain the beds or let them go. If it wants to retain them, surely it should redevelop them, and if it does not want to redevelop them it should at least allow the private sector to perhaps have a look. I call on the Minister for Health to live up to his commitments. If he is going to give the money to redevelop the beds he should do it. Over \$500 million is sitting there as the budget surplus — money that has come out of Colac and the surrounding region — and that money should go back to where the minister said it would go, which is back to the redevelopment of those nursing home beds. The

Camperdown hospital is looking for an upgrade. What happened with the budget? Not a cent went to Camperdown hospital.

What has occurred with natural gas for the region? As the honourable member for Warrnambool rightly pointed out, a lot of natural gas reserves come out of south-western Victoria, yet no consideration has been given to saying to the companies when the pipelines are approved and when the exploration work is done, 'Okay, if you want to tap the resource we do not have a problem'. What about the government looking at some of the small towns in the area, like Camperdown, Mortlake and a lot of the smaller communities around there, which would be greatly serviced by natural gas? If the government takes money out of the region it should at least be prepared to put it back in.

Hopefully within the next couple of weeks I will raise an issue concerning the small town of Birregurra. I noticed that in one of his initiatives this week the Treasurer and Minister for State and Regional Development announced funding for timber towns across Victoria. It was interesting to see the amount of money that went to towns in the Gippsland area which had lost their mills and where timber industries had been affected, but when I looked at what went into the small township of Birregurra I saw that it got a miserable amount of about \$125 000 even though it lost an entire industry. What Birregurra needed out of the tax grab from this government was a waste water treatment plant. That would have set the town up enormously in terms of its ability to grow and the provision of housing for the workers required to service the Great Ocean Road. Once again there is no money for that whatsoever.

I also raise the following issue. In this house the Premier announced that the government has secured the world lifesaving championships for the township of Lorne. What Lorne requires is a major streetscape upgrade; there is still a considerable amount of work to be put into Lorne. It is one thing to stand here and say, 'Look, I have organised the world championship lifesaving carnival for Lorne and Lorne will be at the forefront and on the stage for world recognition', but the fact is that the infrastructure is not quite there yet. I will certainly apply as much pressure as I can by lobbying, writing letters and stirring up all our local groups to say, 'Get in touch with the government'. Look at all the money that has gone out of the Lorne community in stamp duty from sales of property of tremendous value. They are not asking for a lot but they want something back. Certainly the development and completion of the Lorne streetscape is little for those people to ask for.

You only have to look at my electorate to understand why south-west Victoria is in the great state that it is at the moment. I invite honourable members to open the middle page of today's *Weekly Times*, which refers to Colac, the boom town. There is something very interesting about Colac. I think the minister at the table, the Attorney-General, has been there, hasn't he? You cannot claim much about that!

Mr Hulls interjected.

The ACTING SPEAKER (Mr Lupton) — Order! Through the Chair.

Mr MULDER — I wouldn't call him Hulls the Hack, but a lot of other people would think he is the slowest racing minister ever to get into a saddle!

That entire region is ticking. I suggest that some other parts of Victoria which have strong Labor representation and are perhaps a template of south-west Victoria look at the great initiatives and great work that has been carried out there by Liberal members over a period of time with their lobbying, their understanding of the community and their understanding of what is required for growth. If they were to look at that area they would understand what it means to lobby, to build a successful community and to have a strong economic growth factor within the region in which they live.

One needs to also look at some of the great initiatives and types of growth that have taken place around south-western Victoria. Once again I refer to today's *Weekly Times*, which I note referred to a \$100 million bill to pipe gas to six regions. What a great initiative that would have been — —

Mr McArthur — Who started that?

Mr MULDER — The Liberal Party!

What a great initiative it would have been if the Labor government had come on board with a program like this and followed on from what the Liberal Party had done with the upgrading throughout Victoria of water, particularly waste water treatment plants?

I refer the house to the Polwarth electorate and to what took place in that region. I am happy to report on water infrastructure upgrades throughout the Polwarth electorate in south-western Victoria: Apollo Bay has a multimillion-dollar waste water treatment plant; Lorne, a multimillion-dollar waste water treatment plant; Bannockburn, a multimillion-dollar waste water treatment plant; Skipton, a multimillion-dollar waste water treatment plant; Mortlake, a complete sewerage of the township; Timboon, a complete sewerage of the

township and a new waste water treatment plant; Camperdown, an upgrade of its water treatment plant and floodwater stations; and Colac, an upgrade of its water treatment plant and floodwater stations.

One would have thought that the government would acknowledge that the Liberal Party has had a hard look at water and done an enormous amount of work to get those smaller communities up and running. It is impossible to attract business into these smaller country and regional areas unless the infrastructure is right. When you consider infrastructure you look firstly at water. If the water is right the next issue for the government to look at surely is gas, but we have seen nothing there.

The payroll tax and the stamp duty that the government has reaped from country areas should be applied to issues such as those raised in today's *Weekly Times* about gas supplies in several regions around the state. If gas, water and power are right, there is no impediment to doing business in rural and regional areas. With information technology the way it is today there is nothing to stop a business relocating into those areas.

I know the Premier has said that the government is finished in country Victoria, but it has not even started; it has not done a thing. Jumping on the back of that, the Treasurer in his capacity as the Minister for State and Regional Development popped up and said, 'No, we have not quite finished; we still have a bit more to do'. I do not know who is right, but when you consider the state budget and its impact on country Victoria and look at what has gone out of country Victoria in terms of taxes, it is clear that the government has no real commitment to assisting country areas. I could go on about the issues — —

Mr Cooper interjected.

Mr MULDER — And I shall in relation to the issues affecting south-western Victoria. I could talk about Copac, the beautiful performing arts centre at Colac; CRF Meats, with the expansion of its lamb processing plant; and Regal Ice Cream Products, which has built a new facility in the town. I could go on and highlight a huge range of initiatives such as the new hospitals in Colac, Lorne, Apollo Bay and Timboon, which were all initiated or built by the former Kennett government.

It is difficult for this crowd today to turn a sod; so hard to get a project up; so hard to even look at getting a project off the ground. All we get is spin, spin, spin! As was rightly pointed out by the honourable member for

Warmambool, the Attorney-General with his mate Roy Reekie — there is a star for you — —

Mr Hulls interjected.

Mr MULDER — How many times have you announced the building of the Warmambool courthouse?

Mr Hulls interjected.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Polwarth should address his remarks through the Chair, as should the Attorney-General.

Mr MULDER — Not a sod has been turned or a brick laid. Roy Reekie will have to live a long time if he is going to attend the opening of that courthouse. If the Attorney-General has anything to do with the building of the Warmambool courthouse Roy Reekie will be a very old man before he gets to attend the opening, believe you me! Again, we have these issues of reannounce, reannounce and reannounce, but not a brick has been laid nor a job done.

The great region covering my electorate of Polwarth has contributed enormously to the coffers of the government. The people in that region are on a sound footing. There is not a great deal of work to be done but some support is required from the government. Given the amount of taxes that have been dragged out of the area and given that the government is not prepared to put much back in, the support of the government for country Victoria is questionable to say the least.

I now touch on the issue of the Regional Infrastructure Development Fund. Its funds are gained from taxation and topped up from consolidated revenue and moneys that have come from stamp duty and payroll tax collections throughout the state. The fund amounts to a measly \$170 million over the term of government. When one considers the \$100 billion put into country Victoria in relation to water reform and upgrade that sum is an absolute pittance. Even worse is the fact that when I carried out an analysis of that fund, which was verified by the *Weekly Times*, I discovered that more than half the money found its way to areas other than country Victoria.

What did the Minister for State and Regional Development do leading up to the last election relating to the issues raised about the Regional Infrastructure Development Fund? He went around country Victoria canvassing its councils and telling them that the fund would be set up for them. But what we found was a measly \$10 million for small towns from the Regional

Infrastructure Development Fund and the minister had his grubby little hands into that \$10 million pinching money from it and paying off projects in major regional centres.

There was absolutely no commitment to country Victoria. Both the \$170 million fund and the \$10 million fund should have received enormous upgrades — probably doubled — under the recent budget. Even with that it would still not touch the amount of funding the former Kennett government put into rural areas and particularly into the great electorate of Polwarth.

Mr Hulls — On a point of order, Mr Speaker, I have listened with great interest to what the honourable member has been saying, and I am sure everyone else here has also, and we all know that the bill being debated — —

The ACTING SPEAKER (Mr Lupton) — Order! Would you please come to the point.

Mr Hulls — The bill that is being debated is a state taxation bill. What the honourable member is now on about has absolutely nothing to do with this bill. He is trying to win back some credibility — —

The ACTING SPEAKER (Mr Lupton) — Order! There is no point of order.

Mr MULDER — On a point of order, Mr Acting Speaker, I have been going down that pathway for some time.

I wouldn't call you Hullsy the Hack, but a lot of people would call you Hullsy the Hack!

The ACTING SPEAKER (Mr Lupton) — Order!

Mr MULDER — Very slow to your feet on that point of order! I will conclude on that.

Mr MILDENHALL (Footscray) — The reason the government has limited sawlog harvesting in the Otways to a maximum of 0.02 per cent each year is to preserve the habitat of the tawny frogmouth. It is good to see that the tawny frogmouth is alive and well, in full voice and flourishing in certain habitats throughout the state.

An honourable member interjected.

Mr MILDENHALL — The politics of envy! How the Liberal opposition would have loved to announce \$1 billion in tax cuts and the sort of budget that has just been announced. Opposition members get up and say, 'There are not enough tax cuts, we want more', yet

more than a thousand times more than they were able to deliver has now been delivered by the Bracks government. They say, 'But there is not enough expenditure either, we want more expenditure! We want the lot. We don't want to pay tax but we want all the revenue'.

What an extraordinary performance by the honourable members for south-west Victoria. As if the quarter of a billion dollar Geelong Road upgrade was not enough; as if their participation in the \$880 million fast rail project was not enough; as if the Wimmera–Mallee pipeline was not going to have some sort of impact, even down the Glenelg River; as if the \$100 million budgeted for the showgrounds was not enough, in the Barwon and Western districts we have the Warrnambool rail upgrade; the Lascelles wharf rail connection; the Henty Highway and Bayside Road upgrades; the redevelopment of the Lorne Community Hospital; the three police station replacements at Cressy, McArthur and Smythesdale; the modernisation of 14 schools across the region, including the Bellarine Peninsula; and the rural ambulance co-locations with health services in Colac. But it is still not enough!

They come in here and complain and bellyache and whinge and moan. There is \$1 billion in tax cuts, double the infrastructure spend that the miserable Kennett government could ever achieve, and still they are not happy. They come in here and complain about the timing of the Building Tomorrow's Businesses Today package, which has over \$1 billion in tax cuts. One of the previous speakers, I think it was the honourable member for Warrnambool, complained about expenditure on police.

Mr Doyle — The honourable member for Polwarth.

Mr MILDENHALL — There was Polwarth and Warrnambool — well some of us were here before dinner finished for others and were listening.

They come in here and complain about crime rates. They have their manufactured campaign on crime rates but I just laugh because it is extraordinary. They come in here and say car theft has gone up yet in early 1999 the brilliant Kennett government in trying to find ways to cut back further on police resources cut out the car theft squad that investigated automotive theft.

What happened? Car theft rates went through the roof! Car thieves came down in droves from New South Wales, where the Carr government was putting pressure on them. It was open slather; they got right into it. It took this government to reinstate that squad, and there have been spectacular results ever since.

The previous government cut back resources; this government has restored them and got the situation under control. The previous government consisted of cut-back merchants who were the ultimate practitioners in hypocrisy. The first years of the Kennett government were just extraordinary, and the honourable member for Mornington was part of that.

I will give my last anecdote for the night. The coalition in opposition put impediments in the way of the previous Labor government's final budget. The government at that time really did need extra revenue, but the then opposition stopped the tax increases in the upper house. Its members put their hands on their hearts and said, 'We will never agree to letting these tax increases go through'. What did they do as soon as they were elected to government? They doubled the bank account debits tax and the financial institutions duty tax. That was the tax-doubling Kennett government!

Who has reduced taxes? The Bracks government, by \$1 billion. Who has increased expenditure? The Bracks government. This has been an extraordinary effort, and it is fantastic to be able to demonstrate it by way of contrasting the Bracks government's record with the miserable record of the previous government. This is a great piece of legislation. I look forward to its implementation and to the further accolades of every business and financial analyst in the state, because this government is right on track and the finances of this state are in very good hands.

Mr COOPER (Mornington) — I am staggered to find that the honourable member for Footscray is suffering from severe memory loss. It seems that the years prior to 1992 have all become a blur to him. The situation that the Kennett government inherited in 1992 when it came to office seems to have escaped the attention of the honourable member for Footscray. Suddenly he does not want to remember the state of the economy in 1992. It was not because of the Liberal Party that Victoria was described as the financial rust bucket of Australia. The Liberal Party was not the laughing stock of Australia. By contrast, the economic records of the Cain and Kirner governments were regarded as the blackest in the history of this state.

Instead, as some of his colleagues on the government benches have done, the honourable member for Footscray has preferred to forget what went on before 1992, preferred to forget the challenge that was presented to the Kennett government in 1992 and preferred to overlook the way in which the Kennett government responded to that challenge and, through very good financial management, rebuilt this state to the stage where, when the present Labor government

was handed office by the three Independents in late 1999, it was also handed a war chest stocked full of money.

The rebuilding of this state, as the honourable member for Footscray would remember, included not only bringing the finances of this state back into order but also returning the state to its AAA rating, which had been wasted by the Labor governments of John Cain and Joan Kirner. Although we returned the state to its AAA rating, which still remains, suddenly it has become a victory for the Labor government of today. Well, it is not! The Labor government of today is simply living off the benefits provided by the good government of this state between 1992 and 1999.

What have we heard in the debate on this bill? Member after member of the Labor Party has told us what a great job this government has done, and in particular what wonderful things have happened with the business statement and the tax cuts that were announced back in April of this year.

I know that criticism has been levelled at my colleagues by the honourable member for Footscray and others, who say we are all negative about these things and that we are just intent on saying nasty, horrible things about the government. I want to be recorded as saying that the tax cuts are very welcome, and so they should be, considering the amount of money this government has. The sad thing is that they could have been so much higher. I know the honourable member for Footscray does not want to face up to reality. He would rather be in cloud cuckoo land with all of his colleagues; he would rather be out there with his colleagues saying, 'No, fantasy is far better than reality.'

The reality is that we have had a \$1.7 billion tax hike in this state since the Bracks government came to office in late 1999. Therefore the business tax cuts that were announced, together with what was announced later on in the budget — which it appears we will not be able to debate because this government has mucked up its business program so badly — are really just a drop in the ocean when compared with that \$1.7 billion tax hike.

It is a matter of record that since the Bracks government came to office revenue from stamp duty has gone up 79 per cent, land taxes have gone up 42 per cent, insurance taxes have gone up 35 per cent and payroll tax has gone up 22 per cent. That is not a record that this government should be proud of. Even after announcing its package of business tax cuts, the government is proposing to give only \$165 million in tax cuts to business in 2002–03, despite an ongoing tax

level that is \$1.7 billion higher than when it came to office. This is not something that this government should be trumpeting; rather it is something that the government should be explaining to the people in this state who are being belted and put to the sword by these taxes. That includes businesses whose viability is now in question and which now have a large question mark hanging over their capacity to continue because of the taxes that have been applied by this government. Whether it is Workcover in the case of bigger companies or payroll tax in the case of small businesses, all these taxes, including stamp duty, are impacting upon businesses.

I know that I am wasting my time in talking about business to the government, because when you look through the list of the members who sit on the government benches you find maybe only one or two who have been in the private sector and very few indeed — I can think of maybe one — who have risked their own money in business. Where do the rest of them come from? They come from the trade union movement and they come from electorate offices, but they certainly do not come from the area that generates the wealth of this country — the private sector. The wealth of this country is generated by people in business who have put their own money on the line and made decisions based on market forces.

That is where the wealth and employment is generated. Yet here we are trying to convince those people on the government benches that they should be paying some reasonable consideration to the business community and to those who are trying to make their way in this world. I know it is a waste of time, but one has to put it on the record that it is a waste of time.

It is not that they are not people of goodwill; it is just that they do not have any understanding of the way the world works in the private sector. Not only do they not have any understanding of it; they do not seem to care that there are people out there who are suffering or who have businesses and livelihoods that are in jeopardy. Despite all the things they put up to back their businesses such as their homes and other assets — they put them on the line and risk them — they are now in jeopardy because the members of the government who are making decisions today do not really understand the impact of those decisions on businesses in the community.

Mr Mildenhall interjected.

Mr COOPER — It is no good the honourable member for Footscray sitting there, laughing and sneering at this.

Mr Mildenhall interjected.

Mr COOPER — I actually have a higher regard for the honourable member for Footscray than his attitude tonight would project to the people of Victoria. It is rather sad that the honourable member, in trying to defend the reality as presented in this house in this debate, can only think of yelling, screaming, sneering and laughing at the plight that affects so many businesses in the community today.

It is not only the business community of the state that is affected. What about the home buyers? Home buyers have been considered already by the honourable members for Polwarth and Warrnambool in their contributions tonight. Their electors have been hit with a 79 per cent increase in stamp duty since the Bracks government came into office.

Mr Mildenhall interjected.

Mr COOPER — It is all very well for this government and its backbenchers to say, ‘Oh well, that is just due to increased values in home prices’. That is not the reality, however, at all. The first home buyers grant provided by the Howard government has been transferred in its entirety, in most cases, from the commonwealth government to the state government through this tax duty increase. That is what it all boils down to: the fact that the stamp duty increases have taken up the whole of the first home buyers grant and more. What a disgrace!

The first home buyers grant was meant to assist people, not to assist the Bracks government. The Bracks government has been greedy, grasping, uncaring and unthinking about the plight of first home buyers. It is now well set to reap massive increases in land tax and stamp duties over the next couple of years as the market continues to trundle along. But what is going to happen when the government suddenly finds that the gravy train has stopped? As the government kills off the home building market in the state and the market starts to die, because everything is cyclic — and this government is making sure that the wheel turns a little faster — what will it do for revenue? Will it continue to seek other forms of revenue, as it has, or will it simply cut its cloth to suit its needs? Given the news we have had in this state over the last few months, I would suggest the government will not be cutting its cloth to suit; it will simply be seeking greater tax takes from other areas.

One of the two areas that come to mind immediately is gambling, where taxes have gone from \$1.4 billion to \$1.9 billion, and that is after adjusting for revenue now provided through the GST. That is the way this

government has dealt with the gambling industry. It puts its hand on its heart and says to the community, ‘We really want to control gambling, to cut back on the excesses of gambling in the state and deal with problem gambling and we are going to address all of these issues’. But while it has that hand on its heart, its other hand is firmly in the tills of the gambling proprietors of the state. The gambling taxes have gone up from \$1.4 billion to 1.9 billion. What disgraceful figures they are!

As I recall, the forecast on gambling revenue was that it would pass the \$2 billion mark in two years time. That was the forecast a year ago, that the state would reap gambling taxes of more than \$2 billion in two financial years from now. I am afraid the government is well ahead of that forecast. It would appear that while the forecast for this year is for a \$1.9 billion tax take from gambling, I would say very definitely the government is going to break the \$2 billion mark in this financial year about to start, the year 2002–03.

Is this a matter on which we should say, ‘Congratulations to you, the Bracks government, on a wonderful achievement! What a great thing to be well ahead of forecast! You said you were only going to get about \$1.9 billion out of gambling taxes, but the figures will show in 12 months time that you have got over \$2 billion’? What a great victory for the state, for problem gamblers and for hypocrisy in this state, because that is really what it all boils down to.

As I said, we have a government that has one hand on its heart while it talks about the difficulties of problem gambling, and the other hand firmly in the pockets of the problem gamblers themselves. The government is raking it out and putting it into consolidated revenue. Yet members of the government are saying in this debate tonight that a \$165 million tax cut in 2002–03 is something for which this government should be congratulated. The reality is that the government is getting more out of problem gamblers than it is giving back to the community — and problem gamblers are only one little part of its tax rip-off.

Let’s talk about police fines and fixed speed camera fines, which are projected to go up from \$99 million to \$336 million in one year — a 240 per cent increase! The Minister for Transport stands up here and says that fixed speed cameras — which are going to reap a major proportion of that revenue — are all about road safety, yet he has taken money away from the black spot intersection program and used it to pay for their purchase and installation. He has the audacity, the hide, the gall and the hypocrisy to stand up here and say it is all about road safety — what a load of balderdash!

Nobody believes that. The motorists of this state do not believe that. They know that it is hypocrisy and that it is a revenue-raising exercise.

When we get away from the fantasy land stuff that has been coming at us from the government benches and get back to reality, we find that the perception of Victorian motorists is quite right and that fixed speed cameras are not doing anything about road safety. If taking money from the black spot intersection program and putting it into speed cameras on the Western Ring Road, the Monash Freeway and the Eastern Freeway is doing something about road safety, how come we have a higher road toll this year than we had last year? Is that just back luck? The government has spent thousands of dollars — in fact millions of dollars — on putting all these things into operation, yet we now have a higher road toll. I would have thought that by spending that kind of money we would have a lower road toll.

I know that governments cannot control the road toll — you cannot simply point the finger at a government and say, ‘The road toll is all your fault’ — but the reality is that the Minister for Transport has stood up in this place and in public forums all around this state and said, ‘We are going to lower the road toll’. His comments have been echoed by his little Boy Wonder, the Minister for Police and Emergency Services, who has also said ‘Yes, we are going to fix the road toll just like we are going to fix the crime rate’. Yet as we sit in this Parliament tonight, the road toll is higher than it was at this time last year. That cannot be because of the amount of money that has been put into road safety, so there must be some other reasons.

The reality is, as we all know, that the government can put in as many speed cameras as it likes and spend as much money as it likes on revenue-raising exercises, but it will have no impact at all on the road toll.

How can the government possibly justify the fact that police fines — the bulk of which are coming from fixed speed cameras — are going to increase in one year from \$99 million to \$336 million? If it could put its hand up and say that as a result of all that spending the road toll will be halved or reduced by 25 or 30 per cent, then the community might be prepared to accept it, but the reality is — as it is in so many other things — that the people of Victoria simply do not believe this government. They have heard all the promises that have been made about fast trains and the like — you name it, you can go through them all — but none of them has ever been kept. I welcome these tax cuts, but so much more could have been done.

Mr HULLS (Attorney-General) — I thank all honourable members who contributed to the debate on the State Taxation Acts (Further Tax Reform) Bill, and I certainly wish this bill a very speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

TOBACCO (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 14 May; motion of Mr THWAITES (Minister for Health).

By leave, government amendments circulated by Mr HULLS (Attorney-General).

Mr DOYLE (Malvern) — The Tobacco (Miscellaneous Amendments) Act further extends the bans on smoking in the state. It prohibits smoking in places where bingo is played, it limits smoking in various licensed premises and in gaming venues, and it also provides for smoking bans in the casino. These are the three central components of the bill, and I am happy to deal with each of them in order.

Firstly, smoking will be banned outright, 24 hours a day, in all bingo venues and wherever else bingo is played. That is a fairly straightforward provision with which the opposition has no difficulty. Secondly, the bill takes a very complex and, if I may say, somewhat piecemeal approach to the banning of smoking — or at least extending the ban on smoking — in pubs and clubs. The approach the bill has taken is fairly complex in its application, and in terms of individual venues I have found it quite hard to follow. I have gone through the bill in some detail, so I hope the summary I will give in a moment of how those bans will apply is accurate, and if it is not I ask the minister to correct it in his summing up. I also point out that the provisions in the bill will be fairly difficult to police and regulate.

The application of the bans on smoking and the non-smoking provisions will depend on the type of premises we are talking about, the number of rooms in those premises and who is using those rooms. I certainly hope that the bans work. I am pleased to support this legislation because even if it is piecemeal — and I believe it is and later I will point out why it is — at least it is a step forward in some

directions. However, there are anomalies particularly revolving around what may be the definition of 'a single room' in some venues, the moveable feast of the non-smoking room and also the new offences, but I hope they work.

As I pointed out at the outset, in the regulation of these bans I believe the regulation and policing of the bans will be difficult. I am sure it is not intended that 1000 men in little vans and wearing grey coats will disseminate themselves into 1000 different venues in pubs, clubs and the casino so as to ensure compliance with what is a very complex regime of smoking and non-smoking regulation. Rather I hope compliance will be achieved through education and information, and through the goodwill of the various industries.

I want to look at how the smoking bans may apply, and I hope I have them right. I have had some information and help from the department in achieving what I hope is a descriptive regime of what will happen with smoking in pubs and clubs. The easiest way I have found to define that is by looking at the type of premises we are considering, the number of rooms the premises will have in operation, and then — depending on the types of rooms and what is happening in them — the application of the new smoking bans.

Firstly, let us think about a licensed premises, a pub or club that is a non-gaming venue of a single-room variety. That is a venue where, for instance, if bingo is played it must be smoke free during each bingo session. That is the only change to the regulations for that type of venue. If it is not a bingo venue, there are no other new smoking regulations that apply so far as I can make out from the legislation. I would be pleased if the minister could confirm that that is the case.

Secondly, I take the non-gaming venue a step further. Again we are talking about licensed premises but where there are two or more rooms in operation at any one time. My reading of the legislation indicates that the occupier of those premises must designate at least one smoke-free room of those two or more rooms that are in operation. I understand the designated smoke-free room — and I thank the department for that information — may be the bistro or the room containing a dining area. The room that is designated to be smoke free may change over the course of the day as different rooms are opened and closed. This is what I was saying earlier — this is something of a moveable feast. It is not as though you can designate a particular room as being the smoke-free one. As the venue changes through usage during the day or night, that non-smoking area will change also.

Thirdly, I take the case of licensed premises where bingo sessions are held, but where there are two or more rooms in operation. As I said earlier, the room where bingo is played must be smoke free during each bingo session, but the owner of the premises must designate one smoke-free room which can be the room where bingo is played. That does not quite make sense, but it is actually the designation that the department passed on to the opposition. I ask the minister whether that is accurate and a correct reading of the bill — that is, the designated smoke-free room for a licensed premises where bingo is played and where there are two or more rooms, the bingo room can be the smoke-free room. I understand that to be the case.

Fourthly, I look at a licensed club, a non-gaming venue where there are one, two or more rooms in operation. I understand from the department that smoking bans will apply as in other licensed premises as in the three examples I gave earlier and that the designated smoke-free room may be a room open to the public or open only to members. That is an important distinction given that we are talking about a club rather than just a pub. As a further complication, I understand if there are gaming machines in the venue, smoking bans will apply as in other gaming venues.

I now turn to describe what the smoking bans will be in gaming venues. These overlapping difficulties are where we find some technicality in exactly what is to happen. I take the fifth example.

The ACTING SPEAKER (Mr Jasper) — Order! There is too much audible conversation on the government benches. I am having difficulty in hearing the honourable member.

Mr Hulls interjected.

Mr DOYLE — To echo the earlier sentiments of the Attorney-General: I was looking at that group opposite — what an eclectic group it is! Every time you poke your heads up, it is just like the same old nightmare happening again and again. I recall the film with some fondness.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member, on the bill!

Mr DOYLE — Always on the bill, as you would know, Mr Acting Speaker.

Mr Hulls interjected.

Mr DOYLE — I assure the Attorney-General I wish it were reciprocal, but I cannot offer that.

The ACTING SPEAKER (Mr Jasper) — Order!
The honourable member, on the bill before the house!

Mr DOYLE — If I can return to the simplest example of the number of rooms in operation, let us consider a gaming venue with only one room in operation. My understanding — and I thank the department for providing this information — is that it is the gaming machine area that must be smoke free. That provides a difficulty with which we must wrestle.

I wish I had been behind the closed doors when the Australian Hotels Association and the Licensed Clubs Association of Victoria were negotiating what was meant by the simple words ‘a room’. For example, if I take this chamber as a room in a gaming venue, with simply one room open — —

Mr Hulls interjected.

The ACTING SPEAKER (Mr Jasper) — Order!
The Attorney-General! I ask the honourable member for Malvern to address the Chair and not to give guidance to the Attorney-General.

Mr DOYLE — I ask honourable members to presume this chamber is a gaming venue of one room. The area known as the public gallery could be the gaming area; the floor of the chamber could be the wider area of the venue; and perhaps the area where the Speaker’s chair is located could be a small but exclusive dining area. This provision would indicate, even though it is one room, that the area that is gaming is smoke free, that the area that is the general area is for smoking, and the area which is for dining is smoke free. We all understand the nicety with which we accept the fact that smoke travels between those areas. We all understand that that is something of an anomaly but, as I have said earlier, we are prepared to support the legislation not because it is particularly logical — and we have to recognise that — but because it is a small step forward, and a very small step forward when we consider what is a single room. I wish I had been behind closed doors when the government negotiated the meaning of ‘room’.

I refer now to a gaming venue with two rooms that are open and available. In that case I understand that the legislation means the gaming room must be smoke free — in fact, it must be totally smoke free. That is an interesting sort of connection, because in the previous example involving one room it was the gaming area, but where there are two rooms it is the gaming room, which is discrete and separate. That is entirely appropriate as well. If there is a gaming venue where

more than two rooms are in operation, again the gaming room must be smoke free.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

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

Consumer affairs: funeral directors

Ms McCALL (Frankston) — The issue I raise for the attention of the Minister for Consumer Affairs, who is also the Minister for Senior Victorians, relates to the conduct of funeral directors. I am well aware that the legislation governing funeral directors is the Cemeteries Act, which comes under the Minister for Health, but this issue is not about the conduct of funeral directors in their dealings with bodies or the manner in which they conduct themselves in going about their business of embalming or whatever. My concern relates to the issue of funeral directors supplying a service to the community for which money exchanges hands and some sort of verbal or written contracts are given.

I use a particular example of a funeral director in my electorate. The action I seek from the minister is to review whether there is a need for some minimum standards to be put in place in relation to funeral directors, although I recognise that under competition policy they cannot be regulated too closely.

The issue relates to a funeral director arriving at a nursing home where a member of the public may be about to die and where the family seated around the bed may not have considered the issues related to the funeral. In this case the funeral director arrived and said, ‘Here I am. I am the expert. Allow me to do everything for you. Here is the piece of paper you need to sign. It includes all the costs you will incur in relation to the funeral. Sign here and the rest is all up to me’.

What happened subsequently, and I am happy to give the minister the details, was that no copy of the contract was given to the client. When the person died and the family members arrived at the crematorium for the service, they were landed with a whole series of other costs that they were expected to pay up front before the body would be buried or cremated.

I ask the Minister for Consumer Affairs to look very carefully into the conduct of funeral directors so that they do not exploit a sensitive section of the community, in particular senior Victorians who may be

faced with this issue in, God forbid, the not-the-too-distant future. I urge the minister to take some action.

Rail: Cohuna and Lockington land

Mr MAUGHAN (Rodney) — I raise a matter for the Minister for Transport that concerns disused railway land at both Cohuna and Lockington. The railway line from Elmore to Cohuna has not operated for something of the order of 40 years. Certainly the track has been removed, as have the ballast and the sleepers. Much of the land on that corridor has been either sold or is on long-term lease. In Lockington in particular the Landcare group has done a great job in planting trees along the old railway line. Those trees are now about 20 feet high. The situation is similar down at Elmore. My point is that the railway has not been used for many years and is unlikely to ever be used again. The land is currently managed by Victrack, and I am seeking the minister's assistance to make certain land available for sale at both Cohuna and Lockington.

Currently very little land is available at Cohuna for residential development, and that is hampering the growth of the town. There is a nice parcel of railway land that fronts Railway Avenue, and it is in a prime position for future residential development. There is a sealed road with kerbing, power and water, so it could provide 50 or 60 residential lots. It was offered to the Shire of Cohuna some 15 years ago, and for various reasons it decided not to go ahead because it did not have the funds for its development. However, a local builder, Mr Owen McLoughlan, in association with Hotondo Building Pty Ltd, is interested in purchasing the land and developing it. He is supported in that endeavour by the local municipality, the Shire of Gannawarra.

On behalf of the people of Lockington, the Campaspe Economic Development Board wants to acquire land to assist that town in its development. In both cases the land will give a stimulus to the economic development of these towns and certainly improve the viability of the local businesses and services. Therefore I appeal to the minister to use his best offices to expedite the sale of this land and to give both of these self-sufficient communities a welcome boost to their growth and development.

Frankston North: park project

Mr VINEY (Frankston East) — I draw to the attention of the Minister for Environment and Conservation an article that appeared on page 11 of the *Herald Sun* on Tuesday, 21 May. This article pertains

to a park project for the Frankston North community. This project aims to develop a park for the Frankston North community on the former site of the Monterey High School. This project has substantial support in the community and is one I am passionately committed to after many years of working for it.

The article relates to comments made by the local ward councillor, Vicki McClelland. I ask the minister to take action by writing to the Frankston City Council to seek clarification on whether or not it wishes to participate in the project, either as a committee of management or otherwise. The article is grossly misleading. It has a very tired photograph of Cr McClelland with some rubble on the site. It purports to suggest that this government has not delivered on its commitment to the development of this project.

The photograph was in fact taken of rubble existing on the site while work was in progress converting the site into a park. This is the site that at the 1996 election the former government promised to turn into a park but in 1997 sold to a developer. This is the site that only eight months ago this government took back into its ownership. This is the site on which this government within eight months has undertaken an environmental audit, a complete clean-up and the first slashing of the site for the fire season.

Last week I attended the site, which is now being prepared to be converted to a park — it is about to be seeded, the fence will be completed and it will be available for public use — after an environmental clean-up which included removing the asbestos left on the site by the previous government. Cr McClelland stands condemned for her —

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

Roads: U-turns

Mr SMITH (Glen Waverley) — The matter I raise for the attention of the Minister for Transport involves an anomaly in the Road Transport Act. The matter I wish the minister to rectify as a matter of urgency concerns an issue brought up in a letter I received on 7 May from Mr Glen Pringle of Marbray Drive, Glen Waverley.

On 21 April my constituent was driving when on holidays in Coffs Harbour, New South Wales. In his letter he says:

That evening I made a U-turn at traffic lights, an action which is illegal in all of Australia except for Victoria, and a NSW

police officer pulled me over and gave me a ticket. He told me that my action was illegal ...

He goes on along this vein and says:

As I'm sure you can understand, I am quite upset about this, not least because of the \$165 fine and loss of licence points associated with it —

which was very concerning to him. He then says:

(a) The Victorian state government —

that is, the Labor government —

introduced nationally consistent road rules on 1 December 1999 ... These were to improve road safety and help Victorian motorists avoid unnecessary fines when travelling interstate.

He goes on to say that under our law you can make a U-turn at an intersection with traffic lights provided there is no sign to say you cannot and suggests that everywhere else in Australia is wrong. He says:

I do not know why Victoria chose to implement the opposite of the rest of Australia ... but I can assure you that it has not helped Victorian motorists avoid unnecessary fines when travelling interstate ...

He hopes the minister can make representations on his behalf so that if he cannot get the fine withdrawn and waived he can at least have back the points that were deducted from his licence. It is a most unfair anomaly that this government should have fixed immediately.

Falls Creek: Kangaroo Hoppet

Ms ALLEN (Benalla) — I raise with the Minister for Tourism the very important issue of world-class tourism events at the Victorian snowfields. I want the minister to take action to ensure that major world-class snowfield tourism events, particularly at Falls Creek, will continue to be viable.

The Kangaroo Hoppet is Australia's single Worldloppet event and is one of the 13 international Worldloppet cross-country ski races. The Kangaroo Hoppet has been held at Falls Creek since 1991. Since then the event has grown dramatically and annually hosts around 1500 racers, approximately 200 of whom are from overseas. Of course many stay in the immediate region and this results in many of the accommodation houses, not only at Falls Creek but also in and around Mount Beauty, receiving huge economic benefits. The many cafes, restaurants and other tourist attractions are also beneficiaries of the increased tourism dollar.

The event, which is held at Falls Creek every August, is part of a five-day festival which includes a range of

sports and social activities held at Falls Creek and Mount Beauty. Together with a street parade and a world-famous pasta night the organisers have been able to turn the event into one of the most significant regional tourism events.

The Kangaroo Hoppet's rise on the Australian ski tourism calendar has raised the awareness of the international ski fraternity of Australian snowfields, particularly Falls Creek, which has also become a training venue for northern hemisphere skiers. This year's snow season has already got off to a very good start, with resorts right across my electorate — at Falls Creek, Lake Mountain and Mount Baw Baw — already experiencing significant snow falls.

The resorts at Mount Hotham, Mount Buller and Lake Mountain are all in my beautiful Benalla electorate, and those at Falls Creek will come into my electorate from the next election. I would like to invite everyone to visit these beautiful resorts over the winter season — and all right, if I have to I will also invite the Liberals and the National Party people. Yes, they can come up to my skifields too.

I particularly want the minister to take action to ensure that the Falls Creek Kangaroo Hoppet is able to remain one of the major cross-country events not just in Australia but around the world.

Bass Coast: retirement parks

Ms DAVIES (Gippsland West) — I raise a matter with the Minister for Senior Victorians. Bass Coast shire has a large and growing population of retired people. It has a very beautiful coast, close communities and a mild climate not too far from Melbourne. That is why they are coming. Some of these retirees are moving into a new form of residential park or resort which fits somewhere between a caravan park and a retirement village and yet is neither. Residents own their own theoretically relocatable buildings but not the land they are built on under arrangements that fall somewhere between rent and management agreements. I believe Victoria, like New South Wales and Queensland, will need to clarify the legal standing of these new forms of permanent living arrangements.

The management of one of the estates, the Penguin Resort on Phillip Island, has a current dispute with the shire over its rating system which needs clarifying. However, the company's response to the dispute has been to attempt to pass off two years rates charges onto the residents, when their management agreements clearly specify that 'the park owner agrees to pay council rates' and a whole lot of other things as well.

I have posted the minister some relevant documents relating to these residential retirement parks or resorts. I ask the minister to take action to clarify the legal position of residents in these parks and what remedies are available when and if there are disputes. This is necessary to provide certainty and security to residents in those parks who very much need and deserve it.

We want those people to properly be able to enjoy their retirement in our lovely coastal and rural communities. I ask the minister to help them achieve this goal by acting in a way that will clarify the legal position of the residents.

Government advertisements: authorisation

Mrs PEULICH (Bentleigh) — I raise a matter for the attention of the Attorney-General. Although he was here a moment ago I notice that he is not here. I hope he will return. The matter relates to a complaint that was submitted to the Victorian Electoral Commission about an advertisement I placed in the local paper in which I provided information drawn from the government's own *Hospital Services Report* and invited constituents who were having problems accessing important health services to contact me. In the advertisement I gave my full name and address, contact number, fax number and email address. Clearly it was evident who placed the advertisement. My whole purpose of doing so was to invite my constituents with problems to contact me.

The socialist Labor candidate for Bentleigh, who is the senior policy adviser to the Premier, has lodged a complaint to the Victorian Electoral Commission suggesting that the advertisement was in breach of the act because it was not authorised outside an election period. The reality is that most of us would not know about this little-known provision that all electoral material needs to be authorised. Because it was evident who placed the advertisement the Electoral Commission merely sought from me an undertaking that I would authorise all future material, which I was more than happy to give.

I call on the Attorney-General to take whatever action is required to fully inform all honourable members, as well as the state government, of their obligations. After looking through the provisions of the Electoral Act and flicking through some papers I noted that all of the state government advertisements also lacked authorisation.

Unbeknown to many of us, as well, obviously, as the senior social policy adviser to the Premier, section 3(3) of The Constitution Act Amendment Act 1958 clearly states:

Without limiting the generality of the definition of 'electoral matter' —

and it goes on and refers to any material that contains references to the government, the previous government, the opposition and so forth as being captured by this provision.

I call on the Attorney-General to take immediate action to investigate why the state government is in breach of the Electoral Act and to fully inform it as well as all honourable members of this little-known provision about authorising all material.

Consumer affairs: bilingual tenant support

Mr LIM (Clayton) — I raise a matter for the attention of the Minister for Consumer Affairs and I ask her to take action to reinstate the bilingual tenant support worker program which was introduced by the former Labor government in 1982 but scrapped in 1993 or 1994 by the former Kennett government. I commend the minister for recently launching a campaign to tackle discrimination by landlords, and I quote from her media release dated 22 May, which states:

This campaign builds on the Bracks government's commitment to protect rights and respect diversity.

In the minister's campaign and as part of the media release, reference was made to the fact that the government will be providing information through seminars, forums and pamphlets in diverse languages. My concern is that that is not enough. The experience of the bilingual tenant support worker program shows that you need people who can interface between new migrants, refugees and landlords to avoid exploitation due to the inability of new migrants and refugees to negotiate the system because of the language barrier, different customs and a range of other problems. Unless those measures are put in place those problems will continue.

I can go on and speak about a list of problems encountered by people who arrive in this country. They come from completely different backgrounds and most of them owned their own homes, no matter how small or poor — even a mud house — and they have never been in a rental market. Discrimination can range from violation of a tenant's privacy by the landlord intruding into his or her property at any time; unfair eviction from a property; refusal to repay bond money; and a whole range of other problems.

The bilingual tenant support worker is able to advocate on behalf of the tenant at the Victorian Civil and Administrative Tribunal, negotiate terms and conditions and act as a referee and mediator. It is important to have

people who understand the system and who can negotiate on behalf of new migrants and refugees. Unless bilingual people are available to help at the coalface of interaction with the landlords the problems will continue. I urge the Minister for Consumer Affairs to take action to reintroduce the program.

Palliative care: home services

Ms BURKE (Pahran) — I refer the Minister for Health or the Minister for Community Services to home palliative care services. I am concerned for people who are dying without affordable and appropriate levels of care. It is a difficult issue and I do not believe anyone would see it as being party political, but more about the care of our elderly.

I have a constituent, Sandy Williamson, who is an Australian citizen who has been a resident here for 20 years. She is currently facing a very debilitating disease and the prospects of her living a normal life are very grave. The problem is that she wants to stay in her home, which I can understand. People with these illnesses often do not have family support and are on their own. Their debilitating diseases make it difficult for them to care for themselves.

Sandy has care for 4 hours a day which leaves 20 hours with no care at all. Not only is there the issue of showering and washing, but there are also the household problems of shopping and caring for pets — which is important in keeping up her spirits as she goes through this difficult time. While people want to help there is no coordination between nursing, household and medical services and often not all of the players become involved. Someone writes a letter and when a person is ill they find it difficult to face all the issues, especially charts that tell them they are going from 4 hours to 1½ hours at this time of the day and 30 minutes during another part of the day. It all becomes so complex when they are on their own dealing with these issues. I request assistance from either minister and I look forward to hearing further.

Police: Ballarat East

Mr HOWARD (Ballarat East) — I refer the Minister for Police and Emergency Services to concerns raised by residents of my electorate of Ballarat East, both within Ballarat and in other parts of the electorate, relating to police numbers and issues of community safety that were expressed to me during the last state election campaign.

At that time numerous residents expressed concern that it was taking some time for police to respond to calls,

whether they be related to burglaries, disturbances in the neighbourhood or suspected prowlers, and that sometimes the police were unable to come at all. There was great concern in the community prior to the last state election. People were aware that police numbers had dropped across the state and I believe this was one of the issues that saw me elected as the new member for Ballarat East and the former government voted out of office.

I ask the minister to initiate administrative action to inform the community of Ballarat and other communities within the Ballarat East electorate of action the Bracks government has taken to increase local police numbers and improve community safety. In raising this issue I believe that while my constituents are aware that this government has followed through on its promise to increase police numbers by 800 across the state and that in the two and a half years it has been in office it has already been able to meet that commitment, they are unsure how that commitment relates to Ballarat.

While fewer concerns have been raised in my electorate about community safety issues and police call-outs, people still want to be reassured. I have worked with all the communities across my electorate, but in Daylesford particularly I have been working with community representatives, local police and the Minister for Police and Emergency Services to see that their concerns are also addressed. I certainly do not wish to criticise the police force. Three years ago they were working under duress and feeling stressed. The number of staff who were absent on extended stress leave was high at that time and those who remained on duty were feeling even more tested because they had to bridge the gap to make up for police members who were on leave. In 1999 the policing issue was of great concern, both in terms of morale in the force within my electorate and because of concerns raised by members of the community. I trust the minister will address this issue.

Moorooduc–Bentons roads: safety

Mr COOPER (Mornington) — I ask the Minister for Transport to take urgent action to improve safety at the highly dangerous intersection of Moorooduc Road and Bentons Road in Moorooduc. Over the past 18 months there have been 15 motor vehicle accidents at this location. Out of those 15 accidents, one person has died and 16 people were injured. On those statistics alone, this is a highly dangerous intersection and there is a need for urgent action.

A couple of years ago when the government announced that it was going to put extra money into the black spot program I immediately went to the Vicroads office and nominated this intersection for urgent safety improvements. That was over two years ago and nothing has been done. What aggravates me and the local community is that the Bracks government has underspent its budget on improvements to black spot crossings and it has done so while at the same time syphoning huge sums of money from that program to pay for the installation of fixed speed cameras on freeways in metropolitan Melbourne.

It is clear to me and my local community that the Bracks government is far more interested in revenue raising from these fixed speed cameras than it is in improving the safety of dangerous intersections outside metropolitan Melbourne. Those of us who live outside the metropolitan area know what the views of the community are on these important matters. I ask the Bracks government to get off its backside, stop the hand-on-the-heart rhetoric and start doing something. One of the places where it can start doing something is at the intersection I have just mentioned which has already claimed one life and caused 16 injuries over the past 18 months. If the government does not do something fairly urgently there will be more deaths and injuries at this location.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Bennettswood has 1 minute.

Housing: Blackburn resident

Mr WILSON (Bennettswood) — I ask the Minister for Housing to instruct the Department of Human Services to immediately review the application for early housing of a constituent of mine who is experiencing severe health problems. I provided the minister with some details earlier this evening.

My constituent and her family are currently living with her parents. Her father has recently been most unwell. My constituent is a disability pensioner with serious health concerns, and her husband has severe health complications. In all, 10 people occupy a three-bedroom house. I am advised that the Department of Human Services estimates a waiting time of up to 18 months for appropriate housing for my constituent. I will supply the minister with supporting medical evidence from her treating doctors. On this most important matter of health and housing I seek the minister's early intervention.

Responses

Ms CAMPBELL (Minister for Senior Victorians) — The matter raised by the honourable member for Gippsland West highlights the extent to which what is currently known as the Retirement Villages Act 1986 has not kept up to date with the changed life circumstances of real estate and retirement villages as they operate in 2002. When the act was formulated in 1986 there was no sense out there in the community that retirement villages would comprise permanent mobile homes. I share the honourable member's concerns about the importance of retirees having the opportunity for security in their retirement, and I also share her concerns about contracts.

I suggest that the honourable member for Gippsland West tell her constituents that the government is currently investigating the adequacies of the Retirement Villages Act. It is committed to ensuring that older Victorians living in retirement villages receive appropriate consumer protection. The situation described by the honourable member may need to come under such an act in the 21st century.

The average age of retirement village residents is 75 years, which puts them in a fairly vulnerable situation. Most of us would agree that although they may have assets, they really are vulnerable consumers at this stage in their lives. As I said, because the retirement accommodation industry has changed significantly since that act was passed, we will be assessing its adequacy. It is crucial to achieving an effective outcome for older Victorians.

I am pleased to inform the honourable member that letters were sent out fairly recently inviting people to contribute to an assessment of the act. In this study we are particularly looking at the following key focus areas: defining what a retirement village is; protecting residents' ingoing and outgoing contributions; the participation of residents in village decisions; and dispute-resolution mechanisms, including monitoring and compliance.

I also mention to the honourable member that the current residents of retirement villages and those in the situation she described may have recourse under the Fair Trading Act. Once the honourable member gives me all those details I will communicate directly with her so she can pass that on to her constituents.

The honourable member for Frankston raised a rather appalling situation where families that are being approached by a funeral director at a very traumatic time are not being given copies of the contracts they

sign and are not receiving the services for them and their loved one that they expected. Once the details are provided to me I will follow that up.

The fair point is being made that this particular funeral director, as I understand it, is not a member of the Australian Funeral Directors Association. It is a timely reminder for us all to check that traders or retailers are members of their peak bodies. However, that is not always possible in circumstances such as those the honourable member has described.

The matter raised by the honourable member for Clayton relates to bilingual tenant support workers. He stated that people from non-English-speaking backgrounds need a human interface so that they are able to talk one to one, preferably in their own language, about concerns over tenancies and so that they have someone to advocate for them at the Victorian Civil and Administrative Tribunal.

One of my consumer affairs commitments is to ensure that vulnerable consumers are the focus of our work. I inform the honourable member that in the next financial year our community programs are having written into their funding and service agreements a requirement to ensure that people from a range of non-English-speaking backgrounds are well and truly represented at a local level.

The honourable member mentioned the Equal Opportunity Commission funding that was announced last week, and I will follow up his suggestions about the bilingual tenant support workers, who were previously funded by consumer affairs. Non-English-speaking people deserve a much better deal than they are currently receiving. I would like to map out a quarterly progress chart, which the honourable member could convey to his constituents who are concerned about such matters.

Mr PANDAZOPOULOS (Minister for Tourism) — The honourable member for Benalla raised for my attention one of the world's best-known Worldloppet events, which is held annually in August at Falls Creek — that is, of course, the Kangaroo Hoppet, with which you, Mr Acting Speaker, are familiar. In the past the honourable member has raised the importance of the Kangaroo Hoppet, certainly to the Mount Beauty and Falls Creek communities in fantastic north-eastern Victoria. Since her election she has been urging the government to keep working with the Kangaroo Hoppet to help it grow.

Last year I announced that we would provide financial support and that, subject to being able to satisfactorily

work with the organisers, we would be keen to develop a long-term relationship with them to provide some certainty with their funding, rather than their having to apply and renegotiate annually. I am pleased to advise the honourable member that I have agreed to the provision of \$75 000 over three years — that is, for 2002, 2003 and 2004 — to support the marketing efforts of the Kangaroo Hoppet. It has on average about 1500 attendees, many from interstate and overseas. So there is even more of an opportunity to keep the event growing. When it is on at Falls Creek, accommodation in the entire region is chock-a-block.

It is a great cross-country event. There is a lot of focus on downhill skiing — it is great fun, and I do it myself — but there are many cross-country enthusiasts as well, particularly from overseas. It is really about ensuring that the event continues to grow and continues to be supported. I thank the honourable member for her hard work, and I thank Alan Marsden and his team, who do a wonderful job every year in August.

Mr HAERMEYER (Minister for Police and Emergency Services) — The honourable member for Ballarat East raised a matter concerning community safety and the police presence in his electorate. I congratulate him, because he has been a fairly consistent advocate of an increased police presence not just in his electorate but throughout the state. He understands that the starting point, so far as community safety and crime reduction are concerned, is having enough police resources on the ground to deliver.

Mrs Peulich interjected.

Mr HAERMEYER — I say to the honourable member for Bentleigh, who sat there in government licking the boots of a Premier who cut 800 police out of the Victoria Police, that the crime rate is going down. She was licking his boots saying, 'Thank you, Jeff, for cutting our police force'. Unlike the honourable member for Bentleigh, who was basically out there with her tongue blackened with Nugget — —

The ACTING SPEAKER (Mr Jasper) — Order! The minister, addressing the issue raised by the honourable member for Ballarat East, without assistance from the opposition benches.

Mr HAERMEYER — I might add, Mr Acting Speaker, that the honourable member for Polwarth should not complain. When it comes to police stations I think he has done better out of this government than he would ever have done out of the previous government!

The ACTING SPEAKER (Mr Jasper) — Order! The minister, addressing the issue raised by the honourable member for Ballarat East.

Mr HAERMEYER — I was just coming to that, Mr Acting Speaker.

The ACTING SPEAKER (Mr Jasper) — Order! I hope you will immediately.

Mr HAERMEYER — As I say, the honourable member for Ballarat East has been a very ardent and consistent advocate of an improved police presence in his electorate. I also note that in the recent budget he obtained a new police station in Gordon, for which he has been a very strong advocate as well.

Certainly increased police numbers are the starting point for community safety. It is no good preaching about tougher sentencing if you do not have the police to make the arrests. The first premise of deterrence is having the enforcement on the ground to effect the arrests. It is no good talking about tougher sentences. Under the previous government a whole lot of criminals were not ending up before the courts because they were not being arrested. So much for tougher sentencing!

The honourable member for Ballarat is absolutely right. This government now has delivered 800-plus additional police on the ground.

Mrs Peulich — What about the crime rate?

Mr HAERMEYER — I say to the honourable member for Bentleigh that the crime rate is declining in almost all categories. As much — —

Mrs Peulich interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Bentleigh will stop interjecting and provoking the minister to respond. The minister, responding to the issue raised by the honourable member for Ballarat East.

Mr HAERMEYER — As much as the honourable member for Bentleigh may wish in the interests of her re-election to have the crime rate go up, it ain't the case. It is going the other way — it is going south — as are the honourable member's ratings.

On the contrary, the honourable member for Ballarat East has been a very consistent advocate of an increased police presence. Ballarat is certainly getting its share of the 800 additional police that this government is putting on the ground. I am able to inform the honourable member for Ballarat East that

since 25 October 1999 the number of uniformed police members in his electorate has changed as follows: Ballarat has an additional 8 members, Daylesford has an additional 2 members, Kyneton has an additional 2 members and Buninyong has an 1 additional member.

Certainly the electorate of Ballarat East is sharing in those additional police, as is every electorate in this state. That is making a difference, because the official Victoria Police crime figures to the end of April show reductions in crime in almost every category. The overall crime rate is down 2.5 per cent.

Mrs Peulich interjected.

Mr HAERMEYER — You are a pathetic case!

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Bentleigh will cease interjecting and provoking the minister. The minister, on the issue before the Chair and concluding his comments.

Mr HAERMEYER — The numbers for crimes such as robberies, which had been going up consistently for 10 years, and home invasions, which had been going up exponentially for more than 10 years, are all coming down. That is the product of having those additional police out there on the streets — unlike the previous government, which was cutting police while crime was going up. It is a pretty simple concept: more police equals less crime; less police equals more crime. It is an idea that honourable members opposite seem to have some difficulty coming to terms with, although after what we heard at question time today, there unfortunately appears to be one area of crime that is increasing, and that is deception.

Ms PIKE (Minister for Housing) — The honourable member for Bennettswood raised with me in my capacity as Minister for Housing a matter concerning a constituent of his from Blackburn who has applied for early housing with the Office of Housing. I am certainly very happy to have a close look at and seek advice on the application and to raise again the particular circumstances that the honourable member has drawn to my attention. I will get back to the honourable member on that.

The honourable member for Prahran raised a matter with me as Minister for Community Services and with the Minister for Health regarding home and community care support for one of her constituents, Sandy Williamson. I will also undertake to evaluate the personal and home care support that she is currently receiving and get back to the honourable member on that matter.

The honourable member for Rodney raised a matter with the Minister for Transport regarding disused railway land at Cohuna and Lockington, and I will pass that information on to the minister.

I will also pass on to the Minister for Transport the concerns that were raised by the honourable member for Glen Waverley about the capacity of people to do U-turns in other states and the implications for Victoria, given that it is the only state where U-turns at intersections are permissible. He is obviously looking for a national approach to this matter.

The honourable member for Mornington raised a matter of safety at the intersection of Moorooduc and Bentons roads in his electorate, and I will again pass that matter on to the Minister for Transport.

The honourable member for Frankston East raised a matter with the Minister for Environment and Conservation concerning a park project within his local community, and I will ensure that that matter is passed on.

The honourable member for Bentleigh raised a matter with the Attorney-General concerning advertisements in a local community newspaper and their broader implications, and I will certainly pass that matter on.

The ACTING SPEAKER (Mr Jasper) — Order!
The house stands adjourned.

House adjourned 10.48 p.m.