

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

7 May 2002

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By authority of the Victorian Government Printer

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella,
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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

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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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Tuesday, 7 May 2002

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 2.05 p.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

Stamp duty: reform

Dr NAPHTHINE (Leader of the Opposition) — My question without notice is to the Premier. Given that Victorian families are paying record amounts of stamp duty, I ask: why is the Premier — —

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order immediately. The Chair is having difficulty hearing the question.

Dr NAPHTHINE — Given that Victorian families are paying record amounts of stamp duty, I ask: why is the Premier refusing to give Victorian home buyers any relief from this massive government stamp duty grab?

Mr BRACKS (Premier) — I welcome the question from the Leader of the Opposition. For the information of the house, the Leader of the Opposition was on regional radio this morning, where he said:

... if you lower the rate of stamp duty you run the real risk, if there's a downturn in the property market, that the state government could be embarrassed for lack of funds. And we do need funds for health, education and services in our community, and everybody recognises that.

I thank the Leader of the Opposition for supporting the government's position on this matter!

Foxes: control

Mr RYAN (Leader of the National Party) — When the Minister for Environment and Conservation wrote to the Honourable Bill Baxter, a member for North Eastern Province in the other place, on 21 June last year and said, 'Fox bounty systems are generally ineffective as they do not allow the targeting of fox control where it is needed', did she mean it, or was she foxing?

Honourable members interjecting.

The SPEAKER — Order! The latter part of that question is out of order.

Ms GARBUTT (Minister for Environment and Conservation) — The Leader of the National Party would be well aware that the presence of foxes has become quite an issue right across Victoria. They are a

problem for farmers, particularly in lambing time, and they are a problem when they take native animals from our parks and reserves.

The government has had many representations on the issue. Of course this is a government that listens — the Labor government listens and responds — and had the honourable member listened to the announcement he would have heard that we have announced several trials of bounty-type systems. Further details will come out in the budget which the Treasurer is about to deliver, which will be an excellent budget for rural and regional Victoria as well as all of Victoria.

Growing Victoria Together strategy

Mr HELPER (Ripon) — Will the Premier advise the house of progress in delivering key initiatives under the government's Growing Victoria Together strategy?

Mr BRACKS (Premier) — I thank the honourable member for Ripon for his question. He has seen the Growing Victoria Together strategy in action in his own electorate. Recently schools, police stations and hospitals in his area, as well as other tourism facilities, have received upgrades. The Ripon area has never been as good as it is under the present honourable member for Ripon. What is happening in Ripon is happening around the rest of Victoria.

In relation to its commitment to education, health, police and safety on the streets, and its commitment to growing all of Victoria, the report card on this government shows 10 out of 10. In relation to education, the government said it would reduce class sizes, and it has. It said it would employ more teachers, and 3000 more teaching and support staff are now in the system that were not in place when the Labor Party came to office two and a half years ago. When we came to office nurses had been sacked and there had been cuts in the health system from which it did not recover for many, many years. I am pleased to report that we have attracted back 3000 more nurses and medical support staff into our health system, and we are turning around the problems that we inherited.

In the police force there has been an 800 net increase in police officers 18 months ahead of the schedule that the government set for itself, as well as 20 new metropolitan and regional police stations and 31 new upgrades. Regional Victoria has the lowest unemployment rate it has had for 10 years, because over the last two and a half years the government decided to grow the whole of the state, not just parts of Melbourne. We have done that through the Regional

Infrastructure Development Fund and the \$3.5 billion used to link the whole of the state.

I am pleased to say in response to the honourable member for Ripon that the Growing Victoria Together framework is working in Ripon, is working in Victoria and is working for all Victorians!

Prisons: community units

Mr WELLS (Wantirna) — Will the Minister for Corrections confirm that the government is negotiating the purchase of a property in Frankston next to an elderly persons hostel and a large family restaurant as a location for one of Labor’s new suburban prisons?

Mr HAERMEYER (Minister for Corrections) — I was somewhat surprised at the weekend to find that the honourable member for Wantirna had discovered the concept of the community transition units that the government announced last year. In fact they were reported in the *Age* on 25 April last year. It has taken the honourable member for Wantirna over a year to either read last year’s papers or to make up his mind what he thinks about it. It is quite clear what the shadow Attorney-General thought about it at the time. An article in the *Age* says — —

Dr Napthine — On a point of order, Mr Speaker, the minister is now debating the issue. The question was quite specific: is the government purchasing a property in Frankston?

The SPEAKER — Order! I do not uphold the point of order that the minister was debating the question. I will continue to hear him.

Mr HAERMEYER — The article in the *Age* of 25 April last year says:

Opposition legal spokesman, Robert Dean, said that while the Liberal Party would prefer the creation of a specialised prison for drugs offenders, he was not opposed to the minimum security prisons being established, so long as they are used in an appropriate way.

Yet the honourable member for Wantirna came out on the weekend and said that he would close them down, that he would not have a bar of them — —

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable member for Wantirna to cease interjecting. I now ask the Minister for Police and Emergency Services to cease debating the question and come back to answering it.

Mr HAERMEYER — The government makes no bones about the fact that we are absolutely committed to trying to turn around the 50 per cent-plus prisoners who leave our prisons and then come back. What these facilities are about is taking those people who are in the last few weeks of their sentences and reintegrating them into the community so that they are prepared. It is about trying to find them a job and housing, because if you do not do it there is a much better chance that they will reoffend and end up back in the system.

Mr McArthur — On a point of order, Mr Speaker, you have already warned the minister about the rules relating to debating matters in question time, yet he is now debating again. This is a simple issue: is the government buying the land, yes or no?

The SPEAKER — Order! The latter part of that point of order is out of order because it is merely repeating the question. I do not uphold the point of order that the minister is debating the question. I was listening carefully: he was providing information to the house about one of the facilities that the question referred to.

Mr HAERMEYER — The government has already said that in terms of these three community transition units we would not determine their location until after we had determined the location of the 600-bed maximum-security remand facility and the 300-bed programs prison, which the government committed to in last year’s budget. We are not negotiating with anybody in Frankston. The reality is that we are not making any decisions about the location of these facilities.

These facilities are good policy. I am not prone to praising the previous government, but I have been informed by my department — and this was in the briefing provided by my department in November 1999 — that the previous government was committed to setting up these community transition units. The briefing note says:

A further 20-place innovative men’s metropolitan custodial facility for prisoners — —

Honourable members interjecting.

The SPEAKER — Order! I ask all sections of the house to come to order.

Mr HAERMEYER — This is from the Office of the Correctional Services Commissioner in 1999, and she is telling me what the previous government had been up to until that point. It says:

A further 20-place innovative men's metropolitan custodial facility for prisoners with a drug problem was also proposed — —

Honourable members interjecting.

Mr McArthur — On a point of order, Mr Speaker, you ruled earlier that the minister was not transgressing the debating rule, but on any objective test he is now debating the question.

The SPEAKER — Order! I ask the minister to come back to answering the question.

Mr HAERMEYER — I seek leave to table that section of the advice, if the house so desires it. This is what the previous government was up to, so I am quite happy to table it.

The SPEAKER — Order! The minister has indicated that he is making the document available to the house.

Mr HAERMEYER — I was also advised by the Correctional Services Commissioner that the previous government had been to the budget and expenditure review committee with the very same proposal. It had approved this under its own expenditure review committee. Who was in the cabinet at the time? The Leader of the Opposition. What breathtaking hypocrisy! We have the shadow Attorney-General, the honourable member for Berwick, getting up and saying he thinks it is okay, and we have the previous government saying it thinks it is okay. Now this desperate opposition comes out and suddenly tries to make hay of it. It is exposed by its actions and its own words.

Hospitals: demand strategy

Mr LIM (Clayton) — I ask the Minister for Health to inform the house of progress in delivering initiatives under the government's hospital demand strategy.

Mr THWAITES (Minister for Health) — I thank the honourable member for his question. The Bracks government's hospital demand strategy is repairing the damage of the Kennett years, when some 12 hospitals and 1000 beds were closed and 2000 nurses were sacked. In the last 18 months of the Kennett government we saw waiting lists increase from 33 259 to 40 293 — a 21 per cent increase.

The government's \$1.1 billion strategy is turning around our hospital system. I am very pleased to advise the honourable member that the strategy has been successfully implemented right across our major hospitals. We have recruited more than 2650 extra

nurses — and that is the net figure — and we have opened more than 360 extra beds. We are not just opening acute beds, we are also opening interim care beds so that older people can have appropriate treatment.

At the same time we have commenced our four-year \$150 million hospital prevention program. The results of this strategy are extremely successful. In the last 12 months ambulance bypasses have reduced by 62 per cent, from 843 to 322 — some 45 per cent less than the quarter when we came into government. Waiting lists have also been reduced. We have treated some 14 000 extra emergency patients, and in total 30 000 extra patients have been treated this year.

Dr Peter Cameron, the head of the emergency department at the Royal Melbourne Hospital, congratulated the government on bucking the national trend and achieving a reduction in occurrences of ambulance bypass and waiting lists. But it is not just about treating more patients, it is also about quality of care. As a senior hospital chief executive officer said of last year's budget:

The state government has provided the best health budget I can remember since 1975.

I am looking forward to hearing about this year's health budget later this afternoon.

Public land: pest control

Mr INGRAM (Gippsland East) — My question to the Minister for Environment and Conservation relates to pest plant and animal control and the impact of infestations on national parks, state forests and other public land areas. Will the minister guarantee that local area weed plans will not be used to implement changes to limit the obligations and legal requirements of public land managers to private landowners?

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for his question. I can assure him that this government is absolutely committed to improving our land management and improving our attack on weeds and pests. We have taken strong and decisive action, including increasing budgets, to tackle these problems.

In contrast, of course, the previous government had slashed funding — and I remind the house of the \$250 000 black hole left in the funding for wild dog control — or it had a very short-term approach and did not look to the future. Take, for example, the Rabbit Buster program, which would have finished this year had this government not been elected. This government

is turning around the management of weed and pest control in this state.

I want to cite a few examples. I will shortly be releasing a strategy for weed and pest control across the state, but in the meantime this government has actually increased weed enforcement funding by over 50 per cent compared to the previous government. In the last budget we announced an extra \$2 million for weed control across the state — and that included many projects in Gippsland, as the honourable member would be aware — whether it be for serrated tussock, Paterson's curse in the north-east and the north, or blackberries in Gippsland.

Mr Perton — On a point of order, Mr Speaker, I have been paying close attention to the minister, and she has been quoting from a document. I ask her to make the document available.

The SPEAKER — Order! I do not uphold the point of order. I am of the opinion that the minister was not quoting but was providing an answer.

Ms GARBUTT — Obviously, the opposition does not like good news, and this is good news for rural communities. In addition, the government recognises that this sort of work has to be done in partnership with a whole range of groups, such as our catchment management authorities, our Landcare groups and even Vicroads. This government has announced a \$125 000 project to work with Vicroads and Department of Natural Resources and Environment to identify and map areas which need weed control and to undertake that work whilst working very closely with community groups.

The honourable member drew attention to the area of Licola. The local Landcare group there has developed a local weed action program, which it wants to apply to both public and private land. This government is committed to being a good neighbour in instances where it is a public land-holder. I can give the honourable member a guarantee that no government responsibilities will be pushed onto the community, but the government does recognise that this work needs to be done in partnership. That local area bid for funding will be considered, and I believe the department thinks it is a high priority.

Prisons: community units

Ms McCALL (Frankston) — I refer the Minister for Corrections to the Premier's comments that none of Labor's suburban prisons will go ahead unless there has been full and extensive community consultation. Can the minister inform this house what consultation has

been taken with the Frankston community regarding the Labor Party's proposed suburban prison in Frankston?

Mr HAERMEYER (Minister for Corrections) — In relation to the bipartisan proposal of both this government and the previous government to establish these community transition units, I reiterate what I said in my previous answer: not happening in Frankston. The honourable member for Frankston seems to have some difficulty in understanding this.

Schools: retention rates

Mr LEIGHTON (Preston) — Will the Minister for Education and Training advise the house of the progress the government is making in increasing retention rates in Victorian schools and in implementing other education initiatives?

Ms KOSKY (Minister for Education and Training) — I thank the honourable member for his question and his interest in education. Last week the Australian Bureau of Statistics (ABS) released a publication called the *2002 Victorian Year Book*. In reporting the release of that publication the *Age* had the headline, 'Victoria, the place to be — Statistics don't lie', and they certainly do not lie with education. This government has made a major investment in education and training in this state. We have turned around the damage done by the previous government. We have reinvested over an additional \$2.2 billion in education and training to ensure that we have improved educational outcomes for our students.

The ABS report shows that on a number of different indicators Victoria is performing very well in education. School enrolments are up — an increase of over 14 000 students in Victoria since 1999. Student numbers for VET — vocational education and training — in the Victorian certificate of education (VCE) programs are also up — 68 per cent since 1999. Not only are students much more engaged in VET in the VCE programs but also the number of programs has increased to 441 since 1999 in all sectors. These are terrific improvements for education in Victoria, particularly for students, teachers and parents.

Retention rates are also up. ABS data on school retention shows that Victoria is not only doing well but is the best performing state of all the states, with only the Australian Capital Territory higher. We are up on every indicator. We are up on retention rates, on enrolments, on VET in the VCE — the stats don't lie.

This comes on top of the 9000 teachers that were sacked and the 300 schools that were closed by the previous government. It made an absolute mess of

education in this state. We are turning it around. We have invested an additional \$2.2 billion, and it is paying dividends. I want to thank the students, the teachers and the parents for turning this state around in education.

Community services: ministerial advisory committee

Mrs ELLIOTT (Mooroolbark) — I refer the Minister for Community Services to Labor's 1999 election commitment to establish a ministerial advisory committee on child, youth and family services. Can the minister inform the house when this committee was formed and how many times it has met?

Ms PIKE (Minister for Community Services) — I thank the honourable member for her question. One of the things the Bracks government has done is expand the opportunities for members of the community to be consulted and to have their part in the development of policy and initiatives that really reflect their needs. If anything, the criticism could come that there has been over consultation, so I find it rather amusing that the honourable member is now raising the matter of consultation. We strongly believe that listening to the community — talking to and consulting with people and hearing their needs — makes for good public policy.

We have a number of mechanisms for consultation within the Department of Human Services. Certainly the department has committees in the youth and family policy area and meets with people on a regular basis. Certainly I have forums — —

Dr Napthine — On a point of order, Mr Speaker, the minister is debating the issue. If the truth is that she does not know, she should say she does not know and get back to the honourable member.

The SPEAKER — Order! I do not uphold the point of order. The Leader of the Opposition well knows that the latter part of that was a point in debate.

Ms PIKE — The truth is that this government has a number of means of consulting with the sector. But the real test of the government's commitment to the community, particularly the disadvantaged members of the community who are covered by the community services portfolio, is the things it is able to deliver to Victorian citizens who have profound needs. Each of the budgets brought down by the Bracks government has contained a number of initiatives which have improved and enhanced the quality of life of low-income Victorians. The budget that will be delivered today will build on the substantial effort,

commitment and initiatives of the Bracks government to turn around the lack of commitment and concern of the previous government in caring for vulnerable people in our community.

Police: numbers

Mr SEITZ (Keilor) — Will the Minister for Police and Emergency Services inform the house of how the government boost to police numbers is contributing to a reduction in crime in Victoria?

Honourable members interjecting.

Mr HAERMEYER (Minister for Police and Emergency Services) — Put a few over there in one, I think — a nice private one!

As the house is aware, Victoria recently passed the target of 800 additional police officers, to which this government was committed prior to the last election. Most honourable members would be aware of how the previous government promised 1000 additional police but decimated the police force by cutting it by 800 officers. In addition, the previous government abandoned or threatened to close some 50 police stations. It is no wonder that at the last election we saw criminals across Victoria turning up at polling booths with Liberal Party how-to-vote cards!

Over the three years the previous government was cutting police numbers there was a significant increase in crime across all categories, particularly things like assaults, weapons and property crimes. The previous government was cutting police numbers while the crime rate was going up: one can only assume that there is a strong causal relationship. I have to say that 800 additional police make a difference. The *2002 Victorian Year Book* published recently contains figures provided by the Australian Bureau of Statistics.

An honourable member interjected.

Mr HAERMEYER — The crime rates are as low as the opposition's popularity ratings at the moment. The *2002 Victorian Year Book*, which publishes ABS statistics, confirms once again that Victoria is Australia's safest state by a long shot. It indicates that across the major indicators — homicide, attempted murder, assault, sexual assault and robbery — the statistics are declining. I saw a graphic example of that a few weeks ago when I visited Dandenong and Frankston. The police there are up to full strength for the first time in years and are doing sensational things. In Dandenong I was told of reductions in crime of more than 40 per cent across some categories. In Frankston a very innovative program has reduced car thefts by

around 27 per cent. These are early statistics but they have been sustained over a couple of months and are extremely encouraging.

With the introduction of 800 extra police this government is turning around the very criminal-friendly, anti-police environment fostered by the previous government. Despite the fact that the government has attained its target of 800 additional police 18 months early and despite the fact that everybody has acknowledged that — even the opposition acknowledged a few weeks ago that that figure had been attained — the opposition has put out this pamphlet in the community saying, ‘Despite Labor’s election promises independent reports show that police numbers have fallen by 40 officers in the past two years’. They know that is wrong, yet they go out and peddle this misleading, deceitful garbage to the community.

I call on the Leader of the Opposition to apologise to the Victorian public for that misleading bit of garbage — —

Honourable members interjecting.

Dr Napthine — On a point of order, Mr Speaker, I am happy to respond because the figures show that crime has certainly gone up in St Albans and Prahran — —

Honourable members interjecting.

The SPEAKER — Order! I ask members on the government benches to come to order immediately. I ask the Minister for Police and Emergency Services to conclude his answer.

Mr HAERMEYER — Mr Speaker, you do not get any softer on crime than cutting police numbers. We know they will do it again because they will not have the money, after the promises the Leader of the Opposition has already made, to do anything else. The crime rates in this state are going in the same direction as the popularity of the Leader of the Opposition — and that is down!

The SPEAKER — Order! The time set down for questions without notice has expired, and the house has dealt with the minimum number of questions required under sessional orders.

PETITION

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

Frankston–Flinders, Dandenong–Hastings and Denham roads: traffic control

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

The humble petition of the undersigned citizens of Victoria sheweth that we are gravely concerned about the extreme danger of the intersection of Frankston–Flinders Road with Dandenong–Hastings Road and Denham Road in Tyabb.

Your petitioners therefore pray that urgent action be taken to make this black spot intersection safer before any more lives are lost at the location.

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

By Mr BATCHELOR (Thomastown) (2473 signatures)

Laid on table.

Ordered that petition presented by honourable member for Thomastown be considered next day on motion of Mr VINEY (Frankston East).

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 4

Ms GILLETT (Werribee) presented Alert Digest No. 4 of 2002 on:

Constitution (Parliamentary Terms) Bill
Crimes (Workplace Deaths and Serious Injuries) Bill
Energy Legislation (Further Miscellaneous Amendments) Bill
Fisheries (Further Amendment) Bill
Guardianship and Administration (Amendment) Bill
Magistrates’ Court (Koori Court) Bill
National Crime Authority (State Provisions) (Amendment) Bill
Racing Acts (Amendment) Bill
Rail Corporations (Amendment) Bill
State Taxation Legislation (Further Amendment) Bill
Summary Offences (Spray Cans) Bill
Theatres (Repeal) Bill

together with appendices.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Adult Multicultural Education Services — Report for the year 2001

Ballarat University — Report for the year 2001 (two papers)

Bendigo Regional Institute of TAFE — Report for the year 2001

Box Hill Institute of TAFE — Report for the year 2001

Central Gippsland Institute of TAFE — Report for the year 2001

Centre for Adult Education — Report for the year 2001

Chisholm Institute of TAFE — Report for the year 2001

Cinemia Corporation — Report for the period 1 July 2001 to 31 December 2001

Crown Land (Reserves) Act 1978 — Section 17DA Orders granting under s. 17D leases to Powercor Australia Limited (two orders)

Deakin University — Report for the year 2001

Driver Education Centre of Australia Limited (DECA) — Report for the year 2001

East Gippsland Institute of TAFE — Report for the year 2001

Financial Management Act 1994:

Budget Paper No. 2 — 2002/2003 Budget Statement

Report from the Minister for Agriculture that he had not received the 2000–01 annual report of the Veterinary Practitioners Registration Board of Victoria, together with an explanation for the delay in tabling

Gordon Institute of TAFE — Report for the year 2001

Goulburn Ovens Institute of TAFE — Report for the year 2001

Holmesglen Institute of TAFE — Report for the year 2001

Kangan Batman Institute of TAFE — Report for the year 2001

La Trobe University — Report for the year 2001

Melbourne University — Report for the year 2001

Monash University — Report for the year 2001

Mount Stirling Alpine Resort Management Board — Report for the year ended 31 October 2001

Northern Melbourne Institute of TAFE — Report for the year 2001

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

East Gippsland Planning Scheme — No. C3 Part 1

Hume Planning Scheme — Nos C32, C34, C35

Maribymong Planning Scheme — Nos C8, C27

Maroondah Planning Scheme — No. C26

Melbourne Planning Scheme — No. C64

Monash Planning Scheme — No. C6

Moynes Planning Scheme — No. C1

South Gippsland Planning Scheme — No. C7

Whittlesea Planning Scheme — No. C33

Wodonga Planning Scheme — No. C11

Yarra Planning Scheme — No. C31

RMIT — Report for the year 2001

South West Institute of TAFE — Report for the year 2001

Statutory Rule under the *Subordinate Legislation Act 1994* — SR No. 30

Subordinate Legislation Act 1994 — Minister's exception certificate in relation to Statutory Rule No. 30

Sunraysia Institute of TAFE — Report for the year 2001

Swinburne University of Technology — Report for the year 2001

Victims Crime Assistance Tribunal — Report for the year 2000–01

Victoria University of Technology — Report for the year 2001

Victorian Law Reform Commission Act 2000 — Report on Criminal Liability for Workplace Death and Serious Injury in the Public Sector — Ordered to be printed

William Angliss Institute of TAFE — Report for the year 2001

Wodonga Institute of TAFE — Report for the year 2001

The following proclamations fixing operative dates were laid upon the Table by the Clerk pursuant to an Order of the House dated 3 November 1999:

Post Compulsory Education Acts (Amendment) Act 2001 — Remaining provisions on 3 May 2002 (*Gazette G18*, 2 May 2002)

Road Safety (Alcohol Interlocks) Act 2002 — Remaining provisions on 13 May 2002 (*Gazette G18*, 2 May 2002)

Sentencing (Amendment) Act 2002 — Remaining provision (except for sections 8, 9, 11 and 14) on 2 May 2002 (*Gazette G18*, 2 May 2002).

ROYAL ASSENT

Messages read advising royal assent to:

30 April

Jewish Care (Victoria) Bill
Melbourne City Link (Further Miscellaneous Amendments) Bill

7 May

Health Practitioner Acts (Further Amendments) Bill

HER MAJESTY QUEEN ELIZABETH THE QUEEN MOTHER

Message read advising that the Governor had transmitted to the Governor-General for presentation to Her Majesty the Queen joint condolence motion passed by both houses of Parliament on death of Her Majesty Queen Elizabeth The Queen Mother.

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

Magistrates' Court (Koori Court) Bill
National Crime Authority (State Provisions)
(Amendment) Bill
Racing Acts (Amendment) Bill

APPROPRIATION (2002/2003) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 2002–03.

Estimates ordered to lie on table.

Introduction and first reading

Mr BRUMBY (Treasurer), pursuant to standing order 169(a), introduced a bill for the appropriation of certain sums out of the consolidated fund in respect of the financial year 2002–03 and for other purposes.

Read first time.

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be now read a second time.

Introduction

This budget invests in our future — in the future of our people and our state.

It invests in more jobs and stronger communities.

It delivers record investment in education and innovation — driving new opportunities for all Victorians.

And it reinforces this government's determination to make sure that all Victorians — wherever they live and whatever they do — can step into the future with confidence as part of a strong and thriving Victoria.

The first two budgets of the Bracks Labor government began the task of undoing years of damage in education, health and community safety. We took up the challenge of rebuilding our regions. And we committed ourselves to getting the conditions right for jobs and economic growth across Victoria.

The results are there for all Victorians to see.

Strong economic growth above the national average.

Jobs growth, consumer spending, business investment — all well above the national average.

Strong economic and employment growth in regional Victoria.

And Victoria's AAA credit rating confirmed.

Education is back in its rightful place — as the government's top priority. Our health system is turning around. Our vital community services are being restored and repaired.

And Victorian businesses can now invest with confidence, with lower and fewer taxes, in a competitive, innovative and connected environment.

Growing Victoria Together

Last year, the government released our framework for Victoria's future, Growing Victoria Together, which balances economic, social and environmental goals in growing the whole state.

This budget puts that plan to work.

This budget continues to invest in Victoria's greatest asset: our people — in their education and health, and in the communities where they live.

We continue to invest in country Victoria — generating new jobs and investment after years of decline.

We invest in our expanding suburbs and growth corridors — places where more and more Victorian families are choosing to live.

We invest in our great city of Melbourne — in the projects and developments that will transform Melbourne into a truly 'global' waterfront city.

And we deliver services and infrastructure to link our communities together — and connect all of us to the world, and to a future of high quality jobs, strong economic growth and a better standard of living.

With this budget — the third budget of the Bracks Labor government — Victoria steps with confidence into a stronger, brighter future.

Responsible and sound financial management

Responsible financial management is crucial to Victoria's future.

This budget continues to meet the Bracks government's commitment to maintain a substantial operating surplus of at least \$100 million.

An operating surplus of \$522 million is projected for 2002–03, with expected surpluses averaging around \$600 million in the following three years.

Standard and Poor's and Moody's Investors Service have again acknowledged the government's responsible financial management, confirming Victoria's AAA credit rating.

The government is committed to keeping these excellent ratings by maintaining the state's net financial liabilities at prudent levels.

General government net financial liabilities, excluding the Growing Victoria infrastructure reserve assets, are forecast to fall from 10.8 per cent of GSP at June 1999 to 7.1 per cent by June 2006.

And general government net debt falls even further, from \$4.9 billion in 1999 to \$2.3 billion by June 2006 — just 1 per cent of GSP.

Honourable Speaker, the Bracks government has provided — and will continue to provide — responsible financial management and leadership to ensure that Victoria's financial position remains strong, sound and secure.

A growing economy — Victoria leads the way

The Victorian economy is also leading the way — proving to be robust and resilient in the face of global economic uncertainties.

This year, the Victorian economy is expected to grow by 3.75 per cent, significantly exceeding our original forecast of 2.75 per cent.

Growth in 2002–03 and beyond is forecast at 3.5 per cent — a strong performance that confirms the benefit of the government's commitment to sound financial management.

It also reinforces the benefits of the government's strategy to grow the whole state and invest in the

drivers of growth: education, innovation and infrastructure.

Victoria's labour market continues to outperform the national economy, with our unemployment rate at or below the national average for the past 22 months.

Since October 1999 employment in Victoria has grown by more than 110 000 people — representing more new jobs than any other state.

There's a new climate of confidence in Victoria — a confidence that, for the first time in many years, extends beyond central Melbourne and reaches out across the state.

It is a confidence reflected in private business investment and consumer spending growing faster than the national average.

And it is reflected, too, in the record numbers of Australians choosing to call Victoria home.

We are now attracting more and more people from other states.

People who see Victoria as a place of renewed opportunity, with a commitment to building strong, caring communities — in short, a great place to live, work and raise a family.

It's just one factor in Victoria's strong economic performance over the past two years.

And in this budget, we put the proceeds of that strong performance to work — reinvesting in the assets and services that are attracting people to Victoria, and benefiting all Victorians.

Investing for our future — stronger communities

As in previous budgets, the government is directing substantial investment towards growing and linking the whole state.

To meet that goal over the long term, we need stronger communities.

Communities where there is trust and support — communities that can work together to create new opportunities.

High-quality infrastructure is the cornerstone of such communities, and a key driver of long term, sustainable economic growth across Victoria.

The Bracks government has already taken investment in public infrastructure to an all-time high.

And our infrastructure program is not about monuments — it's about people.

It's about world-class schools and hospitals.

It's about modern transport and Internet connections.

It's about better, safer places for people to live and work.

The 2002–03 budget boosts asset investment by a further \$3 billion for major capital works across Victoria.

It's the biggest infrastructure program in the state's history — and it's been fully funded from our budget surpluses, without adding one single dollar to debt.

This year, we focus on linking and strengthening our country and regional areas, our expanding suburbs and our growth corridors — investing in the infrastructure they need to step into the future with confidence.

Stronger suburbs

Honourable Speaker, a major focus of this budget is the expanding suburbs and growth corridors of Melbourne.

These are the places where Victorian families are increasingly choosing to live — and where much of Victoria's future population growth will be concentrated.

In this budget, the government has committed \$704 million to a major Linking the Suburbs transport strategy.

We are extending the electrified suburban rail network to Craigieburn in Melbourne's north-west, and extending tram services to Vermont South.

We are upgrading major suburban roads in Narre Warren, Langwarrin, Sunbury, Laverton and Epping.

And we are providing a massive \$36 million boost for 25 suburban bus routes across Melbourne — extending routes, adding new services and introducing more low-floor, airconditioned buses.

The budget also provides \$445 million for Victoria's contribution to the Scoresby freeway.

As many people live along the Scoresby route as live in the whole of Adelaide, and the corridor is a major source of exports for Victoria and Australia.

This \$1 billion, 34-kilometre project will provide a seamless link from the south-east to the city and to Victoria's ports, airports and major freight routes.

It will bring significant economic and employment benefits to Melbourne's eastern and south-eastern suburbs and the regions beyond those suburbs.

And it will cement Victoria's reputation as the transport capital of Australia.

To generate further opportunities in Melbourne's east and south-east, the budget also allocates funds for the development of Dandenong, Ringwood and Frankston as key retail and transport hubs — known as transit cities.

\$23 million is provided in 2002–03 for five new schools in the high growth suburbs of Roxburgh Park, Melton, Narre Warren, Berwick and Carrum Downs.

Significant hospital capital works are also approved for the redevelopment of the Angliss and Dandenong hospitals.

Stronger regions

The 2002–03 budget continues the government's unwavering commitment to country Victoria.

When we came to office, country Victoria had been left behind, ignored and neglected by the previous government.

The Bracks government has worked hard to turn that around — and worked closely with country and regional communities to give them the services and infrastructure they need to compete for investment and jobs.

And, once again, the results are there for all Victorians to see.

Jobs are up, unemployment is down — with the average unemployment rate last year across country Victoria the lowest in more than a decade.

Our agricultural industries are performing exceptionally well.

And building approvals are outstripping the state average, with strong residential growth in cities like Geelong, Ballarat and Bendigo.

The government's Regional Infrastructure Development Fund has contributed to the turnaround in many of our regions.

It is a great success story, which has changed forever the relationship between country communities and the state government.

And that fund now sits at the heart of this government's ongoing commitment to country and regional Victoria.

The 2002–03 budget builds on the government's current major infrastructure commitments in regional areas and focuses on improving transport links, supporting regional industry and investing in schools and health services.

We are investing \$102 million to create better regional transport links — including an upgrade of the Warrnambool train line, major arterial road improvements and the biggest single boost to country bus services in decades.

We are undertaking a major \$101 million upgrade of the Royal Melbourne Showgrounds, securing the future of the show to build enduring links between the suburbs of Melbourne and the regions of country Victoria.

In a major economic and environmental initiative, the government is allocating \$77 million towards the construction of the Wimmera–Mallee pipeline — one of the most significant water infrastructure projects ever undertaken in Victoria.

Honourable members interjecting.

The SPEAKER — Order! Government members will come to order.

Mr BRUMBY — It wouldn't be there but for us!

This new pipeline will give 40 communities across Victoria's west a more secure and higher quality water supply.

It will create jobs, open up new opportunities for regional industry and protect the environment.

The budget also includes a major \$40 million package to upgrade regional public hospitals, health centres and aged care facilities — in places such as Lorne, Stawell, Beechworth, Geelong and Omeo.

We are undertaking upgrades of more than 40 schools in country and regional Victoria, including building two new schools in Lara and Bairnsdale.

We're replacing 12 police stations in small rural communities, from towns like Pyramid Hill in Victoria's north-west and Whitfield in the north-east, to Bunyip in Gippsland.

We are investing \$26 million to boost our food and fibre industries — and \$5 million to upgrade rail access for regional exporters to the port of Geelong.

And we are securing the long-term future of Victoria's water and forest resources, and the regional industries and communities that rely on them.

A thriving and innovative Victorian economy

Let me now turn to innovation.

Innovation is the 21st century's main driver of economic growth, quality jobs and high living standards — and a modern, outward looking economy must have innovation at its heart.

Innovation not only transforms existing industries, such as manufacturing and agriculture — it creates jobs in new industries, such as design and biotechnology.

Since 1999, the government has invested heavily in science and technology, and in education, innovation and research.

We have done so because we are determined to position Victoria as a global player in fields such as biotechnology, advanced manufacturing, design, aerospace, ICT and environmental technologies.

This budget reflects and reinforces that determination.

It commits \$100 million towards the construction of Australia's first synchrotron facility at Monash University in Clayton — giving Victoria the leading edge in scientific infrastructure.

We are doubling funding for medical research infrastructure in Victoria, with a \$35 million boost over four years.

This will ensure we keep our best scientists and researchers here in Victoria and maintain our international leadership in medical research.

The government is also investing \$27 million over four years in biotechnology research and development, commercialisation and marketing — in line with our goal of positioning Victoria as one of the top five biotech locations in the world.

Turning good ideas into good business is critical to a successful innovation economy.

This budget builds on the government's existing \$20 million technology commercialisation program by providing \$7 million for a centre for innovation and

technology commercialisation, cooperative research centres and a technology transfer program.

The government is also providing funding to drive new, knowledge-based industries in Victoria, including:

\$9.2 million over two years to position Victoria as an international centre of design excellence;

\$12 million over three years to establish a new centre for energy and greenhouse technologies in Gippsland; and

\$27 million over four years for our agenda for new manufacturing, increasing the capacity of Victorian manufacturing to become more innovative and connect to global markets.

New initiatives in this budget will add to Victoria's growing reputation as a world leader in the modernisation of government — including a \$71 million strategy to streamline government telecommunications services and \$24 million for a new electronic land exchange.

As well as leading the way on innovation, the government is also investing in Victoria's future as a creative state — building on our long-held reputation as Australia's arts capital.

The 2002–03 budget delivers more than \$100 million for arts projects, including:

the new Dame Elisabeth Murdoch Recital Hall and a new home for the Melbourne Theatre Company;

an additional \$2 million over four years for Arts Victoria's successful Regional Arts Infrastructure Fund; and

\$21 million to improve exhibition spaces and facilities at the Melbourne Museum and the State Library.

Alongside the government's commitment to innovation, these projects deliver a strong program to drive Victoria's future as an innovative economy and a smart, creative and enterprising state.

Building Tomorrow's Businesses Today

The government's commitment to innovation also includes the Building Tomorrow's Businesses Today package, recently announced by the Premier.

The budget gives effect to that package, allocating \$364 million to create a more competitive business environment, encourage more innovative businesses

and give Victorian business and industry a stronger international focus.

The package brings forward payroll tax cuts and the abolition of stamp duty on unquoted marketable securities.

It provides further cuts to payroll and land tax — bringing total business tax relief announced since October 1999 to more than \$1 billion.

The government will also provide \$102 million in initiatives aimed at improving the way Victoria does business, including support for innovation and international expansion.

The Building Tomorrow's Businesses Today package is a great step forward for Victorian business — and it will help all businesses, big or small, city or country, to become more competitive, more innovative and better connected to global markets.

Valuing and investing in lifelong education

Building a successful innovative economy is simply not possible without a world-class education system.

Education is crucial to Victoria's long-term economic success, and to building strong, caring and tolerant communities.

That is why record investment in education is the cornerstone of the 2002–03 budget.

We are making this investment to improve access and drive excellence in Victoria's education system, from preschool to post-compulsory level.

We want all Victorians to have access to world-class, lifelong education — from young children in kindergarten, to adults wanting to upgrade their qualifications, to someone wanting to learn a new language or skill later in life.

We want to make a real difference to young people's lives and give them every chance to succeed.

We want young Victorians to have the same access to education wherever they live — whether that's a country town like Birchip, a regional centre like Benalla, or suburbs like Fitzroy or Carrum Downs.

That means driving excellence and high standards across the entire state.

It means revitalising the way young people learn, and finding new, innovative ways to deliver better educational outcomes.

When we came to office, Victoria's school system was struggling.

Thousands of teachers had been taken out of the system.

Hundreds of schools had been closed down — or allowed to run down.

There were fewer apprenticeships.

We are undoing the damage of those years.

We have reduced class sizes in the critical early years of schooling.

We have set formal targets to improve literacy and numeracy, increase year 12 completion rates and improve student participation and achievement in regional Victoria.

We have put in place a middle years of schooling initiative to keep students engaged in years 5 to 9.

We have invested in computers, technology, science labs and libraries.

We have upgraded TAFEs and schools across Victoria.

And we have invested in valuing, training and supporting one of this state's greatest resources — our teachers.

This year, we go even further. This year, we take the next steps to deliver a new era of opportunity and excellence in Victorian schools.

The 2002–03 budget invests a further \$550 million in education over four years — on top of the substantial commitment in our previous two budgets.

The government is making a major new \$28 million investment to improve the learning, health and wellbeing of children before they go to school.

In response to the Kirby preschool review, we are upgrading preschool facilities, providing extra support for children with special needs and developing a better management model for kindergartens.

In primary and secondary schools, we have allocated an extra \$334 million over four years:

to improve literacy and numeracy in the early years of schooling;

for a new Access to Excellence program that will employ an additional 300 secondary teachers in

schools with high absentee rates or low literacy and numeracy standards;

to deliver a new middle years program focusing on innovation and excellence; and

to roll out, statewide, the new Victorian certificate of applied learning, which offers young Victorians an alternative pathway to the VCE.

In total, more than 900 additional teachers will be employed across the state to ensure these outcomes are delivered.

The budget also focuses on improving access to education, with an injection of \$31 million over four years to improve school bus services for country students, and an additional \$3.6 million to support Koori students.

Across the state, the government is building and upgrading more than 110 schools and four TAFEs — as part of a \$216 million major building program.

This record investment in education will improve access and drive excellence across our schools and TAFEs.

And it confirms the government's commitment to build a public education system that is the best in this country and among the very best in the world.

Ensuring high quality and accessible health services

The government also continues to turn around Victoria's public health system.

The 2002–03 budget builds on the successful hospital demand management strategy introduced last year that has more than halved ambulance bypass and reduced waiting lists for the first time in many years.

The budget provides additional funding of \$464 million over four years, enabling Victoria's public hospitals to treat 30 000 more patients and employ 700 more nurses and health workers.

The government is providing a \$100 million boost to upgrade medical equipment and hospital facilities.

We will expand and improve the delivery of ambulance services, and employ an additional 43 paramedics.

We will support older Victorians to live independently at home, through a \$29 million boost to home and community care services.

And we will extend a range of vital health services, including dental health, women's health and breast screening services.

In this budget, the government makes a major \$61 million commitment to improving community mental health services and opening new mental health hospital beds.

The government will continue its program of major capital works: — redeveloping the Royal Melbourne, Angliss and Dandenong hospitals; upgrading country and regional health services; and establishing four new country ambulance stations at Kyneton, Ararat, Colac and Hopetoun.

Honourable Speaker, the Bracks government is restoring our health services after years of chronic underfunding — and we will continue to work with our nurses, doctors and health workers to rebuild Victoria's great public health system.

Community safety

Strong communities are also safe communities, and the Bracks government is proud of its achievement in providing additional front-line police.

Victorian police numbers are now well over the 10 000 mark and Victoria has more than 800 extra police on the front line than we did two and a half years ago.

In addition to increasing police numbers, the government is building 20 new police stations across Victoria, replacing a further 31 country stations and upgrading police equipment.

The 2002–03 budget provides an additional \$26 million to build two new police stations at Footscray and Coburg, and replace 12 stations in small country towns.

This year, the budget focuses on delivering major improvements to Victoria's police and emergency services communications network.

The government has approved funding for three major projects under the statewide integrated public safety communications strategy.

These projects will give all Victorian emergency services state-of-the-art communications equipment — reducing response times, improving coverage and giving staff access to computer data bases from their vehicles.

The government will not continue the previous government's flawed experiment of privatising Victoria's emergency services communications.

This budget provides the funds to take these vital services back into public hands.

Road safety is also a priority for the Bracks government, which has set a goal of reducing death and serious injury by road accidents by 20 per cent over five years.

The 2002–03 budget invests record funding in upgrading roads and transport infrastructure — as well as providing \$21 million in specific road safety initiatives, including a new program focusing on motorcyclists.

As part of the Linking the Suburbs strategy, \$48 million will also be used to target roads and intersections with high accident rates in Melbourne's outer suburbs.

Promoting sustainable development and protecting the environment for future generations

Honourable Speaker, valuing and protecting our environment is one of the most important legacies we can leave our children and grandchildren.

We have an obligation to use our natural resources wisely and responsibly.

Victorians want leadership on protecting the environment and promoting sustainable development — and the government is showing that leadership.

We have already committed more than \$300 million to tackle salinity, restore the Snowy River, and improve flows in the Murray River.

Our plan to create world-first marine parks has received international attention and acclaim.

In this budget, we take further action to protect our waterways, our forests and our land.

Some of Victoria's most important rivers are under great and growing stress.

This is not a problem we can ignore — and we must take action now to manage our waterways more responsibly.

This budget provides an additional \$11 million to improve the health of our most stressed rivers, and \$13 million for a Gippsland Lakes rescue package.

The construction of the new Wimmera–Mallee pipeline will also benefit waterways in Victoria's west, improving flows in the Glenelg and Wimmera rivers as well as opening up new agricultural opportunities.

The 2002–03 budget also gives effect to the government's Our Forests, Our Future statement.

The budget allocates \$80 million to promote sustainable forest practices, establish new industry arrangements and provide assistance to workers and timber communities — as Victoria moves to cut logging in our native forests by one third.

The government is also moving to protect Victoria's fragile box-ironbark areas — with a \$21 million package to set up forests, woodlands and reserves, and provide additional support to regional communities and the users of these areas.

The budget provides an additional \$6 million for the second generation Landcare action plan — and \$3 million for a statewide fox control program, to protect both our native wildlife and our wool industry.

Honourable Speaker, this budget, and our actions to date, confirm that the Bracks government will lead the way in protecting our most valuable natural resources.

We will take the tough decisions as we work towards a long-term sustainable future for all Victorians.

Building strong and caring communities

Honourable Speaker, many of the investments in this budget are directed towards the government's goal of building strong and caring communities.

Across Victoria, most people and places are doing very well, with prosperity rising on the back of strong economic growth and a significant increase in asset values, especially housing.

But others are not doing so well — and the government recognises that inequality and disadvantage unfairly undermine the hopes and opportunities of these Victorians and these communities.

This budget takes the proceeds of prosperity and growth, and reinvests some of those proceeds in assisting families and communities in need of support.

In response to increasing notifications of suspected child abuse and neglect, the government is funding a \$65 million new approach to child protection services.

We will improve intensive services for abused children, provide additional support for vulnerable families and assist Victoria's Koori communities protect children and young people.

This package will put 60 new child protection workers on the frontline, and it is one of the most significant

improvements in community service delivery in Victoria for many years.

The budget delivers an additional \$55 million over four years to improve services for people with disabilities, including the first stage of the redevelopment of Kew Residential Services.

The government is also providing \$13 million over four years to improve the safety of railway pedestrian crossings and wheelchair access to railway stations.

As part of the government's strong commitment to reconciliation between indigenous and non-indigenous Victorians, we are providing \$12 million over four years to support indigenous communities.

The government is also undertaking a series of neighbourhood renewal projects to upgrade run-down public housing estates and assist local communities create job and education opportunities.

These projects run from Maidstone/Braybrook in Melbourne's west to communities in Seymour, Shepparton and Geelong.

\$8.8 million is also provided over four years to extend services for homeless people.

To improve access to housing in our suburbs and regions, the budget allocates \$13 million in 2002–03 to streamline and expand concessional arrangements to enable more Victorian families and people on low incomes to purchase a home.

The government is also funding a \$15 million redevelopment of the inadequate and outdated Turana juvenile justice facility, and providing \$8 million to improve access to legal aid, victim support and dispute resolution services.

The government also recognises that tolerance and diversity are important features of strong communities, as well as some of this state's greatest assets.

This budget expands the Victorian Multicultural Commission's community grants program and provides funding to improve language and interpreting.

Appropriation bill

Honourable Speaker, the Appropriation (2002/2003) Bill provides authority to enable government departments to meet their agreed service delivery responsibilities in 2002–03.

The bill supports a financial management system that recognises the full cost of service delivery in Victoria and is thus based on an accrual framework.

Schedule one of the bill contains estimates for 2002–03 and provides a comparison with the 2001–02 figures.

In line with established practices, the estimates included in schedule one of the bill are provided on a net appropriation basis.

These estimates do not include certain receipts that are credited to departments pursuant to section 29 of the Financial Management Act 1994.

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

Conclusion

Honourable Speaker, Victoria in the year 2002 is a great place to live — a great place to be.

We are leading Australia in so many ways — with our strong economic and jobs growth set to continue over the years ahead.

Some of the most exciting and important projects in this state's history have already started — or are about to begin.

The redevelopment of the Austin Hospital — the largest public sector hospital project in Australia.

The new National Neurological Centre — kick-started by the Victorian government and set to become a world leader in neuroscientific research.

The redevelopment of Australia's greatest sporting ground, the MCG.

New regional fast rail links to Bendigo, Ballarat, Geelong and Traralgon.

The new Holden engine plant.

The Scoresby freeway.

The Wimmera–Mallee pipeline.

New state-of-the-art sports facilities across Victoria as we prepare for the 2006 Commonwealth Games.

Our education system is driving forward into a new era of excellence.

Literacy and numeracy standards are up. Completion rates are up. Class sizes are down. New schools are being built.

Our health system is turning around, treating more Victorians and delivering better quality care right across the state.

Our business and industry are becoming more competitive, more innovative and more connected to the world.

And new opportunities are being created in our regions and our suburbs, and in the industries of the future.

Victoria is headed in the right direction — and we have the wind in our sails.

The government is investing well to ensure we stay on course, maintain our strong growth, and give all Victorians the chance to be part of a thriving and successful Victoria.

The 2002–03 budget puts the proceeds of Victoria's strong economic performance over the past two years to work — renewing and rebuilding our suburbs and regions, and driving new opportunities in education and innovation.

This budget reinvests in the foundations we need for an even stronger, brighter future — for our children and for all Victorians.

Honourable Speaker, I commend the bill to the house.

Honourable members applauded.

The SPEAKER — Order! I ask government members to come to order.

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

Debate adjourned until Thursday, 16 May.

APPROPRIATION (PARLIAMENT 2002/2003) BILL

Message read recommending appropriation and transmitting estimates of revenue and expenditure for 2002–03.

Estimates ordered to lie on table.

Introduction and first reading

Mr BRUMBY (Treasurer), pursuant to standing order 169(a), introduced a bill for the appropriation of certain sums out of the consolidated fund for the Parliament in respect of the financial year 2002–03 and for other purposes.

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be now read a second time.

The bill provides appropriation authority for payments from the consolidated fund to the Parliament in respect of the 2002–03 financial year including ongoing liabilities incurred by the Parliament such as employee entitlements that may be realised in the future.

Honourable members will be aware that other funds are appropriated for parliamentary purposes by way of special appropriations contained in other legislation. In addition, unapplied appropriations under the Appropriation (Parliament 2001/2002) Act 2001 have been estimated and included in the budget papers. Prior to 30 June actual unapplied appropriation will be finalised and the 2002–03 appropriations adjusted by the approved carryover amounts pursuant to the provisions of section 32 of the Financial Management Act 1994.

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

The total appropriation authority sought in this bill is \$77.4 million (clause 3 of the bill) for Parliament in respect of the 2002–03 financial year.

I commend the bill to the house.

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

Debate adjourned until Thursday, 16 May.

BUSINESS OF THE HOUSE**Program**

Mr BATCHELOR (Minister for Transport) — I move:

That, pursuant to sessional order 6(3), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 9 May 2002:

- Rail Corporations (Amendment) Bill
- Guardianship and Administration (Amendment) Bill
- Fisheries (Further Amendment) Bill
- National Crime Authority (State Provisions) (Amendment) Bill
- Theatres (Repeal) Bill
- Racing Acts (Amendment) Bill

Briefly by way of explanation, the last time the government business program was debated in this chamber I indicated that we would be likely to be debating the Electoral Bill. That has been deferred in order to allow for further consideration by the opposition; at its request, the government has facilitated that. Therefore in order to provide additional legislation for debate this week the government has brought forward a number of items which would normally have been debated later in the parliamentary sittings. The government has received the cooperation of not only the Liberal Party but also the National Party and the Independents in doing that to provide an appropriate legislative program this week. I would like to place on record the thanks of the government for the flexible arrangements which have facilitated this and subsequent weeks in the Parliament.

Ms ASHER (Brighton) — The opposition does not oppose this business program, but I would like to make a couple of brief comments about it. First of all, I wish to acknowledge the government's granting of extra time for further discussion on the Electoral Bill, a wide-ranging bill picking up in part a number of recommendations from the Electoral Commissioner. The opposition is pleased to participate in further discussions on what will be very substantial changes to the way the electoral system in our state works if the legislation is accepted.

Of course, the government could have brought on one far more obvious bill this week — that is, the Crimes (Workplace Deaths and Serious Injuries) Bill. The opposition indicated early on that it is willing to debate that bill vigorously at any time. The opposition would have expected the bill to have been debated this week given the amount of time it has been on the notice paper.

The government also had available to it the State Taxation Legislation (Further Amendment) Bill which rectifies an error the opposition pointed out in August last year. One has to ask why that bill was not brought on this week. Is it too much for the Treasurer to deliver a speech and then debate a bill in the space of one week? Those are two questions that I wish to place on the public record.

The other issue I wish to raise is that bills which are not available to the government for debate now but which will be available on Wednesday have been included in the government business program, among them the Theatres (Repeal) Bill and the Racing Acts (Amendment) Bill. The opposition has no objection to debating these bills but notes that the government's business program appears to be a little disorganised —

bills that have been on the notice paper for some time are not being debated while bills that will become available later this week are being called on for debate.

I also wish to make the point that in the early weeks of this sitting we debated very few bills. In fact, it was widely known that the government had no program or legislative agenda and as a natural consequence of that we saw very few bills come into this chamber in the early sitting weeks.

What we see is a gradual increase in workload in terms of debating bills, to which the opposition has no objection. However, given the notices that were given earlier, it appears we are heading in the same direction we have headed in in every single sitting — that is, we have no bills at the beginning of the sitting, the government then filibusters to try to use up the available sitting days to honour an agreement with the Independents, and later, when the ministers realise that the parliamentary sitting is moving on, we see an increase in bills, which in this case I am sure will bank up.

While the opposition has no qualms at all about the number of bills on the notice paper — and it acknowledges the consideration given to it on the Electoral Bill — it makes that point that many of them are very small bills that could have been aggregated into some type of omnibus bill to facilitate debate in the house. It appears that the government will have far too many bills to handle in future weeks legislative programs, given what will be a fiercely contested workplace deaths debate and the desire by shadow ministers and local members to comment extensively on the budget.

We are going to see the usual circumstance of a complete mismanagement of the government's business program towards the end of the session — indeed it was evident early in the session — because there has been absolutely no business, a lot of filibustering and a lot of sitting for sitting's sake. I place on the record the opposition's concerns about that issue. Again I make it clear that the opposition has no objection to the program, but we will have an objection if the government wants to back-end-load a business program later in the sitting, as has been its tendency in previous sittings.

Mr MAUGHAN (Rodney) — The National Party has no objection to the government business program, and I thank the manager of government business for the way this program has been negotiated. The National Party is prepared to debate the Electoral Bill when it comes forward, but I understand there are ongoing

negotiations between the government and the Liberal Party, which we are more than happy to accommodate. Like the Deputy Leader of the Liberal Party, we wonder why the government has been delaying debating the Crimes (Workplace Deaths and Serious Injuries) Bill, which is causing a great deal of angst in country Victoria. Along with most other honourable members in country Victoria I have received a large amount of correspondence on this legislation, and we would like to see the government bring it forward. Let's debate it: let's get it out of the road and not have it hanging around on the notice paper.

The State Taxation Legislation (Further Amendment) Bill has been on the notice paper for quite some time, and again we are prepared to debate it at any time and would be happy to see the government bring it forward. This week we will be more than happy to advance at short notice debate on three bills that have now appeared on the notice paper — the National Crime Authority (State Provisions) (Amendment) Bill, the Theatres (Repeal) Bill and the Racing Acts (Amendment) Bill. Therefore we will be dealing with six bills this week, which is much better than we have done in the past.

However, I can see the legislative program starting to build up, and I forecast a heavier workload in the weeks ahead. We certainly do not object to that, as long as at the end of the sittings we do not find ourselves snowed under with bills — and there is some suggestion that we may have to sit an extra week to accommodate them. I hope that does not happen. We are prepared to debate the bills as soon as they are available, provided we have the opportunity for briefings and for consultation with the members of our communities who have something to say on them.

Another bill that has been sitting around for quite some time is the private member's bill on the gaming and tobacco acts. I wonder why it is that they are not prepared to debate that? We would like to see it brought forward and debated. There are also a lot of motions on the notice paper, many of which would make for very interesting debates. I notice one from the honourable member for Mildura, which says:

That this house congratulates the Leader of the Opposition on his leadership style, notably his inclusive and consensual approach.

I would like to see that brought forward so the honourable member for Mildura could debate it. Likewise, there is a very good one from the honourable member for Monbulk:

That this house condemns the Premier and the Labor government for failing to have legislation prepared in time for the first day of the Spring sitting and notes that this dereliction of duty has not occurred for 10 years and puts in jeopardy the whole parliamentary legislative program.

I think that motion is as current today as it was when the honourable member for Monbulk gave notice of it. We would have an excellent debate on the dereliction of duty and the failure of the government to bring forward its legislative program.

Although we will not be opposing the business program and are pleased to be able to debate the bills this week, I appeal to the government to get on with its legislative program. Let's get these bills in sufficient time so that we can consult with our communities, can have our briefings and get on with the debate.

Ms DAVIES (Gippsland West) — I express some concern about the fact that, as with every sitting of Parliament since I have been in this house, we are facing a build-up of bills towards the end of the sitting. It is high time the government got its act together and made sure there is a better spread of legislation across the whole sitting. I suggest that is relevant to governments of whatever ilk, because, as I said, it has been a problem in every parliamentary sitting I have participated in.

The honourable member for Rodney kindly mentioned the private member's bill on gaming which I introduced at the end of last year. I agreed after some discussion that the government could have the opportunity to bring in its own version of that bill.

The Minister for Health made an announcement in very early January this year about his proposed changes to legislation relating to smoking in gaming rooms, and we have yet to see the minister table any legislation in this house. Likewise, a good month or so ago, if not more, the Minister for Gaming announced his intention to bring on some fairly pathetic gaming reforms, and we have not yet seen any attempt by that minister to bring legislation into this Parliament.

I suggest to the government that before it makes its announcements it should get itself together sufficiently to have legislation drafted so that we do not face the situation of having an announcement made about legislation and months and months down the track there still being no attempt to bring it into the Parliament. I have suggested to the government that if it is not sufficiently organised to bring its own legislation into this Parliament perhaps it should bring on the private member's bill, and then we could have a decent debate on that legislation instead.

I am pleased that the house has some more significant bills to debate this week. I do not believe that Parliament sits just to pass legislation. Every day that Parliament sits is, I believe, useful in that we have question time and time for members to raise important issues on behalf of their constituents. I used to raise that argument frequently with the previous Treasurer, who argued that governments should sit only when they have vast amounts of legislation to enact. As I said, I believe we sit for purposes other than just passing legislation.

I am happy that in this Parliament under this government as a general rule we have fewer bills and less controversial legislation to debate in any one week, but as per usual with both this government and the previous government, we are now facing a significant backlog of legislation in addition to the budget debate which will occur over the next couple of weeks. I am concerned that we will have too much of a build-up of legislation in the coming weeks. I do not believe it would be acceptable for the government to use this build-up as a reason for refusing to properly debate and vote on any amendments to legislation which may come up during that time.

Mr McARTHUR (Monbulk) — I will pick up a couple of the points made by the honourable member for Gippsland West, who said that Parliament has other functions apart from just debating legislation and that she was actually looking forward to having the opportunity to debate other matters. I see some sense in that.

Ms Davies — The first time, Steve!

Mr McARTHUR — Well, you have to break a rule every now and then!

There would be some sense in discussing matters other than legislation, but unfortunately under the draconian sessional orders that this government has forced through — with, I point out, the support of the honourable members for Gippsland West, Mildura and Gippsland East there — there is no opportunity to discuss anything other than government business. You cannot have notices of motion debated in this house, you cannot move censure motions against ministers who misbehave and you cannot have a private member's bill debated unless the government agrees with the thrust of it and is prepared to give it space during the time allocated for debate on matters of public importance.

However, I refer the honourable member for Gippsland West to notice of motion 1 in my name, which would

provide substantial opportunities for debates on private members bills and non-government business if it were to be adopted.

The honourable member for Gippsland East has mentioned to me several times that he is looking forward to an opportunity to discuss other non-government matters at some stage. Perhaps we can reach an agreement on that.

I also pick up the point made by the honourable member for Rodney, the honourable member for Gippsland West and the Deputy Leader of the Liberal Party about the impending logjam of legislation. When this sittings started the government failed to introduce a significant number of bills. Today we heard ministers give notice of eight bills, and there are already a couple of extremely contentious bills on the notice paper — namely, the Electoral Bill and the Crimes (Workplace Deaths and Serious Injuries) Bill, both of which will involve a significant amount of debate given the wide range of views on their relative merits.

With only four weeks remaining in this sessional period we have to debate the budget, which has just been introduced, and we have to debate some very significant bills that are already on the notice paper. We will be dealing with six bills this week, although they are less controversial and of less import than some others on the notice paper; and we have, as I said, eight more bills to debate, notice of which has been given today and the detail of which we will presumably see on Thursday, when they are second read.

I point out to the government that it is again about to commit a mistake it has been making all along. I suggest to the Leader of the House that he ask the Premier to impose a legislation deadline on ministers prior to the spring sittings. This is what Premier Kennett used to do: if ministers did not have legislation in a bill-at-cabinet format by a cut-off date prior to the start of the sittings, rather than waiting until the sittings started, they simply did not get it in. That provided a very significant incentive for ministers to keep the pressure on their departments and on the Office of the Chief Parliamentary Counsel to get the work done during the recess, because once the session starts it is very difficult to get that work done. We all get tied up in here and in a range of other processes, so the bulk of the legislative program that ministers undertake should be carried out — must be carried out — during the parliamentary recess.

The Leader of the House might care to raise that around the cabinet table with the Premier next week and

suggest some sort of a deadline — maybe a month before we start the spring sittings.

Mr Batchelor interjected.

Mr McARTHUR — What a good idea. He spoke very glowingly during the Christmas felicitations, and I am sure he will see the merit in that, especially if you tell him that it was a program Jeff Kennett used to apply and that it actually worked in cabinet by getting a lot of legislation ready prior to the session starting.

Nevertheless, we are not opposing this week's program. It will be busy and will require a little bit of juggling and management, but I think we will get through it during the course of the week.

Motion agreed to.

MEMBERS STATEMENTS

Budget: major projects

Ms ASHER (Brighton) — The government's record on major projects is absolutely abysmal, this budget notwithstanding. So far we have seen no major projects at all from this government, and every single one of the seven state-funded infrastructure major projects it inherited from the previous government is or has been late. It is no surprise therefore that Major Projects Victoria, headed by that luminary James Cain, has advertised for a tender:

... to establish a panel of project feasibility initiation and development managers to assist Major Projects Victoria officers with a range of tasks in the initiation of major projects for Victoria.

As I read the budget handed down today I can see why the government needs help in initiating major projects, because again there are no major projects in it.

I note that the government has now merged the retitled major public structure and land development output with a number of road announcements. Major projects have now been absorbed into the metropolitan transport infrastructure and public development projects section, which I guess was always going to happen once the Minister for Transport took over major projects. Again, if you compare like with like — as one always should — you see there are no major projects for Victoria in this budget.

Insurance: public liability

Mr DELAHUNTY (Wimmera) — The government and the Minister for Local Government are condemned

for failing to support councils, particularly country councils, on the issue of the non-feasance defence in public liability court cases.

Last week the National Party spokesperson for local government, the Honourable Jeanette Powell, a member for North Eastern Province in the other place, and I met with councils in western Victoria. They strongly supported the motion passed by the Legislative Council that the government urgently legislate to ensure that municipal councils in Victoria can continue to rely upon the defence of non-feasance which has been jeopardised by a High Court decision.

The Municipal Association of Victoria has surveyed councils, and they believe this High Court decision will add \$100 million to their costs for further risk management, maintenance and signage on roads, bridges and footpaths. Last week there was community uproar when the Hindmarsh Shire Council put load limits and other restrictions on local roads because of its concerns that it is not legally protected.

The abolition of the non-feasance defence is jeopardising insurance cover for Victorian councils as this defence has been one of the reasons councils have been offered coverage. It may also lead to increased litigation. The increase of material risk will result in increased premiums or the removal or restriction of insurance cover.

I am informed the government has enough evidence to make an informed decision regarding legislation. I ask the Minister for Local Government to stop sitting on his hands and do something on this matter, particularly for country councils.

Schools: Asian language program

Mr LIM (Clayton) — The Howard government's decision last week to cut funding to the Asian language program in schools should be condemned by all Australians. The decision is short sighted, stupid and not in the national interest. We all know the federal government is American and European centric, but we never knew it could be so irresponsible. The national Asian languages and studies in Australian schools strategy was a 1995 Labor government initiative to encourage the learning of Chinese, Japanese, Indonesian and Korean languages in Australian schools. The program aimed to have at least 60 per cent of year 10 students studying at least one Asian language and at least 25 per cent of year 12 students doing the same. There is evidence that this is happening, thanks to the program. In 1994, in Victoria alone, only 75 000 students in 570 schools studied one Asian

language, and by 2001 more than 200 000 students in 890 schools were doing the four languages.

I have grave concerns that stopping this program will harm the efforts and aspirations of young Victorians to be bilingual and internationally competitive, especially in the north-east Asian region, where the economies are growing so rapidly. The funding cut will further damage Australia's reputation in Asia, as such a cut will send a negative message to our neighbours.

Instead of positioning Australia to maximise its strength in the language skills of its young people, this federal government is engaging Australia in an act of cultural self-mutilation.

Prisons: community units

Ms BURKE (Prahran) — Today more than ever the elderly in my electorate are afraid — as afraid of being in their own homes as they are of being out in the streets. Crime in Victoria has increased alarmingly: a 44 per cent increase in aggravated burglaries; a 15 per cent increase in car theft; and a staggering 26 per cent increase in homicides.

The Prahran electorate has a large number of single-member households and a significant number of those households are occupied by elderly citizens. The community is feeling much more exposed, and I call on the Bracks Labor government to take initiatives and action to set up better networks with government agencies, home and community care services, local government and the police to find programs and systems to support and care for those elderly citizens who are now feeling alone and vulnerable to increasing crime elements in our society. The Labor government's continual reference to transitional units is seen as Labor's answer to a prison at the end of the street.

Member for Brighton: performance

Mr BATCHELOR (Minister for Transport) — I take up a point raised by the Deputy Leader of the Opposition in this house, and her failure to understand the budget. Today she rose to say she did not understand the budget, and I am happy to give her assistance and provide a remedial class for the Deputy Leader of the Opposition — —

Mr Leigh — On a point of order, Madam Deputy Speaker, given that an appropriation bill is before the house and the minister seems to be involved in some explanatory note, could you tell us whether that is appropriate for this section of proceedings in the Parliament?

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

Mr BATCHELOR — The budget the Treasurer delivered today is peppered with major projects. There is the synchrotron, the showgrounds, the Wimmera–Mallee pipeline, the Austin hospital, Spencer Street station and the regional fast rail projects. There are major road projects, and you cannot get more major than the Scoresby freeway, both in terms of the freeway and the public transport upgrade. It just shows how bereft opposition members are — they do not understand the budget papers, and that is manifested here today by the Deputy Leader of the Liberal Party, the honourable member for Brighton.

Today the honourable member for Brighton demonstrated her ignorance and lack of understanding. She stands condemned by her statements and her contribution. The budget just delivered by the Treasurer is full of major projects. There is more activity in this state than under the previous Kennett government.

Police: numbers

Mr SAVAGE (Mildura) — Firstly, I wish to commend the government for the increase in police numbers. Despite the rhetoric and the dire warnings of non-achievement, a figure of 10 149 has been achieved. Instead of — —

Mr Leigh interjected.

Mr SAVAGE — Look, you are an intellectual void! Why don't you keep your mouth shut!

The DEPUTY SPEAKER — Order! The honourable member for Mildura will address his comments through the Chair, and will not respond to interjections. The honourable member for Mordialloc will be quiet!

Mr SAVAGE — This is a remarkable outcome and deserving of commendation from this place. Where were the voices for so-called country Victoria for seven years when numbers were reduced to below 8300? When I first raised this issue I was threatened with legal action by the former chief commissioner, Mr Neil Comrie. Since then we have had new police stations in my area in Murrayville, Beulah, Red Cliffs, Underbool, and one announced today at Merbein.

I also commend the government on choosing Christine Nixon. She is proving to be an excellent choice for chief commissioner and has taken the police force forward.

Orthodox Easter

Mrs PEULICH (Bentleigh) — I would like to extend my good wishes and the wishes of members of the Liberal Party to all observers of the Orthodox religion for a happy Easter Tuesday. In the Bentleigh electorate we have many who are Russian, Greek and Serbian Orthodox observers. Among the Orthodox observers are my mother, my husband and my son, as well as the Speaker, who was here earlier, and other honourable members of the Parliament.

During the celebrations a matter very close to the heart of the Greek community was raised with me in relation to a letter written to the government longer than a year ago. I quote from the letter dated 16 April 2002 to the Minister assisting the Premier on Multicultural Affairs:

I write to you, once again, on behalf of His Grace, Bishop Ezekiel of Dervis, Bishop of Victoria and director of the Greek Welfare Centre, regarding the centre's application for a gambling project under the Community Support Fund, submitted to the Community Support Fund on the 30 January 2001 with your encouragement.

Minister, I wrote to you expressing concern for the lack of communication with the Greek Welfare Centre from both the Community Support Fund as well as from you. I refer you to my two previous letters dated 27 November 2001 and 5 February 2002 respectively. In both these two letters a meeting with His Grace was also requested. Much to our dismay, Minister, to date we have not received any response.

This is disrespectful treatment of a key religious leader of the community, and I call on the government to do something about it.

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

Kristi Harrower

Ms ALLAN (Bendigo East) — On a day when we have seen many great announcements for Bendigo and central Victoria, I would like to inform the house of another fantastic achievement by a Bendigo sportsperson.

Bendigo born and bred Kristi Harrower was recently made the captain of the Australian national basketball team, better known as the Australian Opals. Kristi is just 27 years old, and this is a significant achievement for a young sportsperson from a country town. I pass on my congratulations to Kristi for her hard work and dedication in performing at the absolute elite level of her chosen sport. Congratulations should also go to her parents, Bernie and Janice Harrower, who have nurtured her talent and encouraged her throughout the junior ranks while she was playing in Bendigo, which

involved many, many hours travelling up and down the Calder Highway to Melbourne to participate in high levels of the junior sport.

Kristi is a great inspiration for young Bendigo junior basketballers, both boys and girls, who aspire to perform at their absolute best. The ultimate achievement is representing your country, and Kristi has achieved an even higher honour in that she is now captain of Australia. She was captain for the series against Japan, which was concluded last week. It was a clean sweep, which was a great achievement for Kristi, who also played her 100th game for Australia.

Victorian Interpreting and Translating Service: funding

Mr KOTSIRAS (Bulleen) — I condemn the government for not serving the needs of Victorians from a language background other than English.

A number of multicultural and ethno-specific organisations, like Action on Disability within Ethnic Communities, require the use of interpreters and translators to pass on valuable information to their members. Unfortunately this government is restricting the use of interpreters and translators. All Victorians have a right to fully participate in day-to-day life, but it seems that councils and groups are not receiving enough funding through the Victorian Interpreting and Translating Service for their interpreting and translating. This is despite the minister standing in Queen's Hall last month saying what a wonderful job VITS was doing!

In a press release issued in April the minister said that VITS had an excellent reputation for providing interpreting and translating services with a focus on customer service and community needs. While I agree with this statement, what is VITS doing with its huge profits? According to its profit and loss account its projected profit for 2002 is approximately \$1.4 million and for 2003 it is \$1.57 million. If this is correct, why not put some of this money back into the community? VITS was established to service the needs of members.

The government has also undertaken a review of language services but after two years nothing has come of it. I ask the government to hurry up and finish its review.

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

Hepburn Football Club

Mr HOWARD (Ballarat East) — Over the weekend I visited Hepburn Springs on both Saturday and Sunday. Saturday marked the street parade and the official opening of the Swiss–Italian fiesta — a great festival based on the Swiss–Italian origins of many of the original European settlers in the area. The festival which is organised by a voluntary community committee, has been successfully run for 10 years now and has provided a broad range of arts and cultural events involving displays of performing and visual arts. Local food and wine is also enjoyed in the wonderful environs of Hepburn Springs. As usual the event, which is run over five days, was enjoyed by thousands of people including local residents and many visitors to the region. I commend the organisers of this vibrant festival for the organisation of yet another successful festival.

While in Hepburn Springs on Sunday I was able to draw the major raffle for the Hepburn Football Club. Over the last two years the club has gone through challenging times, but because of the great work of the committee and the Hepburn community, it has got back together to become successful both financially and on the field — with a 3–0 success rate this year on the field. I commend all of those involved in the football club for the great success they are experiencing and I wish them — —

The DEPUTY SPEAKER — Order! The honourable member's time has expired and the time laid down for members' statements has also expired.

RAIL CORPORATIONS (AMENDMENT) BILL

Second reading

Debate resumed from 18 April; motion of Mr BATCHELOR (Minister for Transport).

Mr LEIGH (Mordialloc) — I rise to put the Liberal Party's position in respect of this bill. I have some deep concerns, which I will set out in a few moments, about what the government is doing and why. At best this could be seen as the government's retribution against somebody that it does not like.

I am not here to represent the interests of Freight Australia — indeed, my interest is to make sure that the rail freight arrangements for Victoria advantage anybody who wants to use the system — but I know the vindictiveness of some members of the government, and particularly the Minister for Transport, and I will

prove why I say this in a moment. I want to quote from *Hansard* of 2 November 2000, when a very interesting comment was made. During that debate the Minister for Transport got upset with me because I had a document from Marinus van Onselen, the head of Freight Australia, to the government about its attitude to rail access and what the government was proposing to do.

He believed the government, after it had been in office a while, had decided to change the goalposts in respect of his company's position. That was his view; I am not saying it is my view. The minister believed Mr van Onselen had supplied me with the documentation he had sent to the Minister for Transport. The fact is that was not the case. What I had was some information which came from inside the government, not the reverse. Under oath — or whatever way you like — I did not get it from Mr van Onselen. The Minister for Transport got very peeved. This is what he said about — —

The DEPUTY SPEAKER — Order!

Mr LEIGH — I remember the quote exactly. I am not quoting it; I am saying what he said. Am I allowed to quote it or not?

The DEPUTY SPEAKER — Order! No. Under standing order 94 the honourable member is not allowed to quote it.

Mr LEIGH — But I can quote it from memory?

The DEPUTY SPEAKER — Order! The honourable member can give his version of what occurred.

Mr LEIGH — My memory of the events that day is that the minister said — and honourable members can look up the quote — that if you lie down with dogs you get up with fleas. That is what the minister, as someone who runs a major organisation, said in this house. By the way, this is the same company that the government has to negotiate with about its fast rail project. So I would love to see the correspondence that then took place between Mr van Onselen and the minister; I think it would have been fascinating.

I am not going to say what my discussions with the minister were after that. Suffice it to say that when he asked if I got the material from Mr van Onselen and I said no, he was a very unhappy man and believed he had been, in a sense, defamed. We should not be surprised when the Minister for Transport does that sort of thing, but I guess the point is that, from the beginning of this government's time in office, it has been against almost everything that had ever gone on in

the past, but where it could it cherry picked — I guess that is how you would describe it. Government members will claim an idea; they were against City Link for years, but gee, it is a fabulous idea now! The government tried to convince Virgin Airlines that it was a good idea. It was against the franchising of the public transport system, but the Minister for Transport and the Premier almost fight to get in front of each other when photos are taken of events announcing investment by private companies in these trains. The same can be said about the freight issue affecting Victoria and other states.

Indeed, there is a revolution taking place in the way freight is dealt with across our country, with companies like Cole and Corrigan getting together, and indeed the access regimes taking place, albeit differently in New South Wales and Victoria; the fact is that a revolution has occurred. It ought to be remembered — and I would love to quote — what happened with Freight Australia. If I may — and I know I can quote from the *Age* in here — I refer to an article published on Monday, 5 February 2001, which states:

Mr van Onselen said that governments had short memories. V/Line Freight had been bankrupt when Freight Australia bought it two years ago. In the past 20 months, his company had almost doubled revenue to \$185 million, had taken truck traffic off the road, re-opened freight lines and made a profit.

I know that is true, because I have seen a very good example of where they have brought in a truck with bogies on it that goes on and off the system, carting logs — it is an innovation.

What has Freight Australia got out of this in dealing with the government? Basically, a slap in the face. Because what we had then — and I guess this further substantiates my argument — was the government bringing this legislation into Parliament. I rang Freight Australia to seek its views about this bill and spoke to senior office-bearers — they did not know about it!

They obviously knew discussions were going on. Indeed, I have a copy of a memo from the Victorian Rail Access Regime to stakeholders that was sent out by John McMillan, one of the deputy heads of transport in the Department of Infrastructure. He sent out a one-page memorandum to Freight Australia, which was faxed out the day after the legislation was introduced into this Parliament.

Given that you are trying to encourage someone to invest millions of dollars in Victoria and to attract more freight onto rail and off the road, thereby clearing our roads for better uses, it seems surprisingly unusual for such an open and democratic government that reviews

everything ad nauseam and has reviews on reviews to rush this in. However, there are one or two reasons for it, and I think they each have some relevance.

Firstly, the government has not had much to discuss until today, with the introduction of the budget, so it has needed fill-ins, which is why it has rushed out and brought in legislation and not told anybody about it. Secondly, it is about the vindictiveness that the government feels for people who it does not believe are part of its clientele. For example, Mr van Onselen would admit that he is a bit of a straightshooter, and I would describe him as such. I think the Deputy Leader of the National Party would agree with me that Mr van Onselen is a pretty straight, come-to-the-cut, no-mucking-around type of guy. Some people like that sort of approach while others do not, but I think his no-mucking-around attitude has probably not endeared him to the government in any sense.

At the same time this government is supposedly going to do a \$550 million rail upgrade; but because it has no private sector funding, that in effect is a \$260 million cut, given that originally it was \$810 million. The government needs Freight Australia's involvement, because it is the one that for the next 43 to 45 years has to maintain the system to a certain standard.

Having Freight Australia as part of this legislation, the government is going to have to negotiate. For example, if it attempts to improve the track without Freight Australia's agreement, there will potentially be a serious problem, because Freight Australia has to accept responsibility for it. If the government wants to upgrade the track to take a faster train, the cost of maintaining that type of track will substantially increase as well. Once again Freight Australia is going to want to know who will pay for it.

There are issues involving crossings along some of the routes — for example, to Ballarat and Bendigo. If you are going to have a train zipping past at 160 kilometres an hour, who is going to pay for the installation of the crossings? I can tell you now that I do not think Freight Australia is favourably inclined towards doing those sorts of things. It is the government that will have to do it — but it has to do it to a standard which Freight Australia is prepared to accept responsibility for. It should also be remembered that, per tonne, the Victorian rail network is the most under-utilised in the country compared with other states such as Queensland, New South Wales, South Australia and Western Australia.

The aims of this bill are threefold: to implement what you would describe as the rail access regime in

accordance with the national competition policy, which I will come to; to allow for greater documentation from the Essential Services Commission; and also, under these arrangements, to increase what you would describe as the biggest penalties in the country for the misuse of information which, as I understand it, go up to \$120 000.

In looking at the Victorian system versus the New South Wales system — and this where the crunch is coming for this government — it ought to be said that if a line closes as a result of this the government should not come rushing back to the opposition and say, 'Privatisation has done this', because it will not be privatisation that has done it. There will be other reasons why there will be closures in the end part of the system over the next few years.

I suppose you would describe the former Liberal government's arrangements for Freight Australia as networking. If anybody else wants to use the rail system, negotiations would take place with Freight Australia, and if someone has a problem they can go to the Essential Services Commission. Perhaps there is an argument for improved documentation and a bit better transparency. Perhaps that is an issue that should be looked at to ensure that Freight Australia does not block somebody who wants to be involved.

For example, I know there is a company at Mildura called Wakefields which exports Greg Norman's wines, which sell in the United States of America for about US\$90 a bottle. The last I was aware of it, the company wanted to run a train from its depot to the Melbourne ports. Now that is not an issue for me, provided it can sit down and negotiate with the company that bought the franchise arrangement. This is the issue we are now faced with.

The former government believed in the network and in ensuring there was competition in the system — for example, between road and rail. Obviously there were other people who wanted to gain access to the line, so there was competition there. As a result of that, when anybody applied to access the franchised arrangements the true cost was worked out and Freight Australia recovered the cost. For example, you may have one route that is very profitable. Under the minister's proposals, the only things that the costs are worked out on is the cost basis of that line — not the whole of the network.

There are sections of the rail network which have very few trains running on them during the course of the year. So in respect of that, what will happen is that if under the trigger in this bill, which I think starts from

September, Freight Australia wants to hand back rail lines, it will be able to. People need to be aware that, as from today, if a body like Freight Australia wants to come back to the government in several years time and say, 'This line is unprofitable. We are not going to continue this line, we are closing it', the government then has two choices. The first choice is to say, 'The line is closed totally. That is it. Goodbye'. The second choice is to offer it to somebody else. For the life of me, I do not understand why, if somebody found a particular line so under-utilised that it had to be closed, anybody else out there in the system would want to take possession of it, unless there was some sort of boutique arrangement across that part of the network.

Under a Bracks Labor government Victoria faces two things: there will be rail line closures in the end; and depending on where they happen, it will mean increased truck traffic. It is unlikely to happen with things like grain, because I know after speaking to the Australian Wheat Board that it clearly supports some changes. I know it leases at least one train in New South Wales, for example; and obviously it has a contract currently with Freight Australia, which I think lasts another five years, after which it will decide what it is going to do. I do not have a problem with that, but I guess the criticism that is most applicable to this government is about what happens if somebody takes the best section of the rail network and wants to utilise it but does not want to include it in the whole of the network?

It has been very interesting to research this legislation. You can understand why Mr van Onselen might think he is being brutalised by the Minister for Transport over this when you go to the *Age* of 5 February 2001 — and once again I will make it available to the house. Mr van Onselen is reported as saying:

The government has chosen to prematurely open our business to 'cherry picking' by competitors — and will enable these opportunists to operate on the network at a lower cost than Freight Australia itself.

This would also send the message to potential private investors that regulated assets in Victoria were a dangerous investment.

Interestingly in the same article the then Victorian director of the Australian Council for Infrastructure Development, Mr Raphael Arndt, said:

... it was important that the pricing orders to be administered by the Office of the Regulator-General allow Freight Australia to obtain a reasonable return on its investments to encourage it to continue to invest in the track.

An article in the *Age* of 5 March states:

Mr van Onselen said further investment since then had taken its investment to \$263 million —

up from \$163 million —

'We are the largest single rail investor in this state, but we are concerned about the long-term viability of that investment', he said.

A key investment had been the reopening of the Sale to Bairnsdale line, which Mr van Onselen said had taken 300 000 logs off the roads.

...

'Wooden sleepers last 25 years and concrete sleepers 50 years', he said. 'But how can we make 20-to-25-year investment decisions when our longest contract is five years and the pricing order does not allow us to recoup our investment and does not compensate us for risk?'

...

Transport minister Peter Batchelor said Freight Australia's discretionary investment had so far been minimal. Accordingly, cancellation of this investment was unlikely to have any appreciable effect.

Mr Batchelor said the access pricing regime would allow Freight Australia to recover operating and maintenance costs, a margin on these costs, and a return on any new investment it had made since buying V/Line Freight.

Interestingly, one of the issues with wooden versus concrete sleepers, considering this is a supposed greenie government, is that you cannot get a timber sleeper in Victoria now — they are all just about to be locked up. They cost about \$30 each. A concrete sleeper costs \$60 to \$70. For those who are lacking in knowledge about the replacement of a sleeper — —

Mr Trezise interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Mordialloc should ignore interjections.

Mr LEIGH — I certainly do and I am happy to see that the honourable member for Geelong is asleep in the house. The fact of the matter is that this government, supposedly a greenie government, is encouraging a company like Freight Australia to invest in cheaper technology — timber sleepers and chopping down trees. By the way, you will have difficulty getting box-ironbark and I suggest you buy your red gum now because there will not be too much around with those sorts of pricing differences. Another significant issue is that you cannot simply replace a timber sleeper with a concrete one because the vibrations are different and the concrete sleeper will crack. As I understand it, to replace timber sleepers with concrete ones in a section of track you have to lay about a kilometre of track and this adds to the expense. I guess that what Freight

Australia sees is that it is being discouraged from investing.

What is going to happen to Freight Australia in the future? Is this government's arrangement — and I am going to be very interested to see this, Minister —

Mr Carli interjected.

Mr LEIGH — It should be noted that once again by interjecting the minister's assistant who covers up for him is saying it is our contract, but his government is the one that is changing the arrangements. If you sit down and talk —

Mr Carli interjected.

Mr LEIGH — Yes, you are; you are changing the arrangements. What is even more appalling is that as part of the arrangements involving the introduction of this legislation the government has implemented some proposals from national competition policy. It is bringing this in now because Freight Australia has gone off to the Australian Competition and Consumer Commission. What this legislation does in part is ensure that any decision by the ACCC after September is irrelevant to the discussion because the decision has been made.

I just wonder what the screams would have been like if the minister was on this side and the opposition was on the other side implementing it. I can hear screams of 'outrageous', 'blocking someone's rights of objection', and 'scandalous'. He would be down there on the tracks with some of the workers saying, 'These guys will lose their jobs', and he would be up at Maryborough saying, 'This is an outrage; 200 people work here, and they will probably lose their jobs out of these arrangements'. Is the opposition doing any of that? No, we are not. All we are interested in doing is burying the hatchet with Freight Australia.

The government has to explain how it can operate a system — and I accept that the former government put the system in place — but change it. The honourable member for Coburg said it was our contract; well, the previous government's contract for that included the networking. This government is proposing to allow line pricing. What happens on those lines out there that are used several times a year? Will they continue to be used? What regime has the government put in place for the situation of a line being closed? What will it do about it? Will it guarantee to keep it open? Will it pay more money? Will it do what it did with the train companies when they cried poor the other week? It rushed out and chucked \$105 million at them to help them. That was not in the contracts; that was because

the companies went to the government and said, 'We want more money', and it gave it to them. They cannot have it both ways.

The issue is that if a private company wants something from the government, which is looking after taxpayers' interests, the government must ensure that it maximises the benefits to the taxpayer. It did not do that with the private train companies; all it did was chuck money at them. We will see what the Auditor-General says about that and whether everything was done appropriately. I hope so for the sake of the minister and Victorian taxpayers.

The opposition supports the concept of networking the system. I agree that if Freight Australia is not cooperating in a way that allows someone to pay a fair and reasonable price to be a participant in the system and to run a train, that is not right and something should be done about it. But a true price should be involved in that, not just a price for part of the system, the problem being the old argument of cross-subsidisation.

Another example of what the government has done is what it has done with electricity companies. It has chucked something like \$180 million at country consumers. I will stand corrected if the figure is not right; it was over \$100 million.

Mr Steggall — It was \$118 million.

Mr LEIGH — It was \$118 million; I apologise. I will not do what John Cain did and consistently change my figures after the Parliament sits.

In that instance the government cross-subsidised the system. It is exactly the same thing with rail. It will get to the point where the government will have to decide that a private company can operate in a system like this, and pay a lower fee because it is only involved in the maintenance costs of a section and will be responsible for maintaining that section, by upping the payments to Freight Australia to keep that section of the line open. I do not think that is appropriate. What is appropriate is to work out the costs of Freight Australia and to charge for it. I am sure that Freight Australia would be very happy for that to be done. I can see the honourable member for Coburg taking notes down there. I am sure he will rush to the minister and inform him of it. Notes are being taken on both sides of the house. I believe Victoria faces a serious problem with this issue. It is probably anywhere from three to five years away because it will have an effect over time. Obviously that will get the government past the next election and it will occur in the life of the next Parliament; and the

government of the day will have to deal with it. Hopefully it will be this side.

When you look at the whole process there is also the issue of fines and the \$120 000, which begs the question of whether that is the largest penalty paid by anybody in the system. I believe that is so. It is one thing to set up the Essential Services Commission and put it out there away from government, but at the end of the day ministers of the Crown and their operational experts, like the honourable member for Coburg and others, get paid a lot of money to be involved in these things, and it is no good for the government to simply say, 'Look, it is nothing to do with us, it is everything to do with the Essential Services Commission. It is independent of the government and we don't make any decisions about this'.

I know from dealing with the Department of Infrastructure on other issues affecting other aspects of train company contracts that the problem with the department is that it is no longer looking at the big picture but is dotting the i's and crossing the t's. Let me assure the house — and I will have some further information in the near future — that some shocking decisions are being made in the Department of Infrastructure on the companies; and some of them are grossly unfair in my view. They are being made by middle-level bureaucrats, whose concept of a contract is not as a living, breathing document that will always be altered.

The government whinges about the contracts, such as those for the trains or the ticketing machines, and says, 'Oh, there is nothing we can do with that because these were the contracts', but then it happily goes out and gives National Express \$55 million extra. But the Premier says, 'We don't do things like that'.

Mr Steggall — Because it was in the contract.

Mr LEIGH — 'It was in the contract; we can't change the contract so we can't go out there'.

Mr Steggall — But, 'For our mates it is different'.

Mr LEIGH — Yes, 'For our mates it is different'. Yarra Trams is an excellent example. It is run by David White, that former Guilty Party minister, better known as ET when he was here. Obviously he is into changing the arrangements to suit and advantage Yarra Trams, in some instances to the detriment of other individuals, because he wants to make a profit for his company. That is fair and acceptable, but obviously he has great access to government and uses it well.

The ticketing machines issue is another example of changing and varying a contract. On one hand the Premier says, 'No, no, we can't ever negotiate with the ticketing company about the ticketing machines on public transport because it is a contract', and on the other hand the Minister for Transport is out there negotiating with them about using the same machines for smart cards. That is using an existing contract to do the same thing. Those examples prove that this government varies a contract significantly when it suits it, but publicly says the reverse.

There is another example. In recent times the electricity companies were complaining about the same thing in the dealings with the pricing policies affecting the electricity arrangements. I am not saying I agree with their pricing and with what they sought, but at no time did the government ever sit down with the companies involved and say, 'Look, what do you need?', and, 'We'll agree to this'. It simply said, 'This is the scheme we will use and this is what we will do'.

If you want to attract people to Victoria to do business, particularly with regulated assets, you have to be a bit careful. It is a tricky thing to handle. So far with their arrogance this Minister for Transport and some of his colleagues have demonstrated that they believe these are regulated assets that are in effect still owned by the state. They are not. If you look at the operations of V/Line under the old regime when V/Line was run by the state you will see that it lost squillions. If ever you want an example of when not to put a parcel on a transportation system, V/Line would be one of the world's best for it not to be done. It was incompetent. It happened over many years, and this is not to say it was one government or another government's fault. I do not say that as a political statement, but it did not function well.

What is true and important about the changing mechanism of rail in Australia today is that we are far away from almost every area to which we sell our goods.

The second biggest pricing factor for anybody is the transportation of the goods. The first obviously is the production and the second is the transportation. The cheaper and more efficient we can make the transportation — whether it is wheat from New South Wales or outback Victoria or manufactured goods from somewhere closer to the city — the more we can do business as a nation, particularly at a time when we have a low dollar, and be successful. We as a nation need to export well to survive.

With this whole issue facing the Parliament, this particular bill has been dreamed up by the government. The government has accepted some parts of the national competition policy review, and some parts it has not accepted; we will never get an answer as to why the government took up some and not others. I understand that some people are enthusiastic changers of the system, because they believe Freight Australia has not been operated in the way they would have operated it. However, in effect a contract and an arrangement were entered into, and unless the government is careful it will face the closure of rail lines in the near future.

We should not be surprised by that because while members opposite talk a lot about the fact that Liberal governments closed rail lines, you can go back to 1983, 1984 and 1985 when the now Minister for Transport was state secretary of the ALP and the Cain Labor government was closing rail lines in Victoria. All this carry-on about the only party that ever closes rail lines is the Liberals is absolute nonsense. The fact is that history shows that the Labor Party has closed a significant number of rail lines over the years.

Supposedly — and we are still to see it in this budget — the government is now into standardising and upgrading the rail system. Of the \$96 million made available last year, from memory the government spent \$10 million and I still do not think it has driven a spike in — it was probably for a consultant somewhere. The government has set aside \$25 million for the standardised gauge from Mildura. I will be curious to see what happens when they get to Ballarat and what takes place from there. My point is there is a lot of talk being done by this government and not a lot of eye for detail.

As I said at the outset, the opposition is not opposing the legislation. However, if after the next state election the opposition is fortunate enough to be the government of Victoria I think it will look at the rail access regime a lot more carefully. While I support anyone wanting to use the system using it, I also want to ensure that those lines which are under-utilised during the course of a year due to crops or whatever continue to be used and are not closed. This is one area where, from a policy point of view, the opposition will have a closer look as time goes by. The opposition will be watching very closely. Let the honourable member for Coburg and his minister be aware that it is no longer the responsibility of the opposition if rail lines are closed in the future. This is a deliberate policy decision being made by the Bracks Labor government that will probably result in the downgrading of rail lines.

There is also the issue of things like the workshops that Freight Australia is involved in. Hopefully people will still utilise those facilities, but what happens to those people who work in the depots which maintain the system if these other businesses are on the track and they take business away from Freight Australia? Again, unanswered questions. The opposition did not get answers to numerous questions it asked the office of the Minister for Transport; the easy ones were answered and the hard ones were avoided. That is pretty normal for this administration.

From my point of view, sadly the truth is that in the future this will be demonstrated to be an example of an arrogant minister taking it out on somebody who stood up to him on one or two occasions, a minister who decided that he was a much more powerful figure than the individuals involved. The Minister for Transport and his bureaucrats seem to believe they have better knowledge than those in the system, and I am not sure they do given what is going on with some of the other contracts affecting the Department of Infrastructure and rail.

I will watch with great interest what happens to the Premier's fast train. The new term for that is 'velocity train', for which we should read 'second-generation Sprinter hired by the former Liberal government with a turbocharger whacked on the back of it to make it go a bit faster for that \$55 million'. Remember, Freight Australia is the one which has to say, 'Yes, we accept responsibility for the upgrade of the track', and, 'Yes, the government can do it'. The Premier is confused about part of that program. Last week when I had a go at the government about this whole program and said there was less financial involvement from the private sector, the Premier said I was wrong and all these people were interested in participating in the upgrading of the rail. I think the Premier is confused.

On the one hand the Minister for Transport said there was no private sector funding for the fast rail and the upgrade of these lines controlled by Freight Australia, so there is \$260 million the government does not have, and on the other hand the Premier is correct that there is private sector interest from Laytons Freight Management and Transfield but that is to get the money from the state, not to give the state money. That is where the Premier is a bit confused in all of this.

The government is not after \$550 million, which the minister runs around telling people is going to be spent upgrading the track. According to Treasury, the government has about \$340 million to upgrade the track; that is the maximum. Quoting the Treasurer from memory in answer to a question from the then shadow

Treasurer, the honourable member for Brighton, when asked whether the total amount was \$550 million or more, the Treasurer said it did not matter whether it was \$600 million, \$700 million, \$800 million or \$1 billion, all that would be put into this was \$550 million. The Treasurer said that for part of this track upgrade he could do between 94 per cent and 100 per cent for the \$550 million. Well, he does not have \$260 million for a start, and he does not have \$550 million. He has \$340 million. Obviously we have Merlin back from the Middle Ages, someone who can wave his magic wand and get what we need for this system. As I said before, Freight Australia is involved in this to the degree that it has to say yes or no.

The government must seriously think about how it protects those lines that are not utilised to the maximum. As I said at the outset, there is no doubt that per tonne Victoria has the most under-utilised network in the country. This government will face a very serious issue in the future. Obviously it does not like the way the contract is written. It is entitled to do what it wishes while it is the government of the day, but it is also entitled to reap the consequences of the decisions it makes. On that basis the state opposition does not oppose the legislation.

Mr STEGGALL (Swan Hill) — It is always a delight to debate a bill straight after the budget has been brought down — it keeps everyone's interest and full attention. This is one of those pieces of legislation that not too many people would pay attention to, particularly members of the government, because it deals with and makes some changes to a privatised entity. It is a difficult issue and one that goes beyond what is in the bill.

At the heart of this there is a dispute, because under the sale contract the company that purchased the entity is obliged to ensure that the tracks remain open, that they can be handed back to the Victorian government if it so desires and that it would not charge too much for access. All bidders were informed that the access regime would place no value on the tracks up to the time of the sale. The access regime in the bill does not allow the access provider to recoup any of the costs sunk into the rail infrastructure for which it paid the lease.

A dispute has been going on for some time between Freight Australia and Rail America and the government, and maybe the minister. We have looked into that rather deeply. I have to admit that the Labor government has not been able to find the evidence we have been seeking to put that area beyond any doubt. However, I hope the information might turn up while

the bill is between here and another place, because if it does not some of the stories that abound in the Freight Australia area may be correct.

I warn the minister and the government that we expect this evidence to be in the hands of the Honourable Barry Bishop before this bill is debated in the upper house. We have sought information and advice from the National Competition Council, and we are satisfied from its input that that understanding of the sunken costs was known to all when the contract was signed. I am very disappointed that the information has not turned up. It was promised to us — and we do not doubt it — but it would be handy if the government could provide the required proof.

There has been a lot of bad air between the government and Freight Australia over this issue, and I hope this may be the end of the dispute. Along with my colleagues in the other place, Mr Bishop, an honourable member for North Western Province, and Mr Hallam, an honourable member for Western Province, I have been going through some of the detail in this bill to try and unscramble what is and has been a confusing area for us all. We have not understood what is true and what is false. But we have come to the conclusion that this legislation needs to be passed, and as a result the National Party will not be opposing it.

As the honourable member for Mordialloc has mentioned, we have two types of track, or lines, in Victoria. One is the standard gauge line, which comes under the control of the Australian Rail Track Corporation and has its own access regime. The other is the Freight Australia broad gauge lines, which come under the access regime of the legislation passed some time ago, which makes up the major part of the Rail Corporations Act of 1996, whose amendments we are debating today. It is very true that Victorian lines carry the least amount of tonnes of any intrastate tracks in Australia. It is enormously low compared with the coal that is carried in Queensland and New South Wales. Even South Australia carries more than Victoria by a considerable amount, and Western Australia, with its freight, carries a lot more.

Victoria has a different set of circumstances, which everyone was aware of. There were no secrets when this contract was being drawn up, and there were no problems about fully understanding all the terms and conditions. But it has to be understood that the volume of tonnes carried on our rail tracks is considerably less than is carried in any other state. When we privatised V/Line Freight and the rail tracks, everyone understood that. Of course, the government — then in opposition — opposed it very strongly, believing that

the old way of doing business with V/Line and the government system was the way to go. We had a difference of opinion and a big battle in this place over that and many other privatised operations. Freight Australia has turned around the operation of Victorian rail to a considerable degree and should be congratulated on its efforts.

To go back to the start, V/Line Freight was privatised in May 1999, and the Grain Elevators Board (GEB) was privatised earlier than that. They then all started to come into play. Now two large companies — Freight Australia (then Rail America) and Graincorp (the former GEB) — are wrestling with the new rules to gain an advantage in the future. The bulk grain business of carrying wheat and barley is by far the largest sector of Victoria's intrastate rail business. This is largely controlled by the Australian Wheat Board and the Australian Barley Board. The AWB and, to a lesser extent, the ABB are the owners of the most freight carried on Freight Australia's lines. The major client of the AWB and ABB for storing and handling grain is Graincorp, which now finds itself in competition with the board's new storage and shipping facilities at Dimboola, Charlton, Sea Lake and Birchip, as well as the new terminal at the port of Melbourne. Freight Australia has seven-year contracts with the AWB for the movement of bulk grain throughout Victoria.

With the sale of V/Line Freight and the GEB and now the opening up of access to the railway lines, Graincorp and others are keen to get access to them. On everyone's understanding when this system was privatised it was paramount that access be granted to that line. Right through the discussions in our areas and with the then Treasurer before we ever got to the operation of the contract, it was understood that we were not selling a monopoly that would stay a monopoly but that the only monopoly would be the track and that access to that track would be via the regime contained in the legislation. It was vitally important that people understood that, and it was well and truly understood by those of us from country Victoria who were very involved with the sale of V/Line Freight and the Grain Elevators Board.

Freight Australia is keen to see that its new competitors like Graincorp are not given an advantage over Freight Australia trains through access charges imposed by the regulator. Access seekers like Graincorp are keen to see that Freight Australia is not able to charge too high an access rate for use of the lines. These are all normal and healthy economic pressures which will provide competition among all these players and keep the price at a reasonable level for Victorian grain growers who,

after all, pay all the costs as their grain is received, stored, moved and shipped to their export destinations.

I ask honourable members to remember that the bankers at the back of all this are the grain growers of Victoria and some grain growers in southern New South Wales, so we have an interest. Anyone who thought that Victorian country members like myself did not take a huge interest in the sales of the Grain Elevators Board and V/Line Freight would be terribly mistaken, because we were very much involved. The Treasurer of the day kept us fully involved to the extent that some of the debates and discussions that took place around this place during that time are still legendary on the conservative side of politics, particularly for those of us in country Victoria, and at the end of the day we were satisfied with the results and the contracts that were put forward.

These pressures were expected and it was known that they had to be managed, but then something happened — we had a change of government in 1999, and soon after that the sale of V/Line Freight — and the leasing of the lines to Freight Australia caused a deal of concern. I have mentioned in this place before, and no doubt I will mention it again before we get through to the next election, that when a government brings in changes as we did when in government — we were a very strong reforming government in many areas and the results of that have been seen today in the type of money that can be handed out by a subsequent government — it needs to keep its hands on the wheel as these changes are introduced. Unfortunately for us, V/Line Freight and the rail lines were sold just before we lost government in 1999, and the friction that came about between the new government and Freight Australia made things rather difficult.

The Labor Party disagreed with the sale of the Grain Elevators Board and it disagreed with the sale of V/Line Freight and the leasing of the rail links. The minister has had, to put it nicely, a distant relationship with Freight Australia, and this has caused a deal of tension, so much so that the Minister for Transport did not consult with Freight Australia on the formulation of this legislation. I thought that was pretty terrible, but that is the way it is, so we have this gulf between the minister and Freight Australia over the operation of major freight services in Victoria.

How did we get to this point and what does this bill do? Part 2 of the principal act, the Rail Corporations Act, contains the regime allowing third parties to gain access to the rail infrastructure. When Freight Australia and a third party cannot negotiate suitable terms and commercial negotiations break down, the access regime

applies. One would hope in most cases involving access that commercial arrangements would come into play; however, because we have a monopoly, if negotiations break down there has to be a way through, and in May 2001 the government gazetted the access regime contained in the legislation. In July 2001 Freight Australia applied to the National Competition Council to use the NCC access regime, which covers the Australian Rail Track Corporation for the standard gauge lines in Victoria. When this happened Victoria then applied to the NCC to have the Vicrail access regime in the bill certified.

In December 2001 NCC published a position paper seeking comments on the Vicrail access regime. In most federal and state issues there is an acceptance that the federal law will take precedence. In fact, our law says that where a state law is in conflict with a federal law the federal law will take precedence. However, to our surprise following discussions with the NCC we find that the national access regime for rail is seen as a safety net and that a state regime has primacy over the federal regime. That has put a different perspective on this issue and the dispute going on between Freight Australia and the minister. The Freight Australia application to the NCC was going to be difficult, as any access regime declared by the NCC would fail if a certified state regime were in existence. For the state regime to be certified it was suggested that the amendments before the house be included in the legislation.

What does this legislation do? The bill inserts division 3 into part 2 of the act to provide for the protection of confidential access-seeker information from misuse by the access provider. The Essential Services Commissioner comes into play. He is the regulator for all Victoria's privatised utilities, and I am sure that between now and the end of the year the Minister for Environment and Conservation, the Treasurer and I will have many discussions about the role of the Essential Services Commissioner as the government wishes now to widen the ambit of the Essential Services Commission.

The Essential Services Commissioner is the regulator for all privatised utilities and may make a declaration that information is confidential if the access provider is a substantial competitor to the access seeker; if access to the line would not cause detriment to the access provider — a big call; and if the benefit or public good of access would outweigh any detriment caused by the provider. The public-good clause comes in under national competition policy and is subject to judgment by the Essential Services Commissioner. If you cannot get a commercial access agreement and if the access

will cause detriment to the access provider — in this case Freight Australia — then the Essential Services Commission can judge whether the public good of that access would outweigh any detriment caused to Freight Australia. If the Essential Services Commission makes a declaration that information must remain confidential, then it remains confidential.

The bill also requires the access provider to keep certain information to assist the access seeker in formulating a request for access. Proposed section 38RA inserted by clause 7 gives the commission the power to obtain information and documents for the purposes of the Vicrail access regime. It also gives the commission power to verify that the provider is complying.

The amendment also clarifies the power of the commission to make more than one request for information from any person, because anyone seeking access is most likely going to gain access to the Australian Rail Track Corporation line. They might also have access to New South Wales or South Australia lines. The legislation rightly gives the Essential Services Commission the power to request information from any other person.

The third amendment directs the Essential Services Commission where possible to consult the owner or operator of another network where an access seeker requires access to another network apart from those under the jurisdiction of the commission.

The fourth amendment clarifies that the Essential Services Commission is not an arbitrator under the Commercial Arbitration Act. This means that a decision by the commission cannot be appealed except by the commission itself. Under this act the Essential Services Commission has a very powerful role.

However, when the privatised systems that now operate were set up they had to be nursed through their early years. That is where the Labor government has failed miserably, given its pig-headed attitude to what it found when it got into government — that is, a privatised system and a leased rail network. The government did not properly manage that change, and it has not managed it in many other areas as well. It was unfortunate that there was a change of government. We would have been better if the contract had been a year older and things had settled down. With the change of government a brick wall went up between the minister and Freight Australia, and no proper process was put in place to settle the new privatised operation.

Freight Australia has applied to the National Competition Council for access and has been rejected.

It is interesting to look at the NCC rules and laws to see what is required of an access seeker under the system. The designated minister responsible for the Trades Practices Act, Senator Ian Campbell, who is the parliamentary secretary to the federal Treasurer, cannot declare a service unless he is satisfied of the following six matters. I will refer to all six matters, but I will only go through a couple to see how they went. They are:

... that access (or increased access) to the service would promote competition in at least one market (whether or not in Australia), other than the market for the service;

that it would be uneconomical for anyone to develop another facility to provide the service —

obviously this one passes on that.

... that the facility is of national significance, having regard to:

the size of the facility; or

the importance of the facility to constitutional trade or commerce; or

the importance of the facility to the national economy ...

We pass on all of those.

... that access to the service can be provided without undue risk to human health or safety ...

That is true.

... that access to the service is not already the subject of an effective access regime ...

That is where we have a problem with the access regime of the federal NCC and the Victorian state regime, because it runs into a block right there.

... that access (or increased access) to the service would not be contrary to the public interest.

They are the criteria anyone seeking access via the NCC would have to meet.

I should read some of the senator's decision, which states:

On 1 May 2001, the National Competition Council (NCC) received an application from Freight Victoria Limited, trading as Freight Australia, for declaration of the services provided by the rail network it leases from the Victorian government. The network extends through country Victoria and into southern New South Wales and is used for the purposes of transporting freight and passengers.

The NCC's final recommendation concerning the abovementioned application was received by the ministerial office on 7 December 2001.

The Trade Practices Act 1974 (section 44H) provides that, on receiving a declaration recommendation from the NCC, I (as

the designated minister) must either declare the service or decide not to declare it.

In deciding whether to declare a service or not I must consider, among other things, whether it would be economical for anyone to develop another facility that could provide part of the service (subsection 44H(2)). I cannot declare a service, however, unless I am satisfied of all six matters specified under subsection 44H(4).

That refers to the federal act, not the state act.

The services under application comprise point-to-point rail line services provided by the use of the facilities under lease to Freight Australia. The interconnection of these rail lines provides the potential for access seekers to aggregate complementary rail line services in any viable and technically feasible configuration. This adds the dimension of a network service to the point to point rail line services.

Following consideration of the recommendation by the NCC, I am not satisfied that access (to the rail network services provided by Freight Australia and described above) pursuant to a declaration under the national regime would promote competition in at least one market; therefore, I cannot declare those services, and I decide accordingly.

He went on to say that most of the others would naturally concur with the requirements of the bill, but because it failed on the first one and the second last one it was never going to get through. So Freight Australia is placed in an interesting position. If we amend the bill and put it through, the action by Freight Australia involving the NCC will fail, because there is already an access regime in place. Remember, the state regime has primacy over the federal regime.

If the bill is defeated or held over and Freight Australia goes on to win its appeal, which will be heard in September, the Victorian regime will still be in place. The access seeker would then go to Victoria and Freight Australia would go to the commonwealth system. The process would be jammed between the two jurisdictions and probably settled in the courts. If the bill is held over and Freight Australia were to win its hearings — and I believe its chances of doing that are slim, but that is a judgment I make — and the bill were reintroduced and passed — because there is nothing in the bill that anyone can argue against — the Victorian regime would take precedence and the National Competition Council regime would fail.

It is my hope that this long, ongoing saga of dispute between the minister and Freight Australia can be settled. In the last two weeks National Party members have tried to act as brokers in this area, particularly with Freight Australia, to assist it through the difficulty in which it finds itself.

At the end of its deliberations the National Party has come to the conclusion that it needs to support the

legislation because the legislation does not have anything unduly wrong in it. There are a few things that Freight Australia does not like about the bill. It does not like the fact that the director is able to take action. The National Party does not have a problem with the director seeking a declaration. He cannot have any role in the declaration, but he can instigate it.

National Party members are satisfied in relation to the sunk costs in the infrastructure of the rail line that evidence exists — the government has failed to present its evidence to us, although we have evidence from other places — that Freight Australia was well aware of the costs. We believe it was aware and would like the information the government had promised we would have last week. I am very disappointed that it did not arrive because we have been trying to properly broker a resolution to and finish a dispute which is very damaging to all of us in the grains industry in particular and for the future of freight and rail in the state.

That about sums up the National Party's position on the legislation. There is no doubt that the information drivers and the declaration by the Essential Services Commissioner to look after that information, make sure it is provided and to verify it, does have an impact on Freight Australia. But from the beginning the National Party's intention was always to have people able to get proper access to the lines. The National Party has decided not to oppose the legislation and seeks that while the bill is between here and another place the government provides it with that which it promised last week.

Mr CARLI (Coburg) — I rise in support of the bill, and I am pleased that the opposition parties are not opposing it. They largely share the government's concern that it not maintain a monopoly on the freight system, and also that there is an access regime available to third parties — to the access seekers — so that they can utilise the rail network in the state.

Clearly the honourable member for Mordialloc is concerned about what he sees as the potential victimisation of Freight Australia. That is not the function of the government, and it is not seeking to victimise Freight Australia. The government, too, is concerned about the viability of Freight Australia and the various rail services. It understands that Freight Australia's USA investors came into the market with goodwill and did their assessments of the proposals put in front of them. Part of the government's argument is that investors came into Victoria with their eyes wide open and knew what was being offered to them.

I understand the honourable member for Swan Hill when he says he accepts that, but that he has not seen the proof and would like to see it. The government will make the proof available. I am surprised that the documents that have been made available have not indicated that the nature of the access regime was well known to Freight Australia prior to its putting in its bid. It knew full well that it would not be able to recover the sunk costs of the project with the access charges. Basically the regime that was put together by the previous government meant that what it was bidding for was well known to it. The company knew it was purchasing infrastructure and lines, that that would be subject to an access regime and that within that regime it would be able to negotiate a price with the access seekers. It knew that if that price was not suitable there would be a mechanism for the Essential Services Commissioner to determine it, based fundamentally on the maintenance costs of the line plus a margin for Freight Australia.

The argument largely put by Freight Australia is that it does not see that as sufficient. It has a genuine concern about the potential for cherry picking behaviour where companies come in and take the best lines and operations away from Freight Australia. They are genuine concerns, but they are not the sorts of concerns that stop us moving towards a more open system and having a genuine access regime to break the private monopoly. That is what we are in agreement about. We have not heard arguments from Freight Australia saying anything other than that it is not happy with the prices. It is not happy with the fact that it cannot realise the sunk costs in terms of the access charges. That is something that it knew, and this is an argument that I will develop in my contribution.

It must be said that this bill arises out of an attempt by Freight Australia to apply to the National Competition Council for a declaration that part of the Victorian rail network be under an alternative access regime. That triggered a request by the Victorian government that the access regime which was in place and which was put together through Victorian legislation be certified. The National Competition Council took the view, as the honourable member for Swan Hill pointed out, that the state regime should apply. It raised a number of concerns, and those concerns are being met through this legislation. Although they are very much about the function of access in this state, they are not about the access issue itself, the issue of sunk costs or some of the concerns of Freight Australia. These are very practical issues, and it is necessary that we as a government address them in order to have the rail system certified.

The required amendments, as identified in the National Competition Council's paper on Victorian rail access, are about the need to protect confidential access seeker information from being misused, the need to strengthen the Essential Services Commissioner's information powers and the need to require the Essential Service Commission to consult with the operators of and the arbitrators for the relevant network. So they are very much about practical applications of the access regime.

I note the comments of the honourable member for Swan Hill that the government did not even tell Freight Australia about the nature of this amending legislation. It was very much part of the National Competition Council's report, and it was the thing we needed to do as a government for certification, so it was perfectly well known to Freight Australia. Again, it fundamentally does not alter one little bit the concerns Freight Australia has about the regime in this state, which have more to do with its wanting to maintain a private monopoly or wanting the access charges to include costs — for example, sunk costs. That is not an argument we accept. I do not think it is necessarily an argument opposition members share, given that they are the ones who made the case, presented the principles and put the privatisation of the Victorian freight system out there. It was very clear at the time that you could not recover these sunk costs through access charges. So it has always been there, and Freight Australia went in with its eyes open.

Another argument that Freight Australia has consistently used is that the government does not itself spend any money on rail freight and the rail system. That is one issue we can now put to rest. It is certainly very clear in today's budget that the Bracks government is very much committed to both freight and passenger rail throughout this state and has a massive investment in it.

I will quickly go through some of the initiatives of the state government. First of all there is the standardisation of rail freight through Victoria — —

An Honourable Member — When?

Mr CARLI — That is being done, and it is being funded. The comment from the opposition member is, 'When?'. We have waited over 100 years for standardisation, because no previous government has been prepared to commit itself to it. We have put in the resources, and we will do it.

Another important initiative is the standardisation of the grain loop at the port of Geelong, which means that the grain that enters the port can go on the standard gauge

and broad gauge lines, so it will not just be the port of Melbourne that has dual gauges.

The construction of the regional fast rail links is another important initiative in improving the system. In the port of Melbourne area Dock Link Road — it is the link between Dynon and South Dynon, so it involves one of the terminals run by Freight Australia — will be extended. Money is also being spent on safety works.

It is a very substantial list. These are provisions that improve the system for Freight Australia. It is not sustainable to argue that the Victorian government is not contributing to our freight and rail systems. In fact it is putting in place investments of which Freight Australia will be one of the net beneficiaries. Clearly it is important to be up front and to say that we are committed to rail freight and to the system.

Equally we are not about sustaining and maintaining a monopoly in the freight system. That has to be broken. We have to provide an access regime, and it is not only the government that says that. I have a letter of 1 February 2001 from the Australian Wheat Board that says, 'Access to rail network means savings to growers'. The leading grain marketer, the Australian Wheat Board, has welcomed the announcement we made last year to allow open access across the standard and broad gauge rail network, and it sees it as offering a cost saving of \$3 a tonne for wheat, which is a very significant reduction. I think the freight cost is around \$17 at the moment, so it will be reduced from \$17 to \$14. Certainly the Australian Wheat Board is a company that has worked closely with Freight Australia and it sees the benefit of increased competition on the rail lines. So it is not only us; other major providers, access seekers and companies will benefit from this system.

I return to the issue of what Freight Australia actually knew. As we accumulate the correspondence, there is a period going back to 1999 where we find evidence of the knowledge of Freight Australia. We certainly know that was what was presented by the government of the time. A letter of 12 August 1999 from Marinus van Onselen, the chief executive officer of what was then Freight Victoria, to Dr John Paterson, Secretary of the Department of Infrastructure, states:

As you would be aware, it is proposed that there be open access to railway infrastructure leased by Freight Victoria from the Victorian government.

This is part of its bid. It acknowledges there would be an access regime and it also acknowledges the provisions set out in that access regime. Equally, in that

letter from Marinus van Onselen there is another part which states:

A draft set of pricing principles for the direction of the ORG has been provided to us prior to our acquisition of the railway ...

The Office of the Regulator-General, or ORG, was the predecessor of the Essential Services Commission. The names keep changing so rapidly that it is often very difficult to keep up. Even at that stage, on 12 August 1999, very clearly the chief executive officer acknowledged that the ORG would be brought in in cases where there was no commercial agreement between the access seeker and Freight Australia. Part of that was that the ORG could make a calculation and the calculation would be a fair price. The price would be based on the cost of operation and the cost of maintenance, plus a margin.

The essential argument of the honourable member for Mordialloc is that what we seek is a fair price — that is, a fair price inasmuch as what was made available in all the materials that were issued in terms of the sale. Also the evidence cited by the unsuccessful bidders was that it was always very much up front, and that there would be an access regime in which the pricing would not include the sum costs. So what Freight Australia paid for within the sum costs — the costs of the actual rail and rolling stock — essentially should have taken that into account. That should have been part of the calculation. Part of the calculation would be that the company would have a period of time where it would be able to run the system and build a business. After that there would be an access system, an open system, put into place, and the returns on that system would be limited by the fact that the company would not be able to charge the sum costs. So clearly Freight Australia knew that the sum costs and the lease costs would not be recoverable.

What does that suggest? It may suggest that Freight Australia in fact miscalculated and paid too much for the system. That is a possibility — and that would be a real concern — but there is no argument that it did not have its eyes open when it went into the negotiations, when it put the bid in. That was certainly the case, and it is what we have been told by other bidders that were unsuccessful.

I believe it is unsustainable for a private monopoly to successfully run our freight system. I have listened very carefully to the arguments of the honourable members for Mordialloc and Swan Hill, and certainly they argue strongly that there should be no monopoly, that there needs to be competition and that competition will drive down costs. They are things we very much agree with.

The issue is: what is a fair price? I believe the fair price is the price that was determined at the start.

What also needs to be said is that this bill does not deal with pricing issues, and the National Competition Council also did not deal with the pricing costs. This is very much about declaring the access regime. The pricing costs are not embedded in this. This is about the system we put into place and the powers of the Essential Services Commission. Certainly Freight Australia has issues; they are issues it needs to continue to bring to the government, and it does. Obviously it briefs the opposition parties as it briefs our ministers and backbench. They are serious issues and we have to be concerned about them. But to be fair, it is about a fair price for access to the rail.

Freight Australia argues that there should be other types of funding systems. It suggests, for example, that there should be a pricing system that applies to New South Wales and Queensland, where you have a regime that involves huge volumes of coal, so that the pricing system can work in a very different way to the Victorian system, where the volumes are not as great and tend to be very seasonal. With this bill we are dealing with a situation where we have to break a monopoly and provide competition. I am concerned, as no doubt every member of this house is, to ensure that Freight Australia is viable, that the system is viable. But that in itself is not an excuse to not have competition. That is not an excuse to not have an access regime.

Certainly in this legislation, as in our dealings with Freight Australia, there is no personal animosity. It is not about the Minister for Transport being in conflict with the chief executive officer of Freight Australia. There are clearly competing interests. Freight Australia wants to either maintain its monopoly or, if it cannot do that, it wants to make the sorts of access charges that would be very sizeable and therefore would affect the viability of the competition. Clearly it is in its interests to stifle competition. It is certainly not in the interests of this state to stifle competition. We need to promote it. We need to continue the dialogue with Freight Australia. We need to continue dialogue with all the access seekers. We need to ensure that our producers have access to the best possible freight system and that it is a freight system that gives them access to all the principal ports, and we do not exclude a port simply because it does not have broad or standard gauge.

This whole freight system is increasingly tied into a much broader strategy of the Bracks government, which is to standardise rail freight in Victoria and to substantially increase the volume of goods that go by rail, so clearly competition is good in that respect. And

so is the investment, and the public sector investment, of which there is a substantial part.

We see ourselves in partnership with Freight Australia and other access seekers in building a much bigger freight system. Ultimately the viability of Freight Australia, as with all the access seekers, is really in the expansion and success of our freight system, for which there are very promising possibilities now in Victoria with the commitment that has been demonstrated by the Bracks government.

Mr COOPER (Mornington) — Having heard the contribution of the honourable member for Coburg, I am somewhat reassured that the government has the same view in regard to the future of Freight Australia that is held by the opposition — that is, to ensure that Freight Australia remains a viable entity and that the provisions of this bill, as implemented, will not create a situation where Freight Australia could be significantly disadvantaged by other cherry picking access seekers to the rail freight network in country Victoria.

I know that both the honourable member for Mordialloc and the honourable member for Swan Hill went back a little in history, prior to the sale of V/Line Freight to what was then Freight Victoria, which was later renamed Freight Australia. It is important to understand that what we had in this state was a rail freight network that over many decades had gone into a serious decline and was almost moribund. If it had been run by private enterprise it would probably have been closed down.

Going back to the 1950s, and possibly the 1940s, we had a significant rail freight network throughout country Victoria. A lot of small freight was carried and a lot of country towns were very dependent upon rail freight. Over a period of time, as trucking businesses grew and competition increased, price became very important to both shippers and receivers, and the trucking networks took over to the detriment of the rail freight network. What this boiled down to was that we had a vigorous private sector road trucking industry competing with an incompetent, very badly run government rail freight business. The outcome was that the government rail freight business continued to decline.

By the time the Kennett government came to power in 1992 it was quite clear that something had to be done about rail freight in this state, and my predecessor as Minister for Transport, the Honourable Alan Brown, commenced to look seriously at what could be done. When I took over as Minister for Transport in 1997 it was very clear that the work of Alan Brown, which I

continued, was going to lead to a sale of V/Line Freight at some stage. That sale took place in 1999, and V/Line Freight was sold to Freight Victoria for \$89.7 million.

As the honourable member for Coburg said, the contract was quite clear with regard to access. Freight Victoria would not have a monopoly on access; it was going to be available to any other parties that were interested in trying their luck with regard to rail freight in Victoria on the broad gauge line. It was also clear, as the honourable member for Coburg said, that the same costs — that is, \$89.7 million, which was the purchase price paid by Freight Australia — were not going to form part of the costs that could be developed into an access regime price. I know full well that Freight Australia would love to be able to include the same costs in an access price, but the contract was quite clear: everybody was quite clear, and today Freight Australia would be quite clear.

But that is not the point of dispute or the point of concern for Freight Australia. In its view there has been a significant changing of the rules and a shifting of the goal posts that could impact detrimentally on the development of its business throughout this state. It had the development program in mind when, as a fully owned subsidiary of Rail America, it decided to tender for the business. In a moment I will come to the plans it had, which I am sure it still has, to develop and expand rail freight here in Victoria.

This bill will create a new rail access regime. Implicit in all this is that there will be a change in the way access prices are created. In this state the network comprises a number of frequently used lines and a number of infrequently used lines. All the costs incurred by Freight Australia in the maintenance of that network are legitimate business costs which need to be recovered. As to the costs of keeping lines open for four or five freight trains a year — and the honourable member for Swan Hill pointed out their importance to the grain industry — it must be made clear that a lot of those lines are infrequently used. However, it is important that Freight Australia maintain those lines at a level that means they can be used when required.

Those lines will not be attractive to the people wanting access. An infrequently used line will be an infrequently used line — and it will be a line infrequently used only by Freight Australia. The people wanting access will want to come onto the busy major lines, where they can set up decent-size trains and make some profit.

Freight Australia has put to the opposition a legitimate concern, which is that the access pricing will be based

on line pricing rather than network pricing. In other words, its great concern is that a situation will occur where the access price to carry a load of freight on the broad gauge line from, for example, Melbourne to Albury will be based on the costs incurred by Freight Australia in maintaining that line, not in maintaining the network of lines throughout country Victoria.

Obviously if that is the case the access price would be considerably lower on a line basis than it would be on a network basis. The access seekers would not be required to pay a share of maintaining the network or of maintaining the lines that might be used only four or five times a year. Freight Australia is saying that if that situation develops under the new rail access regime the unfair pricing system will give the access seekers a considerable advantage by giving them a cheaper price, while Freight Australia will have to bear and maintain the costs of operating all the other lines but will not be able to recover them.

This is not an argument about sunk costs and access prices. As I understand the argument of Freight Australia, it is about whether, as part of the access price, access seekers should be required to pay a fair share of the maintenance costs, or the upkeep costs, of the entire broad gauge network. That would seem to be a reasonable argument, but it will certainly not be resolved by this Parliament, or indeed by this government. The arrangement between Freight Australia and the Victorian government is that access seekers are required to be given access at a fair and reasonable price. An appeal or arbitration mechanism has been set up to ensure that if a dispute arises over the price established by Freight Australia, the access seeker will not be dealt with harshly, will be able to get a fair and reasonable access price, and will get a quick decision.

At the time these arrangements were set up it was important to the Kennett government to ensure that access seekers would not be unnecessarily delayed by Freight Australia. It could see that the successful tenderer — in this case Freight Australia — could delay the process so that the window of opportunity for an access seeker might simply disappear. By doing that it could basically blow away access seekers and competition.

At the time the government said that a short time scale was applicable from the time an access seeker applied for access to a particular rail route and its receiving a price, and that if the access seeker was dissatisfied with that it could go off to the Office of the Regulator-General to appeal and have the matter arbitrated. As the honourable member for Coburg said,

we all have to look at our notes on these things. The Office of the Regulator-General has now gone, and there is now the Essential Services Commission, or the ESC. Therefore the ESC has a significant responsibility in this matter, which is to ensure that both access seekers and Freight Australia are looked after fairly and that the legitimate costs of Freight Australia are taken into account in arriving at an access price.

It would have been wrong and would have run against the views of both parties if, when the sale had been concluded, access seekers had been given an unfair advantage over Freight Australia. At the same time back in 1999 it was very much in the former government's mind to ensure that Freight Australia would not be given an unfair advantage over access seekers. As the honourable member for Coburg said, the previous government was keen to encourage competition on the country rail freight network, but it certainly did not want to see one side given advantages that would be detrimental to the other party.

In the little while remaining I want to come back to some of the ideas and plans that were in the minds of those at Rail America, the successful bidder under the name of Freight Victoria, which, as the house has been told a number of times, has been renamed Freight Australia — and I will use that term to save any confusion in the minds of the huge number of listeners presently glued to this debate.

One of the interesting things about Rail America, the parent company, is that it has a significant record of achievement in both the United States of America and South America; it runs at least two rail operations in South America as well as those it runs in the United States. One of the significant things Rail America has done is develop small freight business using the rail lines. This is business which used to be very much the backbone of V/Line Freight but which over the years was lost to road freight businesses.

I remember having a number of discussions with the principals of the company about how they proposed to do that here. They were very keen to use lines, stations and country towns that had once been maybe not so much dependent on rail freight but certainly involved with rail freight; they wanted to see all of that come back to country Victoria. The principals could see a significant amount of profitable business being able to be developed by them throughout country Victoria. Of course, the first cab off the rank as far as they were concerned was to get the big business sorted out — to ensure that the contracts the company had inherited and the new contracts being negotiated were signed up so

that the company could have a basis from which it could go on and develop the smaller business.

The exciting thing about all of that is that it would have brought rail freight back to a lot of country towns throughout Victoria which had given up hope of ever seeing rail freight again. These towns had given up the ghost as far as rail was concerned and were content to believe that it would always be trucks bringing their freight into town. The plans that Freight Australia had were exciting for the government, and I believe they were welcomed by country communities throughout this state. It would be a great pity indeed if a situation developed now where with access pricing being on a line basis rather than a network basis Freight Australia is disadvantaged to the point where it has to recast its mind as far as those plans are concerned. That would be a significant blow to a lot of country towns throughout Victoria and particularly to smaller country towns — not the major centres but smaller towns, because that would be the inevitable effect.

What could happen is that Freight Australia could say that as far as many infrequently used lines were concerned it would no longer deal with those lines and after three years those lines would simply go back into the care, if I can put it that way, of the government and certainly back into the costs of the government; the government would have to pay its own money out to maintain those lines and keep them open if Freight Australia decided not to go on with them. To become competitive, to remain profitable and to keep the jobs it has in its company, Freight Australia might well have to take this line if this whole situation of a new access price regime goes awry.

As I said right at the beginning, I take comfort from the words of the honourable member for Coburg that that is not the intention of the government — that the government is keen to see Freight Australia remain viable and profitable and to proceed with its expansion plans, and its plans in the small freight area that will benefit country Victoria. My advice to the government today is to keep its hand on the wheel on this issue, and to ensure that the plans do not go awry and that Freight Australia is not left in a situation where it is cherry picked by eager beavers coming in on the profitable lines and taking business away. That would be of great detriment to Freight Australia and country Victoria.

With those thoughts in mind and with the view that the government must ensure that the Essential Services Commission keeps its hand on the wheel with regard to the access pricing regime, the opposition does not oppose the bill.

Mr LONEY (Geelong North) — I am pleased to make a small contribution to the debate on this bill. I might say at the outset that I am pleased to be part of a government which supports rail freight in this state. I think rail freight is a terrific way to move large amounts of cargo and freight safely and reliably around this state. It also takes great pressure off our road infrastructure if we can have a rail freight system carrying a large amount of the state's freight.

I might also say that the rail freight system is very important to my area of Geelong and to the whole of western Victoria, not least through access to the port of Geelong and through the western grain lines to the grain terminals. These things are very important to our regional economy. Ensuring that we have a viable rail freight system operating throughout Victoria and have a network that operates efficiently and competitively and delivers benefits is very important to our regional economy.

This bill essentially aims to provide for improvement in the rail accessing regime in line with national competition policy. That is the driving force behind this bill. In particular, the provisions of this bill relate to ensuring third-party access to the rail freight network throughout Victoria.

It has been interesting to listen to some of the opposition contributions. I accept that honourable members opposite say they are motivated by wanting to see a viable rail freight network throughout Victoria, one in which Freight Australia can operate profitably and efficiently. It is also the government's view that that should occur and that that regime should ensure those things. However, it is also the government's view that the rail freight regime in Victoria must have appropriate arrangements for third-party access. That is a view that is concurred with by the National Competition Council (NCC).

It was interesting to hear the previous speaker say that the previous government considered this to be a very important matter. However, one would have to add the comment that evidently the previous government did not think it was important enough to put an access regime in place when it introduced its legislation, because it did not do so. In fact, the previous government had no legislation to ensure access. It failed to set up a competitive regime. It was this government which legislated to ensure that access, and it did so on a basic principle — that is, that in disposing of these public assets out there into the marketplace you should not simply create a private monopoly; therefore the government introduced legislation to ensure third-party access regimes. That legislation stipulated that there

must be a regime which allowed access to others so we could achieve the best outcomes for Victoria and Victorian consumers and rail users in this regime.

The National Competition Council concurred with the view of the current government in relation to these matters that that access regime should be there and properly legislated. It concurred with the government's view but raised concerns in three areas and asked the government to address them.

Firstly, it raised concerns about the protection from misuse of confidential access-seeker information — a fairly straightforward thing about the protection of information. Secondly, it asked for some strengthening of the Essential Services Commission's (ESC) information powers. It is rather important that if you want access regimes and competition policy to work well your competition regulator must have the appropriate information-gathering powers to be able to ensure that what is going on is operating properly in the best interests of a competitive market. The government is moving ahead with that. Thirdly, it asked that the ESC consult with operators and arbitrators for other networks where that is necessary.

Those three areas are in fact the provisions in this bill. Those track access and responsibility issues are important across a range of areas and they have come to attention in my area on a number of occasions. As I said, there is a considerable amount of rail freight running through my electorate to the port of Geelong, to the grain wharves and elsewhere, and a number of companies currently use that line. Proper information is required to be held of those users in case a complaint arises. I have had one in my area at Nicholson Crescent where the rail line is close to the fence or gate line of the houses. The rail lines are closer to the back fences of those houses than I am to the other side of this chamber and as a consequence those householders have considerable problems with noise and vibration in their houses.

Mr Trezise interjected.

Mr LONEY — The honourable member for Geelong is absolutely right. I am not keen to revisit the other side of the chamber, Mr Acting Speaker, and I do not think I will be doing it for many years. Nonetheless when we tried to find out who had responsibility for the maintenance issues around the track near Nicholson Crescent we had the dickens of a time trying to get one out of the six or so users of that track to put up their hand and say they were the responsible authority whom we could talk to and who would or would not do something about it. We went round in circles for a long

time before we could even speak to people. Having done that we are still trying to get something done, but that is another matter. What I am raising here is the issue of the keeping of appropriate information so you know who you should be talking to about matters that arise. It is certainly appropriate that the ESC has those powers.

The opposition has raised a number of things about Freight Australia. The honourable member for Coburg set out the government's position fairly well in relation to this. Essentially what he was saying was, as the honourable member for Mornington picked up, the government is committed to a proper, competitive access regime on freight lines throughout Victoria which will ensure that Freight Australia continues to operate viably. He also pointed out that many of the things that are now being raised as complaints are things that Freight Australia should have thought more about at the time it entered into the agreements, because they were covered in those agreements. If Freight Australia now wants to argue that it took over a rail network in poor condition, surely that is a matter of the due diligence it carried out at the time. It surely assessed the state and condition of the network at the time it was entering into the agreements. It seems to be an extraordinary suggestion that Freight Australia did not understand what it was buying. Surely it did some work on that! Either that or the honourable member for Mornington is a greater silver-tongued devil than we believe him to be, if he has talked it into something of that nature.

But the company also talks about the margins on costs. A number of things are simply not right. Freight Australia has made a claim, for example, that it can only be recompensed at the 10-year bond rate plus a margin of 4 per cent — a simple, factual inaccuracy. In fact, the 10-year bond rate plus 4 per cent is the minimum that it can be recompensed at, not the maximum as seems to be the story going around. It also says it should be allowed to recover sunk costs via its access charges. This argument was put by the honourable member for Mornington on its behalf — —

Mr Cooper interjected.

Mr LONEY — The honourable member may not understand what sunk costs are. Perhaps he had better have a look. But the thing here is — —

Mr McIntosh interjected.

Mr LONEY — No. Sorry, Mr Acting Speaker, I am being misquoted over there.

As I was saying, at the time they entered into these contracts they were fully aware of their obligations in relation to sunk costs and what could or could not be claimed back. To come in now and pursue this is to actually try to change the argument from when they contracted.

This bill is not about changing the whole basis of the contractual arrangement, although there seems to be some activity to try to do so on a number of fronts. This bill is simply about ensuring that the competitive access regime to which the Australian Competition and Consumer Commission has consented can operate properly and to the benefit of all parties. If you want to have competition on the freight lines in Victoria it is important that you have a properly thought out access regime. That is what this bill is about — that is what it goes to and that is why it should be proceeded with now.

If we can get proper access regimes, proper contestability and proper competition on those lines it will be of immense benefit to areas such as mine that have a great deal of movement of rail freight driving their regional economies. I would like to see this go ahead as soon as possible for areas such as mine, and I certainly do not concur with the argument put by opposition speakers that it would be better to defer it.

Mr McINTOSH (Kew) — There is unanimity in this house about the significance of trying to improve the amount of rail freight that occurs in the state of Victoria. Indeed, many previous speakers on the bill have referred to the significance of the fact that if the enormous amount of road freight on Victorian roads can be reduced the cost of maintaining expensive infrastructure can be reduced, and indeed lives can be saved. I heard it mentioned today — I do not know if the figure is accurate — that only 5 per cent of all freight shipped from point A to point B here in Victoria actually travels by way of rail freight rather than some other form of transport. Even if that figure is not correct, transporting freight by other means is certainly a burgeoning industry, and the significance of maintaining an effective rail freight network is very important to the state of Victoria.

The honourable member for Mordialloc added weight to that argument when he indicated — and it is quite logical — that the second-biggest cost of any manufacturer or producer, apart from the labour and the raw materials used in the production of goods, is the cost of transport. If Victoria is to remain competitive in international and interstate markets it must lower the cost of transport, thereby lowering the bottom line and improving production and the economic outcomes for

Victorians generally. Everybody is unanimous in saying that an improvement in the rail freight system in Victoria will have major advantages for the state.

There is no doubt that the Kennett government inherited V/Line, which I heard the honourable member for Mornington call moribund and the honourable member for Mordialloc call bankrupt. Whatever happened, it was being run into the ground and something needed to be done. Standing in juxtaposition to V/Line Freight at that time was a very viable and vital road transport industry based upon competition between private operators, who reduced the costs to the point where people would start using or would continue to use road transport, with all the implications that had for the state.

V/Line Freight was sold not only to reap the benefit of the nearly \$90 million realised, which was to some extent above expectations, but also to introduce some form of competition into the Victorian rail freight network. I disagree strongly with the views expressed by the honourable member for Geelong North, because I do not think he quite understood that at the time of the sale there was an access regime in existence. Freight Australia maintained the transport system, but it also had to provide access. You would negotiate a price for access into the system. If that failed there was a mechanism of speedy and expeditious arbitration through the Office of the Regulator-General. That system has not altered. The only thing that has altered is that the ORG has dropped out and the Essential Services Commission is now the arbiter of the pricing mechanism.

The real concern is that there has been a substantial change, perhaps not directly in the rules but in the way that Freight Australia actually operates. That changing of the rules or the culture within which Freight Australia operates does two major things. Firstly, it sends a terrifically bad message to anybody else who may want to invest in Victoria. This is coupled with this government's single-handedly going out and attacking private contracts, which we have seen with the electricity market, with City Link and with the private operators of the transport system.

Ms Davies interjected.

Mr McINTOSH — I am glad the great socialist from Gippsland West agrees with me, because she is howling out in support of what I am saying. I thank her for her contribution in that regard.

This government is picking at the sides — it is picking at those contracts and sending a terrifically bad message

to anybody who wants to invest in Victoria. It is most important that private operators have some degree of stability upon which to operate, and picking at the edges and changing the rules necessarily reduces the state's capacity to draw private investors into the system.

We have heard the government talking about competition and what wondrous things it can deliver. The honourable member for Coburg was at pains to point out that the government is pro-competition and pro-private operators in a range of fields. We have seen the government generally asking for private participation in a large number of infrastructure projects, but one of the major problems is that that participation will not occur if the rules are changed by the government from time to time.

The second major change in this instance is the change in the culture attached to the way the pricing mechanism will occur — that is, going from network pricing to line pricing. Apparently there is an argument about what was known at the time those contracts were made, and I will speak about that in a moment. However, the most important thing about that change means that rather than Freight Australia being able to look globally at the whole network to recover an appropriate price, and that price ultimately perhaps being arbitrated on by the Essential Services Commission, that price will now necessarily be dependent on the individual lines.

The honourable member for Mornington and the honourable member for Mordialloc were at pains to point out why that was the case and why it would be a detriment for Victoria. It may not be a detriment to the users of the main lines between Albury and Melbourne, between Geelong and Melbourne, and between Ballarat and Bendigo and Melbourne, but it will be a detriment to those small country lines that may be used only two, three or four times a year, because the amount of money that will have to be spent on maintaining those lines may necessarily be out of all proportion to the amount that Freight Australia can recover as the price for access to those lines. Indeed, it is probably highly unlikely that anybody will want to have access on a regular basis to those small lines, and that will have a major impact on small country communities. We may see those lines either being closed or reverting back to the government, with an ultimate drain on the resources of the state, or some other operator, which is probably unlikely in these circumstances.

I will raise one final matter in relation to the contract. One of the matters that has concerned me about this bill, and it is not technically a legal argument, is that

this initiation of the criticism of the pricing regime came through the National Competition Council and a discussion paper that it issued at the end of December last year.

That discussion paper was critical of the access regime in Victoria and the bill goes some way towards addressing that matter. The decision was appealed by Freight Australia to the Australian Competition Tribunal. I understand that decision is not due until September this year. By passing the bill now the rug is being pulled out from beneath Freight Australia and the parameters by which it says it operates. It may be quite wrong, but the dispute is being resolved at the moment. A piece of legislation that changes the rights and wrongs for the parties to litigation midstream is a matter of extreme concern.

The government needs to deal with this matter. It is sending another message to the rest of the country and to the world that if you want to invest in Victoria you may have the rules changed. That is the major implication of the bill

Sitting suspended 6.29 p.m. until 8.02 p.m.

Ms DAVIES (Gippsland West) — The Rail Corporations (Amendment) Bill purports to make provision for the improvement of the rail access regime in accordance with national competition policy guidelines. I do not have the faith in the national competition policy that members on both sides of this house seem to have. I have seen many times — and this is one of them — when it seems to me that it does not really work.

In 1998 the previous government put through the Rail Corporations Act, which permitted the state to lease its infrastructure to private operators and then provided for third parties to also access that rail infrastructure. In May 1999 the Kennett government sold V/Line Freight to Freight Australia with a 45-year lease over Victoria's intrastate country rail tracks and associated infrastructure. In 2001 the Bracks government proceeded with the regime that would provide for third parties to access those leased tracks. It started the rail access regime and gazetted pricing orders, and that effectively ended Freight Australia's monopoly over the intrastate rail network. As far as I can see, Freight Australia —

Honourable members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order! I ask for less audible conversation in the chamber. It is rude to do that while the honourable member is on her feet.

Ms DAVIES — Freight Australia has more or less been in dispute with the government ever since arguing that it cannot get a good enough return on its original investment to make further investment in rail track and rail services worthwhile.

The Victorian government has applied to the National Competition Council to have the Victorian access regime certified as an effective access regime for the purposes of the commonwealth Trade Practices Act. It means that if a certification goes through the Victorian rail access regime will apply to the exclusion of the general access regime, which is the federal system. The state access regime can be certified as effective only if it complies with certain principles set out in the national competition principles agreement.

This bill makes changes to the Victorian rail access regime so it complies with that competition principles agreement. It will also stymie Freight Australia's efforts to be governed under the commonwealth rail access regime when Freight Australia believes that commonwealth regime gave it more scope for profitability than the state scheme.

The bill makes the following changes to ensure compliance with the Victorian access regime: it gives more protection to the confidentiality of commercial information that any third-party access seeker to the track must disclose to the infrastructure provider — that is, Freight Australia; it requires infrastructure providers to keep certain information available to assist track access seekers in formulating their request for access; it deals with interface issues, where an access seeker needs to access some other part of the rail network or to access interstate infrastructure; and it strengthens the role of the Essential Services Commission in ensuring that companies wanting access to the tracks are treated fairly and that charges and requirements given to them by the infrastructure provider are appropriate. Again, Freight Australia has been objecting to many aspects of this set-up.

I genuinely believe potentially the most successful way of ensuring fair access to the track would be for the government or for another independent body to control the track rather than to have it leased out to a private company which is also endeavouring to run a freight business. Having a business both controlling access to the track and running a freight business in competition with other freight businesses is a potentially incredible conflict of interest for the infrastructure provider. As I said, the best and most obvious way of ensuring good competition — indeed fair competition, if that is what you want in rail freight businesses — would be to have an independent body actually owning, controlling and

running the track. The previous government did not seem to see that logic and this government has not yet done enough to get over the problems that have been created by the peculiar set-up that was started by the previous government. I urge the government to take whatever steps are necessary to settle this now very longstanding dispute with Freight Australia. The parties should not be having arguments of the type they have been having over this particular access regime, which is not conducive to encouraging the expansion of rail freight in Victoria.

I have a significant interest in this issue. In addition to having passenger services brought back to the South Gippsland rail line I want to ensure that one day, hopefully in the not-too-distant future, freight trucks will be rolling up and down that line rather than having large numbers of freight trucks on our roads.

I suggest that if the government is not capable of working out an amicable arrangement with Freight Australia it be encouraged to give it back. I note that other speakers thought that this would be a terrible outcome, but I must say I do not agree.

The government is already investing significantly in the upgrading of rail lines as part of the return of passenger services around Victoria, so even though theoretically we have a private company which has leased these tracks and has an obligation to improve them, it has not been investing in our track infrastructure. In fact, it is the government which is still investing in track improvement and the extensions of rail services. Again I would suggest that the best way to ensure a level playing field and an appropriate competitive market for freight in Victoria would be to have the state controlling the track, with an open access arrangement for different freight businesses. In the meantime we will have to wait and see.

I will support the Rail Corporations (Amendment) Bill. I do not believe it is in the interests of the Victorian people to have a private monopoly running freight on our railway lines, so I will support measures that will increase the potential for competition. I am not sure that this will be enough to settle a long-running dispute that needs to be settled as soon as possible.

Mr PLOWMAN (Benambra) — Clearly this debate is about access to the rail lines of Victoria. Equally clearly, everyone on both sides of the house wants to see more freight and passengers carried on rail than on road. If ever I had an illustration of that it was last night after driving from Wodonga to a meeting at Benalla and then leaving Benalla at about 11 o'clock to drive to Melbourne with a number of semitrailers and

B-doubles on the freeway. I do not agree with the honourable member for Gippsland West — I do not think they are horrible things at all — but if we could get some of that freight onto rail it would be far more — —

The ACTING SPEAKER (Mr Seitz) — Order! I ask the honourable member to address his remarks through the Chair.

Mr PLOWMAN — I thought I was, but I adhere to your judgment as always. Might I say, through you, Sir, to the honourable member for Gippsland West that I do not object to the movement of freight on the big B-doubles. I understand that they can be frightening to someone who is not used to driving with them, but when you see row after row of big B-doubles carting freight up the highway with the railway line only metres away, you begin to wonder why this is happening and what we can do to help.

I commend the government for introducing the legislation to try to improve access to the rail lines of Victoria, and with the unanimous support of both sides of the house I hope we will end up with more freight and more passengers on V/Line throughout Victoria.

Equally, you have to look back and ask what V/Line was like when the previous government determined to privatise it. V/Line was facing a very doubtful future at that stage. Its freight and passenger rates were dropping off and its profitability was getting worse. The logical thing to do was introduce a level of competition which would result in greater use of the Victorian rail lines for both freight and passenger services. To a large extent that has occurred. Certainly the introduction of Rail America, which is now Freight Australia, has put a different emphasis on the transport of freight on rail in Victoria and right across Australia.

Again I highlight the fact that last night I drove down to Melbourne with all the semitrailers and B-doubles. I live in Wodonga, where the rail runs straight through the middle of the town. I live pretty close to the rail. At night you can see very big trains running up to 1-kilometre long, with a lot of freight on them. We are headed in the right direction. We are getting more freight onto rail and hopefully this bill will assist that to occur even more.

Access has always been a consideration. The honourable member for Geelong North suggested that there was not an access arrangement until this bill was introduced. That is clearly not right. There was an access arrangement and hopefully this legislation will help to improve it, particularly for those third-party

operators who wish to have equal access on the rail with equal competition, without the chance of being denied that equal opportunity from Freight Australia. This bill is really about making sure that fair access is available to both the third-party operators and to the owner or lessee, which is Freight Australia.

The honourable member for Gippsland West suggested that the only way to solve the problem is to have an independent body owning or controlling the track. I understand the argument but clearly we have tried that — that is what we had before. By having a body that has complete control and ownership you tend to deny the opportunity for free enterprise and improvement of the level of participation and patronage. There is no real risk of that, providing the legislation works.

One part of the legislation that worries me was highlighted by the honourable member for Mornington. At the moment the maintenance of all lines across the whole network is the responsibility of Freight Australia, but if we allow the system to revert to access on a line basis and not on a total network basis, there is a risk that those more valuable, equitable and profitable lines — like the lines from Albury to Melbourne, Melbourne to Geelong or from Melbourne to Adelaide — will be the lines to which Freight Australia gives access to its selected customers. If that were the case, the people using those lines would have a greater opportunity to have a cheaper access service. I am all for that but not at the cost of the smaller lines.

The thing that worries me if we do that is that if Freight Australia walks away from the smaller lines their maintenance will be left to the state government. If that happens, sooner or later the state government will say, 'We cannot keep footing a bill for these lines that are not profitable' and there will be the chance of one government or another closing some of those lines.

I have to say that in my area one of the most important issues we face is that we have a lot of grain, particularly wheat, moving out of New South Wales and into the port of Melbourne. How does it get there? It goes by broad gauge line rail transport. If some of those lines, like the Yarrowonga line, which is really only used for grain freight, is not one of those lines that Freight Australia maintains we will be faced with the possibility that that line might not be profitable enough to keep open for freight. If that happens we will either get more freight coming into Victoria by road transport, or more importantly, freight could go by road into New South Wales back to Sydney, and we would lose all that business through the port of Melbourne. Frankly, that is an outcome that we could not possibly accept.

I will restrict my comments to those views and say that I, too, was heartened by the words of the honourable member for Coburg when he said that he wanted to see freight rail remain viable, to continue, and to continue to provide the service it does throughout Victoria. If that is the case I have no argument with the vision of the existing system going into access on a line basis. But if it is not the case, and if by breaking up access on the network of lines to a line basis we end up with those individual lines being seen to be unprofitable, with the state footing the bill for the maintenance of those lines, then I am worried that we will possibly lose freight into the port of Melbourne and lose a lot of business through Victoria.

Mr TREZISE (Geelong) — I am pleased to also be speaking in support of the Rail Corporations (Amendment) Bill 2002. I am happy to speak in support of this bill because it is all about real, fair and open competition on our privatised rail system, a system that was privatised back in the late 1990s — in 1999, to be exact.

My electorate relies heavily on not only its freight rail service but also its passenger rail service, and this bill seeks basically to improve competition on a now privatised system, where a monopoly still exists to some degree. As I said, the rail service is a major issue for my electorate of Geelong, and the Bracks Labor government recognises this important point. Only today in the budget he delivered the Treasurer focused in part on rail services and rail structures within regional Victoria, including Geelong. For example, the commitment of more than \$5 million for a rail link into Lascelles wharf in the port of Geelong is testimony to the government's commitment to a rail infrastructure in this state.

The government does realise the importance of rail and the interface with ports such as the ports of Geelong, Melbourne, Portland and Hastings. This bill seeks to achieve exactly what the \$5.1 million contribution to Lascelles wharf does: that is, it is about more goods and more freight on our rail transport system — and in many instances rail systems and port systems are self-reliant in ensuring that we shift freight in and out of Victoria. This government realises the importance of this bill in providing open and fair competition on our rail structures.

As I said, rail services are absolutely vital to my electorate and to the community of Geelong. Tonight we are focusing essentially on freight systems, but thousands of commuters leave Geelong each morning and travel to Melbourne on National Express, the privatised and monopolised passenger service. It is not

only the freight rail system that is important to the electorate of Geelong; the commuter rail system is important as well. In recent days the Geelong community has learnt that over the past 12 months National Express, the passenger service, has provided services for an extra 30 000 passengers to Melbourne on an annual basis.

On the subject of the importance of passenger rail services in Geelong, recently I spent three mornings at North Geelong, Geelong, and South Geelong stations surveying rail commuters about the services provided by National Express. Commuters raised concerns which included the reliability of the train service, punctuality, and overcrowding at peak times.

As I said, rail services to Geelong are vital both for passengers and from a freight perspective. In essence, the bill is about improving the rail access regime as it applies to the national competition policy guidelines. The bill assists in ensuring that our freight rail system operates or is open to competition and not operated under a monopoly-type situation. Prior to its demise in 1999, the Kennett government sold off the Victorian rail services that were at that stage called V/Line Freight. Honourable members are well aware that V/Line Freight was sold to Freight Australia, which is essentially an American company. Freight Australia had bought into what was, at that time, a monopoly business. As I understand it, the sale included a 45-year lease on the Victorian intrastate country rail lines and the related infrastructure.

However, at the time of the purchase of the system by Freight Australia, that company was well aware of the future rail access regime that was to be introduced by the state government. This rail access regime ensures that rival companies have access to what is essentially the on-track structure. These rail service access provisions were inserted into the Rail Corporations Act in 1998. On 1 July 2001 the Bracks government declared the commencement of the rail access regime which in effect declared operative the provisions as inserted into the Rail Corporations Act. Therefore, as of 1 July 2001, competition was available on Victoria's privatised rail system.

As I understand the issue, essentially Freight Australia was unhappy with the arrangements under the state's access regime and therefore sought some form of coverage under the commonwealth regime. Freight Australia's bid for such coverage under the commonwealth was unsuccessful and, as such, Freight Australia has appealed the decision to the Australian Competition Tribunal. In respect to Victoria's access regime, the National Competition Council has raised a

number of concerns about Victoria's access regime. These include the need for improved protection of access to secret information, providing the Essential Services Commission with wider information-gathering powers and establishing a mechanism for the interrelationship between the Victorian rail access scheme and other rail access schemes.

Therefore this bill, in addressing the concerns or issues raised by the National Competition Council, seeks to do a number of things. Firstly, it seeks to strengthen the protection offered to a rail operator seeking access to Victorian rail lines in providing sensitive or confidential information to Freight Australia, which in reality is the competitor of the company that may be seeking access to the rail service. The proposal also includes hefty fines to the owner of the rail infrastructure who seeks to use the information provided for commercial gain.

This bill also improves the powers of the Essential Services Commission in gaining access to the information when determining a dispute as it arises in relation to rail access. The bill is all about ensuring Victoria's rail infrastructure regime complies with the requirements as stipulated by the National Competition Council, thus ensuring a more competitive rail system that operates within Victoria for all Victorians, and accordingly I commend the bill to the house.

Mr SPRY (Bellarine) — Before I commence my contribution I should declare a possible pecuniary interest in this bill with an interest in some Patrick Corporation shares.

Firstly, I want to make it clear that from my perspective it is absolutely essential that the government gets this piece of legislation right. I say that for a number of reasons, including the principle of encouraging freight off the road system in this state. I mention that for a number of reasons, probably the foremost of which is safety. When you reflect on the incompatibility of the huge trucks that use Victorian and interstate roads nowadays in association with smaller vehicles — private sedan vehicles, motorcycles and even smaller vehicles than those — you see that obviously there is a desire by most people concerned with safety to try to separate bulk freight, in particular, from other road users on Victorian roads.

The second is a question of efficiency. When you compare the huge loads that rail can carry, replacing literally hundreds of trucks with one locomotive, and you consider the damage to the roads that is thereby relieved, I think that is another very good reason why we should concentrate on trying to attract freight off the roads and onto the rail system. Also included in that are

the cost implications and the economic benefits from transporting bulk freight in particular by rail instead of road.

Thirdly, there are environmental considerations. The fact that one locomotive might pull the equivalent of the load that perhaps 50 or even 100 large trucks could carry — earlier I heard the honourable member for Benambra mention rail locomotives hauling a kilometre and a half of freight cars — gives some indication of the environmental benefits to be had from trying to encourage freight off the road system and onto the rail system.

The passenger rail business and V/Line Freight were privatised in 1999. The regime that was and still is administering the system is handled by the former Office of the Regulator-General, which has now become the Essential Services Commission. The Essential Services Commission operates under the provisions of the Rail Corporations Act itself. Conditions applicable to open access to the rail infrastructure currently leased by Freight Australia are defined at present in part 2 of that act.

The bill before the house is the result of an application by the government to have this access regime certified by the National Competition Council.

Several of the technical changes embodied in the bill are designed to clarify existing expectations and eliminate conjecture. But there is an insidious element in the bill, and it concerns access to the rail network by competitors. Access by competitors to a natural monopoly rail and infrastructure lease system in a considered and equitable manner is absolutely essential. That leads to the question of how access costs are set, and that is what at least part of this legislation is all about. There is danger ahead if the government fails to recognise that Freight Australia, if forced into a corner, could exercise its right to abandon high-cost rail lines if it cannot recover costs with cross-subsidies from more profitable lines. In rail jargon I understand that this preferential treatment to other access seekers is known as line pricing as opposed to network pricing.

Other speakers tonight have mentioned the aspect of cherry picking by competitors who see a cost advantage in simply seeking access to the most profitable lines and leaving the current lessee of those facilities to carry the costs on the relatively unprofitable lines. The opposition gives notice to the government that this legislation could therefore conceivably lead to line closures if not handled properly. I commend the honourable member for Benambra for highlighting that feature as a measure of the danger of this bill, along

with other speakers before him — namely the honourable member for Mornington and the shadow Minister for Transport, the honourable member for Mordialloc.

The rail system in Victoria is dogged by historical bloody-mindedness; I do not think there is another way to more accurately describe it. Mixed-gauge rail systems in Australia are probably the single biggest inhibitor to an efficient national rail network and the single most significant reason why the rail system lags behind the nation's very efficient road network. For the reasons I indicated earlier, that balance must be addressed and rectified for the more efficient transport of freight and passengers in this state and across the nation.

I trust that this legislation is not designed to return the operation and control of Victoria's rail system to public ownership by stealth. It is clear from remarks made in this house and referred to by the shadow Minister for Transport in his earlier contribution that the minister is hostile to private ownership of rail services. From remarks I have heard from the other side of the house, I do not think the minister is alone in that sentiment. I trust his and the government's natural antipathy does not get the better of sound judgment in this matter.

Mr HARDMAN (Seymour) — It is a pleasure to speak on the Rail Corporations (Amendment) Bill. The purpose of the bill is to amend the Rail Corporations Act 1996 by providing the Essential Services Commission with power to ensure fair access to our state's infrastructure, which includes our railways. It will enable businesses within Victoria to grow and provide freight in a competitive way to country Victorians. That means that more freight will be transported by rail, which will provide great benefits competition-wise for those businesses using rail and big benefits for the whole of Victoria.

Competition within our rail transport system is important, especially now that we have a privatised network. We must make it work. Maybe honourable members on this side of the house do not feel very comfortable with the privatised system but, by the same token, it is there and it has some benefits. Those businesses will now have a chance to grow and provide jobs in country Victoria — and specifically, of course, in the electorate of Seymour.

The bill complements the Bracks government's commitment to standardisation of railway tracks across Victoria, including a \$98 million investment to try and move more of our freight from the roads onto the rail networks, and previous members have spoken about the

safety and environmental benefits of moving freight by rail networks.

Locally, investment in the Shepparton to Seymour line and the rail standardisation to be provided under this bill will provide greater access to interstate rail services and make worthwhile our investment into standardised and increased rail services and the reopening of the lines closed by the Kennett government. It makes investment in this infrastructure far more worthwhile. We know that our rail infrastructure is under-utilised and that our roads are getting busier resulting in the bottlenecks we all see when we drive down the Hume Highway, for example, and hit the Western Ring Road. There is an incredible bottleneck there which I now avoid like the plague because it is a real problem.

We also know from our past experiences that if we keep on building freeways in the end we are just creating another bottleneck somewhere else that needs to be fixed. Another bottleneck I hit coming into town is where the Calder Freeway meets the Tullamarine Freeway. At that spot trucks and cars are all trying at once to get to the same place at the same time and running into a great deal of trouble. If we could move the freight those vehicles transport from the roads onto the rail network, businesses all around country Victoria would benefit. Those who produce fruit in Shepparton — for example, the canneries — and the producers of all the other wonderful agricultural products that are dramatically increasing exports from this state would have greater opportunities and better access to markets and to ports. That would be a marvellous thing.

Ever since I became a member of Parliament the CRT Group has complained to me about its difficulties accessing the rail network. It would like to be able to run smaller trains of perhaps two carriages to transport its product from Altona to Mangalore where it intends to build an inland port, or on to Sydney. CRT's problem is that it is being charged for those double-carriage trains the same amount as for a train that is 1 kilometre long. There is no fairness in that; there is no competition in that. The bill will give that company the ability to go to the Essential Services Commission (ESC) and argue a case for more competitive rates on our rail systems. That will be a great way to grow Victoria, which is the Bracks government's aim and something we have been very successful in doing since we have been in government.

The Seymour Railway Heritage Centre is another group that has spoken to me about its difficulties in gaining access to the rail networks. It will be interesting to see if this bill will assist it to utilise its magnificent rolling

stock across Victoria and to give it access not just from Seymour to Melbourne and on to Echuca, or something along those lines, but to get around the whole of the state and show off the magnificent work it does in preserving our state's rail history, which is very important. I hope that will be the case in the future.

I fully support this bill because it is a wonderful thing not only for my electorate but for country Victoria — for all of the state, as it is also about tram tracks and rail lines in the city. I commend the bill to the house.

Mr VOGELS (Warrnambool) — It is a pleasure to make a few comments on the Rail Corporations (Amendment) Bill. Many previous speakers have already outlined the purpose of the bill, so I will not go through it all. I will say that in April 1999 the V/Line freight business was sold for \$89.7 million to Rail America, which was renamed Freight Victoria and later renamed Freight Australia. The \$89.7 million payment gave Rail America the right to use the network and operate a rail business for a period of 45 years. Included in the sale was the rolling stock.

Victoria currently has a rail access regime which is based on a negotiate–arbitrate model. This means that parties seeking rail access — access seekers — apply to and negotiate with Freight Australia as the track owner. If an agreement between Freight Australia and the access seeker cannot be reached, the access seeker may ask the Office of the Regulator-General, since superseded by the Essential Services Commission, for a determination.

Under existing legislation the Essential Services Commission can seek information from Freight Australia, which can then be made available to access seekers. The existing regime also specifies how Freight Australia must maintain the business and financial records. Following this application, in I think December 2001, the National Competition Council issued a discussion paper because national competition policy was not being met.

The main concern I have with this bill is that the new rail access regime allows for competitors to Freight Australia to cherry pick, as a few people have already mentioned — to choose routes most profitable without paying due concern to the costs borne by Freight Australia for maintaining and operating the entire network. The regime does not allow for cross-subsidisation of unprofitable or non-viable routes. The difference between the current system and the proposed system is that the payment structure has been changed from network pricing to line pricing. This means there is no longer the cross-subsidy for

unprofitable routes from the main line routes. This could mean that a clause of Freight Australia's contract, whereby if the track is not used or maintained for three years the ownership and responsibility reverts to the state government, would come into force.

The potential for the closure of rural branch lines which are deemed to be economically non-viable, without cross-subsidisation from the main lines, is a real threat. There is the potential liability for the state government in the event that some of these uneconomic routes are transferred back to the government's ownership, eventually becoming a burden on the taxpayer.

The previous system was based on network pricing, whereby access seekers would place a bid for rail access, which took into account Freight Australia's position as a company responsible for the maintenance of the network of rail corridors. Under the new regime is a system of line pricing, whereby costs are reduced to access seekers, as they only bid on the basis of the lines they want to access. This ignores the cross-subsidisation of branch lines by main lines.

Freight Australia has expressed concern that the \$89.7 million it paid for the V/Line Freight franchise will be undermined by this rail access regime. It will allow competitors to enter the Victorian market without the burden incurred by Freight Australia, with its \$89.7 million liability.

The bill also introduces some heavy-handed information-gathering powers to the Essential Services Commission, in addition to its existing powers, which Freight Australia describes as adequate. In reality, if there is no cross-subsidisation from profitable lines to uneconomic country lines, those tracks will either eventually close and have to go or be taken over by the government of the day. This government would like nothing better than to see Freight Australia fall over so that our rail network is once again owned by the public, which seems to suit Labor Party philosophy.

In conclusion, as mentioned by the honourable member for Bellarine, our country lines will close because it will become too expensive to use our railway tracks, which will eventually lead to more road transport. Is that what we really want?

Mr MAXFIELD (Narracan) — I speak in support of the Rail Corporations (Amendment) Bill. The purpose of the bill is to make provision for the improvement of the rail access regime in accordance with the national competition guidelines. In an era long gone we had private operators in the railway system.

Then many years ago the state found itself running the rail system.

Recently I had the pleasure of attending the reopening of the Walhalla railway. For the first time in many years the railway line went into Walhalla. It brought back to some older people memories of the days when the train travelled to Walhalla. In a bygone era the only transport option for a lot of people was by rail. In those days goods had to be transported via rail and people travelled via rail. If you wanted to get out of Walhalla, for example, you either had to travel a winding bush track, which was often very muddy and boggy, or travel on the train and enjoy the splendid scenery.

In those days there was not much choice. All your goods travelled on the train. With the movement to the modern era, when obviously there are many trucks on the road and road transport is a more viable option, rail transport has tended to wane. As we move forward, it is clear that having access to our rail system is important. We are finding our roads are often congested, there are major safety issues with heavy traffic, noise is a problem especially at night with people living nearby, and the options of rail travel and moving our goods as well as people by rail is starting to become more in vogue. We are starting to recognise the benefits of rail to the community.

With the privatisation of our rail system we cannot afford a situation where a private monopoly charges whatever it wants and acts however it feels to the detriment of people who want to use the rail system and to consumers who want to access those services, thereby forcing more people on to roads which are becoming increasingly congested.

The bill will enable a range of users to access the rail system. We must support and encourage as many people as possible to use our rail system. Obviously we need to ensure that the regulatory regime in the bill can deliver the required outcome. New companies wanting to move goods in Victoria and interstate must be able to access the rail network. They should be able to reach an agreement with a major company, for example, to be able to access the rail network to ship logs from a logging company in Gippsland by train through to Melbourne.

During my brief contribution I have spoken about the future and reminisced about an era gone by, which brings me back to where I started — the Walhalla tourist railway line which was recently opened by the Premier. I congratulate all those involved in the line, the volunteers who put the railway line back, built the

bridges and showed us what was achieved in days gone by. I conclude my comments by supporting the bill.

Mr PHILLIPS (Eltham) — I would like to speak about the Rail Corporations (Amendment) Bill. I have heard other speakers raising points both for and against this bill. As someone who has driven heavy transport, I understand the concerns previous speakers have raised about large vehicles on main roads. If we look at large vehicles today, we see that the trucks are getting bigger and the roads are not necessarily matched to the size of the vehicles. Today we have B-doubles where we used to have semitrailers, as they were known. A lot of main roads need to be continually upgraded and have large amounts of money spent on them to cater for those large heavy vehicles so, as previous speakers have said, the suggestion in the bill is that we should be encouraging additional heavy freight back onto the rail. That is a good thing.

It is good to encourage freight and passengers onto rail. The use of public transport, whether it is rail, buses or any other form, leads to some savings to the community and the environment because of the pollution caused by heavy vehicles putting out diesel fumes. It also reduces the safety risk. We know that a lot of trucks are involved in accidents. Those accidents are not necessarily the fault of the truck driver but can be caused simply because of the size of the heavy vehicles that are competing with the number of cars on the roads. Sometimes drivers of cars try to move in front of heavy vehicles to beat them going up or down hills or around bends — I am sure all honourable members have all done it. I certainly have done it in a motor vehicle and I have had it done to me when I have been in a heavy vehicle. From the point of view of trying to encourage freight back onto rail this bill is excellent.

I should not do this but on the basis that I am filling in I will say that, as has been stated, the Rail Corporations (Amendment) Bill provides for the implementation of the rail access regime in accordance with the national competition policy guidelines. We should know about national competition policy. It is not relevant only to rail but throughout much of the legislation introduced and it is designed to allow competitiveness, not only in Victoria but also in other states throughout Australia. That is a good thing as it tests policies against those of other states.

The bill also provides greater document-seeking powers for the Essential Services Commission (ESC) which can use track-owner documentation to advantage access seekers. Along with increasing those document-seeking powers, a new clause has been included to restrict the

disclosure of released information and introduce a range of penalties for abuse of such information.

In reference to the bill, the V/Line Freight business was sold in April 1999 for nearly \$90 million. The business was sold to Rail America, renamed Freight Victoria, and later renamed Freight Australia. The payment of the \$90 million gave Rail America the right to use the network and operate the rail business for 45 years. Included was the sale of the rolling stock. Victoria currently has a rail-access regime based on a negotiate-and-arbitrate model: parties seeking access — that is, access seekers — apply to Freight Australia and negotiate with it for access to the track network. If agreement between Freight Australia and access seekers cannot be reached, access seekers may apply to the Office of the Regulator-General — which has since been superseded by the Essential Services Commission — for a determination. To date, that would be considered fair and reasonable.

Under existing legislation the Essential Services Commission can seek information from Freight Australia, which then can be made available to access seekers. The existing regime also specifies how Freight Australia must maintain its business and financial records, which is very important. We all have to be accountable and those organisations should be no different.

In July 2001 the Bracks government made an application to the National Competition Council seeking a new rail access regime. Following the application the NCC issued a discussion paper in December 2001. All honourable members will be aware of that paper on the new rail access regime. On the advice of the Bracks government the NCC questioned the effectiveness of the existing Victorian rail access regime. The regime recommended by the NCC was for competition to be introduced into the rail industry with a pricing mechanism determined by the ESC. That is what the bill implements.

The opposition has a number of concerns. There is no longer a cross-subsidy for unprofitable routes from the main line routes. The difference between the current and proposed systems is that the payment structure has been changed from network pricing to line pricing. The regime does not allow for the cost subsidisation of unprofitable or non-viable routes. The new rail access regime allows for competitors of Freight Australia to pick and choose the most profitable routes without due concern being paid to the costs borne by Freight Australia for maintaining and operating the entire network. That could mean that a clause could be inserted in Freight Australia's contract so that if the

track is not used or maintained for three years, the ownership and responsibility reverts to the government.

The final two concerns are the potential for the closure of the rural branch lines that are deemed to be economically non-viable without the cross-subsidisation from the main lines and the potential liability for the government in the event that some of the uneconomic routes are transferred back to government ownership.

Those are the main areas of concern. Earlier I touched on the purposes of the bill and said it would be good if we could encourage heavy vehicles off the roads, but that will not be achieved with all heavy vehicles. A cost problem arises in having goods shipped from one area to another because trucks will need to be used to get some freight from the rail depots to the warehouses or wholesalers. However, if the transportation over the lengthy distances can be achieved efficiently in the first instance, the use of trucks for the shorter distances from the factories to the warehouses would be acceptable.

Another honourable member may have mentioned that the use of one train and one heavy diesel vehicle can be the equivalent to using many hundreds of transport trucks. It would be good to remove from our roads the diesel pollution emitted by those vehicles that carry the equivalent amount of freight. We should also be aware of the resultant increased safety on our roads, as well as the cost of repairing the damage caused to the roads, especially the main roads, by heavy vehicles. Of course the community has to pay for those repairs through rates and taxes. Having said all that, I conclude my small contribution.

Mr DELAHUNTY (Wimmera) — I am pleased to rise on behalf of the Wimmera electorate to speak on this very important Rail Corporations (Amendment) Bill. The bill amends the Rail Corporations Act of 1996 and makes provision for the improvement of the rail access regime in accordance with the national competition policy guidelines. As a person living in western Victoria who travels up and down the Western Highway, the second most popular road in Victoria, I am well aware of the implications of transport use. The number of trucks, buses and the like going along those roads and the amount of grain and freight that is carted by rail in western Victoria is very important in relation to this bill.

It has been spoken about before, and we are all well aware, that in May 1999 V/Line Freight was privatised and the government got nearly \$90 million for the rail and rolling stock. It was unfortunate that the privatisation had to be done at that stage; it probably

should have happened earlier because it was becoming very expensive to use the rail freight system, and more and more fuel had gone off rail. Years ago, by law fuel had to be carried by rail. That requirement was removed and the fuel companies bought big transporters, B-doubles and the like, took their fuel off the railway and put it on the road, so those companies were lost forever from the rail network because of their purchase of this large trucking equipment.

However, it was important that privatisation gave them the opportunity to improve grain prices for carting by rail. About that time the Grain Elevators Board (GEB) had also been privatised, so there was concern to ensure efficient transport of grain, which is the largest freight component of the rail network in Victoria. There are now two large companies — Freight Australia, owned by Rail America, and Graincorp, which handles most of the bulk grain in western Victoria. These two are now wrestling with the new rules for an advantage to their companies now and in the future. Bulk grain business of wheat and particularly barley is the largest growing sector of Victoria's intrastate rail business. This grain is mainly controlled by the Australian Wheat Board and the Australian Barley Board, so now we have the owners involved in the biggest freight network — Freight Australia and the AWB and the ABB — looking for a competitive advantage.

In the last couple of years the AWB has built new facilities at Dimboola, Charlton, Sea Lake and Birchip and also a new terminal in Port Melbourne. It has done this because it has seen the opportunities and is working with Freight Australia to make sure it provides effective and efficient bulk grain transport to western Victoria.

The sale of V/Line Freight and the GEB opened up the rail access for Graincorp and others, and it has been mentioned before that competition is healthy. Even the government is saying competition is healthy, but it is important that the Essential Services Commission plays a role in making sure, as the Australian Competition and Consumer Commission (ACCC) does, that there is no collusion going on and that for the good of the public we get the most effective transport bulk grain rail freight in this state. Access seekers such as Graincorp are keen to see that Freight Australia is not able to charge too high an access rate for the use of its lines and, importantly, Freight Australia is also keen to see that new competitors such as Graincorp is not given any advantage over Freight Australia trains through the access charges imposed by the regulator, that is, the Essential Services Commission.

This is commonsense legislation. I know that my colleagues the Honourable Barry Bishop and the

Honourable Roger Hallam in another place and the honourable member for Swan Hill in this place have worked very closely with Freight Australia and the National Competition Council, the AWB and others to come to the position that we in the National Party are taking of not opposing the bill, and I strongly support that.

I mentioned earlier that I travel up and down the Western Highway, which is a very busy road. It is duplicated between here and Ballarat — and thankfully, because of the federal government's support, bypass lines have been put in between Ballarat and the border — but trucks are still carting enormous amounts of freight on the Western Highway. It is therefore important to ensure that the regime is the best so that as much of this freight as possible goes by rail. Everyone would have to agree that the large bulk commodities would be best transported by rail, but unfortunately before May 1999 the rail transport service was not efficient enough to bring down prices and compete.

To touch on another point, standardisation was brought in by former Prime Minister Keating, but he put a line between Adelaide and Melbourne and disenfranchised all the other rail networks in Victoria. In a very difficult financial climate, the former coalition government spent \$22 million standardising the three lines in western Victoria — from Ararat to Portland, from Murtoa to Hopetoun and from Dimboola to Yaapect — so that enormous amounts of bulk grain could be transferred, mostly to Portland but also to Geelong.

What has this government done? Today I heard some honourable members say that this government is spending money on standardisation. I do not believe one spike has been put into a sleeper or one bit of rail laid to standardise the rail lines of country Victoria, but it must happen because of the opportunities with grain in the north-west of Victoria and the links into Geelong. Last year the government talked about how it was going to standardise the rail network into Geelong, and 12 months later it is a repeat performance — it has not happened. This government has done nothing about standardisation, which would improve the competitiveness of the rail freight network — and that is what this legislation is all about. It would be great if mineral sands — a very heavy commodity — from all of western Victoria right up into New South Wales could be moved by rail, but unfortunately the government has dropped the ball and it has not continued the standardisation process that was started by the previous government.

I looked back through the last year's budget papers when this government was going to do something about

fast rail. I think I will be an old man going very grey before we see the fast rail project! However, the money that was going to be put into that could now be put to other uses. I know there was talk of improving the passenger rail service, and people in western Victoria would like to see the completion of this government's commitment to link Ballarat to Ararat by rail so that the service could be utilised in western Victoria. There are other opportunities for special or tourist trains to service such things as the amazing Stawell Gift or to take people on tours of the Grampians or the Little Desert area. Again, this government has promised all of these things, which would improve the transport not only of freight but of passenger services in western Victoria, but it has not delivered.

The government could also look at other opportunities, such as the freight centres. We know there are possibilities for freight centres at Ararat, Horsham and Hamilton, where there are major road networks and where in some places there is also air transport. Freight centres would be good for the containerisation of many of the niche markets in grain, for mineral sands and for the small bulk containerisation of grain freight that is going into the Asian markets.

In finishing, on behalf of the Wimmera community I support this legislation because I think it will provide greater competition on the rail network, and importantly under the Essential Services Commission will make sure that is done in a very cost-effective way and give access seekers the opportunity to use this important rail network. I ask the government to deliver on its promise of standardisation so that all of western Victoria can reap the benefits.

Mr SEITZ (Keilor) — I rise to support the bill. We heard the honourable member for Wimmera speak about the situation in his area with the movement of grain, but in my area if Victoria had an improved train system that could move goods, especially from the Melbourne docks, we would have less congestion on the Western Ring Road in particular and fewer accidents.

The more attractive we can make rail movement for containers and other materials that have to be shifted around the state the safer we will make our roads and the more economical freight costs will be. This bill is another step towards encouraging private transport operators to be competitive and to quote and tender for these freight jobs. It is very important that we encourage private operators who are bidding for work and endeavouring to establish services on their own trains between Melbourne, Adelaide and Darwin, so that they can become profitable and take as much traffic

as possible off the roads to make them safer for the general commuters and for the city and suburban delivery traffic.

Previous speakers spoke of the standardisation of rail gauges and the transport of wheat. Wheat silos were built in Sunshine in the days of the Grain Elevators Board for the wheat coming from the two rail lines from Bendigo and Ballarat, as Sunshine was the junction point for the delivery and storage of wheat. Since the abolition of that organisation those train services and silos have not been used because the wheat has been transported on roads by private semitrailers, which has created more traffic between Melbourne and Geelong. A large number of semitrailers travel to Geelong to bring malt and other requirements back here to the breweries for making beer, and traffic is constantly going backwards and forwards. Some of that freight could be put on a train service to a destination here in Melbourne to alleviate the traffic flow on the Geelong road.

Having made those points, I support the bill, but I dare say we will have to make further amendments to improve and develop the rail transport system. The bill will help make Victoria competitive within the national framework. Let us hope that private enterprise will take up the system in a way that will develop train transportation for bulk haulage. I commend the bill to the house.

Mr SMITH (Glen Waverley) — When one thinks railways one always thinks nostalgia and the things that made Australia great — that is, the railway systems that people really thought at the end of the 1800s and the beginning of the 1900s would open up the country as they did in America. And they did! They were wonderful systems for opening up countries. Before the advent of the motor car and motor transport as we know it today, the railways were the system. Even today the people in little country towns with a railway line running through them, wherever they might be, have a warm inner feeling about where they are going and what their railway lines are about.

The reality is that as far as passenger transport is concerned, cars, buses, aeroplanes and other means of transport have overtaken the wonderful dream of the railways. Today we have an expectation of getting from point A to point B in the fastest possible time, but when people think about going on a holiday they often think of a trip on a railway line, and they think nostalgically of what rail travel used to be like. The previous member for Bulleen, David Perrin, and I, and our families, travelled from Melbourne to Adelaide on the *Overland* and then went on a trip on the *Ghan* between Adelaide

and Alice Springs. These wonderful train experiences are things that stick in the minds of all of us.

Before you say, 'You must speak on the bill', Mr Acting Speaker, I turn to the bill before the house, which I know has the ability to bring Australia back to the rail system, and the ability not necessarily to get the passengers back but certainly to get the freight back.

The bill is all about getting freight back onto the existing rail systems. Where I have a holiday turnout, and where I will probably end up living eventually, is in the Gippsland area around Korumburra and Inverloch, an area where the people believe they would love to have a passenger system to take them to and from Melbourne. The reality is that they cannot do it with the time frames because it takes an hour to an hour and a half to travel by car and probably 2 or 3 hours by train to Melbourne. We must have a system that gets the thoughts going within the Australian rail-minded people that we have railway tracks that can be used for moving freight. Freight Australia bought the system from the state government and should be encouraged to use it. The people who produce wheat, meat, timber, or whatever it might be, must have a system for getting that produce from the country to the city.

The biggest problem today with the transport network is road accidents. The government came to power with the promise that it would reduce road accidents. It has not, for which I do not blame it, because there is a greater volume of transports using the roads. The incredible increase is out of proportion. The government has not encouraged people to drive more carefully; all it has done is put more police on the roads and use them as tax gatherers by catching motorists going 2 kilometres an hour above what they should be doing. As the shadow Minister for Transport said, it has increased by about 30 per cent — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Lupton) — Order! There is too much audible conversation in the house. The honourable member for Glen Waverley, on the bill.

Mr SMITH — The government has made a lot of noise about what it will do regarding safety, but the biggest thing it could do is to ensure that the bill works properly. Freight Australia bought the rail system outside of Melbourne for about \$90 million in the expectation that it would make a profit, but realises that certain rail lines are not profitable and will not give it the expectations it would have hoped to achieve. The bill could work; but then again, knowing this government and knowing the Minister for Transport,

given what occurred with the Nunawading Province re-election and so on, the opposition must be sceptical.

Freight Australia, an American company, is a reputable company which has the ability to make money. It is ready to open up the freight network of Victoria so that some of the transports that are currently on the road system can be reduced to make our roads safer for those who are prepared to use their cars.

If the government is serious about where it is going with the road safety campaign then this bill is one that will ensure it will make Freight Australia not only operating profitably for itself but make it equitable for all the other companies that wish to invest in rail Victoria.

Again I refer to the area where I have decided to spend the rest of my life, namely Gippsland, and where the people believe that they can get something with the rail system and use it for transport. It might be a good thing for jolly rides on trains: the rail links from Korumburra to Leongatha and all those areas are very good, perhaps, for Sunday rail trips — such as happens with Puffing Billy, which encourages people to go to that area — but they are going to be of real value if we can make those systems work as freight-carrying units. That is what we need. We need to encourage them to be able to be used for the movement of freight — stock, grain or whatever else it might be. As for passengers, I have my great doubts. However, that is not to say that that will not ever work. What we have to do is move the freight from the roads onto the rail in order to be able to ensure that we have a freight system that works efficiently, can make a profit, and will be of pride to all Victorians.

I started off by saying that this could well be a nostalgic bill because we are talking about railways. I remember the first time that I used the railway system. It was in New South Wales and I was 17, going from Sydney to teachers college in Wagga, leaving at 9 o'clock at night, and arriving at 5 o'clock the next morning, on a train that stopped seven or eight times — at all the major stations along the way. I will not go through all of them — —

Mr Spry interjected.

Mr SMITH — No, no, no. In those days the train system was used by passengers because the road system was not as efficient, but unfortunately it has been overtaken. The road system is now so efficient and our cars are so well designed that we know we can go from A to B pretty well without a traffic jam in a certain time. In those days people relied upon the rail system to be able to conduct their businesses and their

lives in general. Today we have a duty as responsible Victorians to ensure that the rail system is used very efficiently as a freight-movement system. This bill could be going along that line.

The opposition is not opposing the bill, which means that we will let it go through. However, the government must be aware that we are watching very carefully. We will scrutinise every movement and will ensure that eventually the freight system in Victoria will work for the benefit of all Victorians.

Mr PATERSON (South Barwon) — It is a pleasure to follow the honourable member for Glen Waverley, who has so ably painted a marvellous picture of the rail industry across Victoria, Australia, and indeed the world. He is a great historian, with knowledge of many issues that come before the Parliament, and the history of the rail industry is obviously no exception.

The house would probably be aware that the V/Line Freight business was sold in April 1999 for nearly \$90 million — \$89.7 million to be exact — to Rail America and was renamed Freight Victoria. The government now has a number of changes before the house. As previous speakers for the Liberal Party have made clear, we are not opposing the changes, but it would perhaps be appropriate to point out some of the potential pitfalls that may face the government should the changes be made.

The difference between the current system and the proposed system is that the payment structure will change from network pricing to line pricing, and this means there will no longer be a cross-subsidy to unprofitable routes from the main line routes. This could mean that as a result of a clause in Freight Australia's contract, if the track is not used or maintained for a period of three years the ownership and responsibility will revert to the state government. That presents the distinct possibility of the closure of rural branch lines which are deemed to be economically not viable without the cross-subsidy from the main lines.

One of the main issues that the current government went to the last election on was the reopening of rail lines. It would be a significant irony if legislation introduced by the very government that promised to reopen lines led to some country lines being closed.

There is a potential liability for the state government in the event that some of these uneconomic routes are transferred and go back to government ownership. It would be remiss of the opposition not to point that out, so that in the event that these eventualities take place

the government will have been forewarned by the Liberal Party.

Rail is important to my electorate — both the freight lines and the passenger lines — with V/Line Freight going right through the Geelong area on its way to various parts of Victoria and into the port of Geelong. While the Liberal Party does not oppose the legislation it would be remiss of us not to point out some of the potential pitfalls of the government's proposal.

Mr CAMERON (Minister for Local Government) — I thank honourable members for their contributions to the debate on the Rail Corporations (Amendment) Bill. It has been a wide-ranging debate regarding rail matters. The honourable member for Barwon South and other honourable members supported the legislation, and the honourable member for Glen Waverley spoke in support of it as the honourable member for Bellarine was cheering him on.

It is pleasing to see the Liberal Party members from the Geelong area supporting the government not only on this bill, because I suspect they will support the government more broadly when it comes to the regional fast rail projects of which Geelong will be a beneficiary. Although they probably did not want to say it in here, they support what Labor is doing, and if the truth be known would recommend to people in their electorates that they go out and vote Labor.

The Warrnambool line passes through Geelong, and it is the Warrnambool line that today received a wonderful — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Lupton) — Order! The Chair is having difficulty hearing the minister.

Mr CAMERON — It is only Labor that can possibly do such a thing. I thank honourable members for their contributions.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

GUARDIANSHIP AND ADMINISTRATION (AMENDMENT) BILL

Second reading

Debate resumed from 18 April; motion of Mr HULLS (Attorney-General).

Dr DEAN (Berwick) — The Liberal Party will not be opposing the bill, and there are a number of reasons for that. The Guardianship and Administration Act was significantly amended by the previous government. It did that to introduce the capacity to undertake special procedures and emergency dental and medical work for people who were unable to make decisions on their own behalf.

At the time it was hotly debated in the party room. It was difficult legislation because trying to make a decision about how doctors and others can take emergency action in relation to a person who is not in a position to determine their own future is very difficult. It puts enormous stress on doctors and those who have to make decisions about what might be quite important surgery or other medical procedures. In fact it includes abortions. There could be a situation where a disabled person is not in a position to make a decision but that person is pregnant and a decision has to be made as to whether an abortion will occur or whether that person will have a medical procedure to inhibit further conception.

There are horrific decisions to be made. The previous government introduced legislation which it thought had the appropriate safeguards to protect the rights of those people, going through the guardians but giving the Victorian Civil and Administrative Tribunal the right to make final decisions where there was some question as to whether a procedure should continue. That legislation has been successful, but over the period of its implementation the Public Advocate and VCAT have made recommendations to ensure that the bold steps taken at that time are streamlined and finessed so that they work better.

One of the recommendations relates to permanently disabled people. However, there are also people who are not permanently disabled but who have episodic disabilities, so that at the time the emergency procedure is required they are disabled and not in a position to make a decision about their own health — although there is a reasonable expectation that further down the line they will be. It may be because they are unconscious and there is an expectation they will regain consciousness. What do you do in those circumstances

if there is a life-threatening problem occurring? What decisions are made?

Under the present act it must be difficult for doctors, because if they go ahead and do one of those things and it turns out that they are outside the act they do not have the protection of the act. We have seen lawsuits for millions of dollars, and doctors ought not be in a position where they have to face that sort of risk. If the person concerned was not permanently disabled and was not able to say that they were permanently disabled but were temporarily in that position, then a right-thinking doctor would say, 'No, I cannot do this procedure. I do not have the protection of the act'.

The amendment will include those people who are not permanently disabled but who have an episodic disablement. They too can come under the fairly strong and difficult provisions where they need emergency treatment but are incapable of making the decision. Under this bill the doctor can go ahead with the procedure, whatever it happens to be, even though the patient has said nothing because they cannot. They do so because the guardian has said yes, and if necessary the doctor has gone to VCAT and VCAT has said that that is all right. So we do not have any difficulty with that.

I should put on record how much the Liberal Party admires people who act as guardians and take on those responsibilities — sometimes horrific responsibilities — simply out of love and affection and for no payment. Quite often it may be a son or daughter who acts as guardian to their father or mother and takes on very important responsibilities to try to protect those people. Let's face it, if that ever had to be paid for by the state by way of a trustee association or something, I do not think the state could pay the bill. It is a bit like the Country Fire Authority. If the CFA volunteers suddenly said 'We want to be paid for what we do', that would be the end of the Treasurer's wonderful budget. Well, it was not that wonderful actually, but — —

An Honourable Member — It wasn't bad!

Dr DEAN — A shocking budget it was!

These are important things to take into account. I do not want to spend a lot of time talking about those things because I think we are all in agreement and there may be others who wish to speak about it. However, there is one aspect of this bill that the opposition is most concerned about. We have not drafted an amendment, and we have not at this stage written to the Attorney-General about it, although I probably will because I do believe this is something that needs to be

taken into account. There is a provision in the bill, presumably on the recommendation of the Public Advocate because at the moment the situation is unclear, that allows a guardian to make gifts, should they wish to.

Quite clearly, a guardian who is looking after and responsible for a disabled person has to make decisions on a day-to-day basis. It may be that the disabled person has given money to, say, the Lost Dogs Home every year of their life; so it is an appropriate decision for the guardian to make to say, 'Right, this year I, as the guardian of this person, will allocate money to the Lost Dogs Home on behalf of this person'. That is fine, and presumably they already have the power to do that, but it is probably a bit unclear. I can understand the Public Advocate saying, 'Look, we need some legislation to ensure that they can give these gifts if they wish to'.

It gets a little bit more tricky, because there is a specific provision that states that it is possible for the administrator to give a gift to themselves. Again, one can see that there may well be a need for that. Let's say that the administrator is the son or the daughter, and let's say the mum has been paying the school fees for the grandkids every year. Then mum, through Alzheimer's or whatever, drops into a situation where she is disabled and cannot make decisions and the son or daughter becomes the guardian. It is appropriate that those fees go on being paid. So effectively, the administrator or guardian is giving a gift to his or her own kids by making sure those fees keep coming across. That situation has to be taken care of.

Let's be absolutely clear about this: the opposition has no difficulty with this sort of thing happening. However, there is a very important concept in the law which is absolutely crucial and fundamental to anyone who is in a relationship with another person such as this. It is called a fiduciary relationship — that is, where one person has the responsibility for another. There are very strong principles of law surrounding fiduciary relationships — trustees are fiduciaries and even employers in some cases can be fiduciaries — and that is a thing called conflict. A fiduciary must never ever place themselves in a position of conflict. It goes further than that — it is not just that they cannot be in a position of conflict but that they must not be seen to be in a position of conflict. That is the law. The courts are incredibly strong on this.

Courts have been in a position where a fiduciary has gotten into a conflict situation and done something for the benefit of the person they represent and the courts have said, 'We don't care if it is for their benefit or not.

You are in a position of conflict. It is an absolute rule and we are undoing what you have done'. It is a very important principle and keeps the whole system terribly clean, if you like. It protects everybody when the courts take this incredibly strong view of fiduciaries.

So we have a situation where the act says it is possible for the guardian and the administrator to make a gift, including, if necessary, a gift to themselves. As fiduciaries, that puts them in a position of conflict in that they might be seen to be in a position of conflict. The rule of law, which is absolute — there is no doubt about this and I am sure the honourable member for Richmond will agree — is that although it may be that they are doing everything right, they must not be seen to be in that position because it undermines the faith that other people have in fiduciaries. So what are we going to do about this?

Mr Cameron interjected.

Dr DEAN — It is! We have a lawyer here who agrees with that!

I believe the government will probably agree with us that this legislation has created a position where fiduciaries can be seen to be in conflict. As I said, everything may be perfect, but we need a way around this position. I believe the way around it is for there to be something in the legislation which will show people that such actions are above board. I do not know what that will be, but I have some suggestions. It may be that if administrators are going to give a gift to themselves they ought to notify the family members, or check with the Victorian Civil and Administrative Tribunal. Maybe they could make a declaration to VCAT which says, 'I'm just advising you, blah, blah, blah', so that the perception of conflict can be overcome.

The opposition does not want to make this into a political issue. However, we would like to ask the government to think of a way in which — obviously not now because the bill is before us, but maybe it could happen in another place — something is added to the bill which gives everyone the relief of knowing that when a gift is given to themselves, fiduciaries have some sort of protection so that other people can say, 'Well, I'm happy with that'. It is not a matter of whether what they are doing is right or wrong. They will probably do the right thing, but the law is very strict about it: it must appear to be okay because you must not have the appearance of conflict. That is very important, and we on this side of the house are very concerned about it because it does not set a good precedent. I understand perfectly why the provision is there, and I understand perfectly how that has all

happened, but I believe something needs to be done to handle that.

As I said, the opposition does not want to make it a political issue, but it will not lie down on the issue. We feel it is important and we ask the government if it can do something about it. The opposition will certainly take the issue quite seriously.

As far as the rest of the legislation is concerned, it is pretty simple in relation to fees, interest, accounts and so forth. It is quite appropriate that interest and not just the fees should go into the public accounts. I will finish on that note because many people want to speak and there are lots of things to say, but I say to the government that the opposition is very serious about this issue of conflict.

Mr WYNNE (Richmond) — I rise to support the Guardianship and Administration (Amendment) Bill and thank the honourable member for Berwick for his contribution. By way of commencement, the government indicates that the Leader of the National Party may wish to make a contribution this evening because we may not get back to this bill later in the week.

Dr Dean interjected.

Mr WYNNE — We may not get back to it. We have paged him, but — —

The ACTING SPEAKER (Mr Lupton) — Order! Are we ready?

Mr WYNNE — I am just seeking to assist, because there were some understandings in relation to this debate, and when the government makes understandings it attempts to abide by them.

The primary purpose of the bill is to provide an effective substitute decision-making regime for people with a disability in relation to medical and dental treatment while protecting their personal autonomy.

The bill aims to ensure that people with a disability receive appropriate and timely medical treatment. As was indicated by the honourable member for Berwick, this bill has been developed in close consultation with the Office of the Public Advocate, the Victorian Civil and Administrative Tribunal (VCAT) and the Department of Human Services. As the honourable member indicated, in 1999 the Guardianship and Administration Act was amended to include a substitute consent regime for what were colloquially called incompetent people to receive medical and dental treatment.

The amendment defined a patient to be a person with a permanent or long-term disability. The Public Advocate became aware of serious difficulties with this part of the act, part 4A, particularly the phrase ‘permanent or long term’. As we know, some disabilities are indeterminate or episodic in nature, and in practice where a person has had a temporary or indeterminate disability and has not been able to consent to treatment, the next of kin has been placed under undue pressure to consent to treatment. Clause 11 of the bill amends section 36(1) to delete the reference to the permanent or long-term nature of the disability. The bill makes clear that the substitute consent regime does not apply where the patient is likely to recover capacity in a reasonable period of time.

The government regards the preservation of the rights of an adult patient to make their own informed decisions about medical and dental treatment whenever possible as quite fundamentally important. Any non-emergency treatment can generally await the patient’s recovery, and they can determine whether or not to consent to the proposed treatment themselves. The decision about whether or not a patient is expected to recover in a reasonable time and therefore be able to make their own decision about treatment would be based obviously on specialist medical advice.

We would regard the best-interest test in section 38 of the Guardianship and Administration Act 1986 as an excellent guide. It requires that all decisions are to be made in the best interests of the patient, taking into account a series of prescribed factors. The Guardianship and Administration Act provides that only VCAT can consent to a special procedure. As the honourable member for Berwick indicated, these special procedures can include some of the most serious interventions that can be made in a person’s life, including abortion, sterilisation and for the purposes of medical research. These are incredibly serious interventions. The bill provides for an exception to this prohibition on VCAT consenting to special procedures for patients who are reasonably expected to recover soon.

I am quite conscious of the time. I want to pick up one point in particular made by the honourable member for Berwick in relation to an administrator and gifts. At present the Guardianship and Administration Act makes no mention of gifts, which means that VCAT, which has the job of monitoring administrators, cannot oversee the making of these gifts. As this issue has obviously come up many times in practice, VCAT clearly requested that — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Lupton) — Order! Perhaps honourable members will be quiet so that the honourable member for Richmond can continue with his contribution.

Mr WYNNE — In the 30 seconds that I have left, I think we can satisfy the concerns that have been expressed by the honourable member for Berwick. He raised a legitimate concern in relation to the question of administrators. I do not have the time here to take it up with him now, but certainly outside of the house, with the assistance of my legal colleagues here in the box, I think we can satisfy what are legitimate concerns that have been addressed, not forgetting of course that VCAT has on a regular basis to review the administration of any actions of administrators. I think we can satisfy that question. I commend the bill to the house.

Mr RYAN (Leader of the National Party) — It is my pleasure to join the debate in relation to the Guardianship and Administration (Amendment) Bill, which is a significant piece of legislation. I am aware of the time constraints which operate in the house; however, with the proverbial bit of luck and a fair wind we can adjourn the debate overnight and come back to it, hopefully even for a half an hour, as the rest of the week unfolds, because I know some other members want to make contributions on this bill.

I begin by mentioning a couple of issues that are not really pertinent to the bill in a direct sense. While I understand that the provisions contained within this legislation come from recommendations arising from commentary by the Victorian Civil and Administrative Tribunal (VCAT) and the Public Advocate, there are a couple of aspects of the bill, and more particularly the second-reading speech, that I want to briefly comment on without being picky about it.

When you look at the purposes of the legislation set out in clause 1 of the bill, you see there are essentially five. The first talks about consent to medical or dental treatment on behalf of persons incapable of giving consent; the second, the appointment of alternative enduring guardians; the third, gifts by administrators; the fourth, the powers and the duties of the Public Advocate; and the fifth, the Guardianship and Administration Fund. The second-reading speech, it seems to me, makes no mention of the second, third and fourth of those purposes. It certainly makes references to the first of them — that is the consent to medical or dental treatment on behalf of persons incapable of giving consent — and to the Guardianship and Administration Fund, but it says nothing with regard to the other three points.

I raise the issue because it is important for the purpose of the public record and the way these debates are interpreted in other places that when the minister introduces legislation which is to be debated the second-reading speech should cover the points which are regarded by the minister as being the primary function of the legislation; otherwise it makes having a second-reading speech absolutely pointless. I raise that issue for consideration by the minister in terms of future legislation because it is important that it is accommodated.

As well as the amendments to the Guardianship and Administration Act there are also amendments to the Mental Health Act 1986 and the Victorian Civil and Administrative Tribunal Act 1998. As the second-reading speech sets out, a problem has arisen with regard to the guardianship and administration legislation. That problem principally is to do with the definition of the word ‘patient’. When amendments were made in 1999 to include a substitute consent regime for what are termed ‘incompetent people’ with regard to their medical and dental treatment, a complication arose from the way that amendment occurred. The definition of the expression ‘patient’ was amended to mean ‘a person with a disability which is a permanent or long-term disability’.

It has come to the attention of both VCAT and the Public Advocate that complications arise in circumstances where a perfectly competent person has an accident or is injured and is thereby rendered incompetent on a temporary basis. It has emerged that the current definition of ‘patient’ is simply not appropriate for the purposes of the administration of the act. So the definition of the word ‘patient’ is sought to be amended by the terms of the legislation. That definition is now intended to be ‘a person with a disability’. The use of those words makes the expression much broader than was previously the case.

That in turn means that certain defences have to be built into the way the act is given effect in its amended form. They are essentially to do with personal autonomy being very important. It is only in the most singular of circumstances that any person or any other institution or organisation should be equipped with the power to make decisions on behalf of persons who are otherwise capable of making them if it were not for some intervening factor. So although that definition of ‘patient’ now reads ‘a person with a disability’, certain factors which go with that definition have to be accommodated by the terms of the bill.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The DEPUTY SPEAKER — Order! The time for government business has now expired. The question is that the house do now adjourn.

Buses: Bellarine Peninsula

Mr SPRY (Bellarine) — I draw the attention of the Minister for Transport to the fact that for decades there has been a bus stop at the intersection of Reservoir Road and the Drysdale–Portarlington road on the Bellarine Peninsula. Recently, without any prior notice, residents were informed that the bus stop would no longer function and the schoolchildren who use it regularly would be literally left out in the cold. Alternative pick-up and drop-off stops exist at Quarry Road and at Scotchmans Road, both of which are a considerable distance from Reservoir Road. No footpath exists to either stop, and both would involve children in a steep climb with heavy schoolbags on a narrow, overgrown and — when wet — muddy verge.

The Reservoir Road area is subject to a substantial growth of residential subdivision. Future school students, as well as older public transport users, can expect to be affected. Residents have written to me with several suggestions, including minor works to improve the line-of-sight problem, which caused this departmental decision; better signage to warn motorists that there is a bus stop in the immediate vicinity; and reduction of traffic speed from the current 100 kilometres an hour to 80 kilometres an hour.

I ask the minister as a matter of urgency to review this decision to remove the bus stop. Residents have relied on the service for many years and to have the bus stop removed so abruptly without prior warning let alone consultation is not only provocative but offensive to these local residents.

I know there are occupational health and safety issues at stake here, and I respect those concerns. I feel, however, that there must be a solution that would satisfy local residents. I repeat my request to the minister that he order a review of this closure decision forthwith.

Seniors: Internet access

Mr CARLI (Coburg) — I wish to raise with the Minister for Senior Victorians the issue of Internet access by older citizens. As the minister is well aware, I have been very active in the Moreland area over the years in the Skillsnet extension program and getting the local community online using the Internet, particularly with groups like ethnic communities, the unemployed

and other groups that generally are not switched on to the Internet.

I am particularly interested to see whether in the Moreland area we have an opportunity in our residential care facilities to have some online capacity so that residents can utilise various opportunities online. In my experience the Internet is particularly successful with older people because it gives them new opportunities to make virtual friends, to get information and so on.

For example, a program I assisted years ago in the Italian community involved older Italians becoming able to read the local newspaper from their own village and to maintain contacts from their home country. This enabled them to feel as they became aged in Australia that they still had some relationship with and some existence back in their country of origin and, more importantly, the village from which they came. It seems to me that we can apply this idea very effectively in residential care facilities.

I ask the minister to consider programs to extend such possibilities to residential care facilities for older residents. It would be a worthwhile experiment. As we know, the digital divide is a major social issue in Victoria — and in the whole world — dividing us into those who can and those who cannot access the Internet. There are a number of factors creating that division: one is financial, obviously, and another one is educational. Another important one, however, is the age profile of the person.

I believe there is an opportunity to give people a very positive experience of the Internet. It would be particularly useful in my area because a lot of the aged persons are from ethnic communities. It would give them an opportunity to make contact with home and relive the experience of their youth, and it would maintain an important means of communication. I ask the minister to — —

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

Rail: Mooroolbark station

Mrs ELLIOTT (Mooroolbark) — I request the Minister for Transport to respond to a letter I wrote to him on 20 February this year. It was in response to a letter from a constituent of mine, Mr Clive Wilkie of Mooroolbark, who wrote to me complaining about the state of Mooroolbark station and the trains operated by Connex which depart from that station. In his letter Mr Wilkie said:

I have been attempting to get the Mooroolbark station cleaned up for some time now. As a regular user of the system, I am appalled at the state of both the trains and facilities. It is my belief that Connex are not able to adequately provide a viable rail system to customers ...

He went on to say:

The Mooroolbark station, whilst a 'premium station', is dirty and littered, with stormwater drains blocked with cans et cetera —

and that Connex had informed him it would have to wait for Clean Up Australia Day for any improvement to happen.

I note that although the local community did clean up on Clean Up Australia Day, Mooroolbark station is in need of attention. I can attest from one or two trips I have made that the trains are not at a desirable level of cleanliness for my constituents or anybody else's constituents to travel on.

I have had good experiences with the Minister for Transport with prompt replies in the past. I received an acknowledgment of my letter of 20 February on 25 February from the minister's office saying:

I refer to your correspondence of 20 February 2002 making representation on behalf of Mr Clive Wilkie regarding the above matter.

Your correspondence is receiving attention and a response will be forwarded as soon as possible.

Three months later, I, Mr Wilkie and the other constituents in Mooroolbark who travel on the train from Mooroolbark to other stations are still waiting for a response from the minister. I request that he get a response to me as quickly as possible.

Trucks: Yarraville

Mr MILDENHALL (Footscray) — I request that the Minister for Environment and Conservation consider further testing and action on the issue of airborne particle pollution in Francis Street, Yarraville. Recent estimates indicate that between 4000 and 6000 trucks travel along Francis Street every day. It would be no news to this house that local residents, the municipal council and I have been raising the issue for many years. What distinguishes this government from the previous one is that it is prepared to do something about it.

The Environment Protection Authority (EPA) actively participates in the Yarraville working party, which I chair on the Premier's behalf, given that the area is in his electorate. The working party brings Vicroads, the Department of Infrastructure (DOI), local government,

industry and resident representatives together to better coordinate a range of strategies aimed at reducing both the number and the impact of trucks in the area.

EPA monitoring in the area began between July and August 2001, with a mobile laboratory, the Molab. The results of that testing included some disturbing results, which indicated that noise and air emission levels were exceeded. The results of the tests were sufficient to play a role in triggering the night and weekend curfew which was announced by the minister and which took effect from 4 April. But it does not address the long-term impact of air pollutants during the day. The report also indicated that further testing was needed to look at areas further back from the road and individual needs of residents. Obviously action should be taken to reduce the source of those airborne particles.

I ask the minister to continue to broaden the monitoring program that was conducted last year to assure residents of a continuing commitment to the environmental health of the area and to ensure that this well-resourced and sensitive Environment Protection Authority program is integrated with a range of other traffic management, statutory planning and strategic work by DOI in an overall government response to this difficult issue in Francis Street, Yarraville.

Liquefied petroleum gas: relief grants

Ms DAVIES (Gippsland West) — I urge the Minister for Community Services, in cooperation with the Minister for Energy and Resources in another place, to extend the utility relief grant scheme to bottled gas users. Most Victorians have access to the reticulated gas network but people in rural areas, specifically in South Gippsland, Bass Coast shire and other areas around us, do not have access to mains gas. We have to use the much more expensive liquefied petroleum gas (LPG). We want mains gas extended into our area so that the already existing disadvantage to both businesses and domestic consumers does not continue to be further entrenched.

Even if, and hopefully when, we have access to mains gas, there will always be some rural users reliant on bottled gas. A family using bottled gas for cooking, heating and hot water could use as much as a bottle of gas every two or three weeks in the winter. I know families who use a bottle each week. In 1996 the cost of a bottle of gas was \$39; it is now around \$72, which is an enormous rise.

There is no access to any utility relief grant for those who rely on LPG. Utility relief grants are used to pay utility bills for consumers in a crisis. The grants are

available for electricity, mains gas or water, but not for bottled gas. There is no reason for and no justice or pity in this inequity. It needs to be addressed. Fortunately we have been blessed with some warm weather recently, but winter will soon bite. That will leave vulnerable people even more vulnerable.

There is a significant need to target this extra assistance into my area. The Bass Coast shire has the highest take-up rate for non-mains winter energy concession in Victoria and we need access to the emergency payments provided by the utility relief grants scheme as well. This scheme should be available to rural people using bottled gas just as it is available to metropolitan and other people who have access to mains gas, electricity and water.

Brimbank: levy

Mr LUPTON (Knox) — I refer the Minister for Local Government to the fact that the St Albans Business Group has expressed concern about a levy which has been taken from the local shopkeepers by the Brimbank City Council and has not been paid to the St Albans Business Group. Some 254 rateable properties are paying \$150 a year, totalling about \$38 000, which was supposed to be allocated to Brimbank City Council to enable it to promote the town of St Albans.

Apparently because the business group is very concerned to try to have the railway line put underground the Brimbank City Council has cracked it and has frozen all the deductions that have been levied so that the St Albans Business Group has not had the opportunity to get hold of the money. The matter was raised last November, the audit was cleared in December, and still the Brimbank City Council has refused to pay the moneys to the St Albans Business Group.

I ask the minister to conduct an urgent inquiry into the reason that the money is being withheld from the St Albans Business Group. It is quite obvious from the reports I have received that it is only concerned about looking after the business community of St Albans. It appears to be totally inappropriate for the Brimbank City Council to be withholding funds, particularly when they are being deducted from the same rateable properties.

Preston General Cemetery

Mr LEIGHTON (Preston) — I wish to raise a matter with the Minister for Health concerning the Preston General Cemetery. The action I am seeking of

the minister is his assistance and that of the Department of Human Services to assist the Preston cemetery in proceeding with the construction of a crematorium.

The Preston cemetery board of management has been working on this proposal since 2000. In 2000 the trust of the Preston General Cemetery resolved to purchase from La Trobe University for the sum of \$330 000 a strip of land between 10 and 15 metres wide for the crematorium and the next stage of the mausoleum. The Victorian Government Solicitor's Office is currently acting on this and a deposit of \$33 000 has been forwarded to the Victorian Government Solicitor. I am advised by the cemetery that at the June meeting of the board of management it will have draft working drawings. I also understand that the necessary surveys and soil testings have either been done or are being done so the cemetery is in a position where it is ready to proceed.

Preston General Cemetery is one of Melbourne's older cemeteries, having been established in the 1920s. Initially it was in private ownership, but following a fire in around 1925 it was handed over to the then City of Preston. It is effectively owned by the City of Darebin, which appoints the members of the board of management. As with a lot of older cemeteries there is very little potential for new graves at Preston, and therefore the only income is generated from new activities. Several years ago the cemetery established a mausoleum, but unless it generates further income — for instance, through a crematorium — the cemetery will not be viable. One of the risks it runs is that, like many cemeteries in Europe, it could effectively become derelict. I think the crematorium would be a suitable way of generating future income. I have also been advised by the board of management that it believes it is financially viable.

I would like to thank my predecessor, the former member for Preston, Carl Kirkwood, for drawing this matter to my attention. Honourable members who have been here for a while will remember his role in chairing the appropriate parliamentary committee, and he continues to serve the Preston community on this board of management.

Geelong: maritime museum

Mr PATERSON (South Barwon) — I have a matter to raise with the Minister for the Arts. I ask her to consider favourably a Community Support Fund application from the City of Greater Geelong, should it be forthcoming, to potentially assist with the Geelong maritime museum. The museum would be part of the

heritage park tourist facility mooted for the Osborne House site in North Geelong.

The project is proceeding under the watchful and able guidance of Geelong councillor Stretch Kontelj, one of the most able councillors in Geelong. He advises me that a committee is to be formed to look at the future of Osborne House, with the prospect of having that eminent businessman Will Bailey as chair of the committee. Of course, Will Bailey would be well known to members of this house for his involvement in the ANZ Banking Group and Coles Myer, and for the many other hats he has worn in his business career. Hopefully it will be only a two-month process with a view to finding a permanent home for the Geelong maritime museum.

I am indebted to the historical work done by Bob Curwen. He says the Geelong maritime museum was housed in the stables of Osborne House on the shores of Corio Bay. Osborne House was originally the home of a pioneer Western District family, whose landholding covered many hundreds of square miles in the area. Should a Community Support Fund application be forthcoming to the government, I trust it would be considered favourably.

Schools: Keilor

Mr SEITZ (Keilor) — The matter I direct to the attention of the Minister for Education and Training as the representative of the Minister for Education Services in another place relates to schools in my electorate, particularly those that are subject to large construction contracts as a result of activity by the Bracks government.

A number of schools are being built and others, including the Copperfield Secondary College, are being extended or refurbished. Today's budget announced that more work, including fire reinstatement works, would be carried out at the junior campus of Copperfield Secondary College. I want to ensure that the jobs in hand that were to be completed by the end of May will be completed on time.

Alterations to a general purpose classroom and library at Keilor Downs Primary School are due for completion by the end of May, and similar works at Taylors Lakes Secondary College are due for completion by the end of September next.

In my electorate building growth is such that some building companies are finding it difficult to get suitable tradesmen. I ask the minister to ensure that the projects in hand are completed on time and that proposed new projects go ahead. The schools are

anxious to plan for possession of the new facilities. They hope the new school buildings are completed on time so they can implement planning for the school year.

Polly Woodside Melbourne Maritime Museum

Mr SMITH (Glen Waverley) — I direct to the attention of the Minister for Planning my concern about the proposal to close the *Polly Woodside* site. I call on the minister to use her influence to keep the project open.

I had a letter from Bob Curwen, of 4 Wolseley Avenue, Glen Waverley, whom I saw at the club on Anzac Day. He is one of the officers from the local RSL, which is responsible for some of the work that has occurred at the *Polly Woodside*, and he is terribly concerned that there is a proposal to close the Melbourne Maritime Museum. In his letter Mr Curwen attached notice of a meeting to protest over the proposal:

...

- (b) to return to the owners or place in storage the memorabilia on display in the museum
- (c) the leasing to commercial interests, the buildings presently housing the museum for development as restaurants, discos ...
- (d) removal of the perimeter fencing ...

He went on to say:

This museum is an integral part of the barque *Polly Woodside* display and contains unique items relating to the early maritime history of Melbourne. Items on display have either been donated or loaned for display purposes and are irreplaceable.

The *Polly Woodside* ... is now generally acclaimed as one of Melbourne's premier tourist attractions as well as an educational experience for the younger generation. The ship is housed in the historic Duke and Orr dry dock which was, from the late 19th century until about 1975, the only commercial dry dock in Melbourne.

The proposal to open up the area to commercial activities and the removal of security fencing will jeopardise the whole concept of the *Polly Woodside* exhibit and its attached museum.

Unless the project fully incorporates the *Polly Woodside* and maritime museum we run the grave risk of losing these precious and irreplaceable artefacts from Melbourne.

...

If ... the *Polly Woodside* ... is destroyed Victoria would be the only state in Australia which does not possess a museum that tells the story of our dependence on and our close links with the sea and with ships.

My proposal, the idea for which I got from Bob Curwen, is that the *Polly Woodside* should be incorporated into a display as part of any government proposal.

In other words, rather like turning the Menzies into the Rialto, we believe the whole of the *Polly Woodside* concept down there could be incorporated into whatever the government wants to build. But to just pass back the materials that are part of this wonderful exhibit, to get rid of the barque itself, is just so irresponsible on the part of a government that claims to care so much about our heritage. I believe the minister has an enormous responsibility to stop this proposal and to take on the proposals of Bob Curwen.

Country Fire Authority: Nhill station

Mr DELAHUNTY (Wimmera) — I raise for the attention of the Minister for Police and Emergency Services the matter of the Nhill fire brigade station in the magnificent Wimmera electorate. A block of land has been purchased a couple of hundred metres from the existing site for the building of a new fire station which has been planned for many years but because of procrastination and now the lack of support by this government it does not look as if it will be built. I ask the minister to review the arrangements by the government and inform the Shire of Hindmarsh and importantly the Country Fire Authority volunteers at Nhill what is to happen with the new fire brigade station.

For the information of honourable members, the CFA fire station is situated on a sweeping bend on the Western Highway in Nhill. The highway through Nhill has been upgraded with the support of magnificent federal funding of many millions of dollars, but this has created a bigger problem. Because of the new dual lanes going each way through Nhill an enormous number of trucks using this busy highway often take the opportunity to pass other traffic as they go through the town. Only a couple of weeks ago a gas cylinder rolled off the back of a large tanker and landed in front of the shire offices, which are beside the CFA station. Currently fire trucks have to drive along the highway, then reverse into the fire station in preparation for the next call-out. This is very dangerous for the drivers of these fire trucks and the CFA volunteers, who are putting their lives at risk in this operation.

I bring this matter to the attention of the house again because it has been talked about at Nhill for many years, by members of the previous government and this government. I am informed that the proposal was to build a \$600 000 fire station but the cost has gone up to

\$800 000 now because of new requirements allied to this matter and other matters. I am afraid that these magnificent volunteers are putting their lives at risk and I ask the Minister for Police and Emergency Services to review the situation and inform the local council and CFA volunteers what the future is for the new fire station at Nhill.

Seniors: Internet access

Ms ALLAN (Bendigo East) — The action I seek from the Minister for Senior Victorians is to expand the access in the area of information services throughout country Victoria, particularly for older people. Today has seen significant initiatives for country Victoria with the handing down of the 2002–03 state budget which provided for a number of innovative programs to be implemented right across country Victoria, including connecting people to information and communications technology.

One initiative in particular is associated with the fast rail links involving a fibre-optic rollout through Bendigo, Ballarat, Geelong and Gippsland along those rail links. This will be a fantastic way of not only connecting country Victorians by rail but also expanding the opportunity for them to be connected by information and communications technology. The honourable member for Coburg referred to the fantastic Skillsnet program that has been running for the past couple of years. I know that a number of older people in my own electorate have taken up the opportunity that great program offers to learn more about the Internet and become more comfortable with it.

Bendigo is a bit of a centre for old people. When they choose to retire from the country they like to come to a city that has fantastic health services — and the health services under the Bracks government are particularly fantastic because we are rebuilding the aged care system in Bendigo. As families spread out they like to be connected via the Internet and email, so expanding and improving access over the Internet for older Victorians is a key focus.

Responses

Ms PIKE (Minister for Housing) — The honourable member for Gippsland West raised with me the issue of the extension of the utility relief grants scheme to users of liquefied petroleum gas (LPG) — that is, bottled gas.

The utility relief grants scheme is essentially a safety net for households that are unable to afford energy or water bills. It provides assistance to eligible people at particularly difficult times in their lives when they are

threatened by disconnection as a result of an unforeseen financial crisis. As the honourable member reminded us, the scheme is currently available to low-income households using mains gas, electricity and water through referrals being provided by the energy retailers or the water authority. However, there is no provision currently for users of LPG to seek assistance if they have incurred a debt with their gas suppliers or cannot buy further LPG bottles because some particular unexpected financial crisis has happened.

I am happy to inform the honourable member that the government is very favourably disposed to assist low-income householders who are reliant on LPG gas. A draft discussion paper has been prepared and is currently being discussed with financial counsellors through the utilities working group, and I believe we will soon be in a position to respond on this issue.

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for Footscray for raising the issue of airborne particle pollution, recognising that both he as the parliamentary secretary and the Premier as the local member in this area have been working very hard on this issue for a long time. Of course the previous government did absolutely nothing to fix this problem. It did not in any way think through the planning issues or handling it through local government or the ministry of transport or any other way — it simply did not turn its mind to this issue at all.

On the other hand this government has given a very clear commitment to improving air quality and ensuring that all Victorians have clean air to breathe. The Environment Protection Authority (EPA), with the assistance of Vicroads and Victoria Police, has been conducting regular blitzes on smoky and noisy trucks in this area. Six joint blitzes have been conducted along Francis Street over recent years. A total of around 450 trucks were inspected, which resulted in around 19 notices being issued for illegal emissions. I can assure the honourable member for Footscray that those blitzes will continue, so there has been action there.

The EPA has also used its mobile lab, Molab, which in the middle of last year measured noise levels and air quality in Francis Street, and is currently doing repeat monitoring to coincide with the commencement of the Francis Street truck curfew to see what results occur there.

The EPA has begun an extensive health study in collaboration with Professor Rod Simpson at the University of the Sunshine Coast. That study will be conducted this month, with a report going to the

government and the community in August after analysis of the results is complete. It will be a questionnaire-based study. It will look at the impact of air pollution on the respiratory health of residents in Francis Street between Williamstown Road and Whitehall Street. At the same time there will be a control survey in the area of the EPA air monitoring station in Roberts Road, Footscray.

The survey will enable a comparison to be made between the air pollution levels at those two sites. The results of that health study will contribute to the overall planning and traffic management strategies the government intends to implement in the area to reduce any health risk to Francis Street residents. This government is continuing to take action, and I can assure the honourable member for Footscray that it is committed to improving the air quality in that area.

Ms CAMPBELL (Minister for Senior Victorians) — The honourable members for Coburg and Bendigo East raised the matter of access to computers and information technology for residents in state-run facilities. Many members would be conscious of the fact that the new generation of cybersurfers are people in their more senior years. We should never exclude people in nursing homes from having the opportunity to enjoy using the Internet and communicating throughout this state and internationally with family and friends.

This government recognises that while senior Victorians may be in nursing homes and may be a little physically incapacitated, they are very interested in being active, alert and continually learning. If you are frail and unwell the outside world can be a long way away, but computers can bring the world to your fingertips.

The government has had the opportunity to assess some pilot programs in relation to nursing home — —

Mr Spry — On a point of order, Deputy Speaker, I draw your attention to the fact that there were only two ministers in the house during the adjournment debate tonight. This situation, which is getting worse every time we sit, is an absolute disgrace, and I ask you to do something to bring — —

Mr Leighton — What is the point of order?

Mr Spry — The point of order is the fact that there are no ministers in the house right now apart from the Minister for Senior Victorians. It is an absolute disgrace that this occurs night after night with no-one here to answer the questions. They are serious questions we are asking and there is no-one here to answer them!

The DEPUTY SPEAKER — Order! The honourable member for Bellarine is raising a point in debate and not a point of order.

Ms CAMPBELL — Recently one nursing home resident put to me, ‘On the Internet I can be anyone I want to be; I am not just a person in a wheelchair’. This government is absolutely committed to ensuring that people in nursing homes have the opportunity to engage in communication via the Internet.

To this end I am pleased to inform the honourable member for Coburg that in a new initiative \$10 000 will be allocated to the Boyme Russell House to ensure that residents there have the opportunity to enjoy cyberspace and communicate with their friends and families via the Internet.

It is a really fantastic scheme that has opened up new opportunities not only for people in Brunswick but also in country Victoria, where the importance of Internet communication is well and truly recognised. As the honourable member for Bendigo East mentioned, in her particular part of the state the Mount Alexander Hospital in Castlemaine will also be a recipient of a \$10 000 grant to ensure computer equipment and software are available and that residents there have the opportunity to communicate with the outside world.

The matter of a bus stop in Reservoir Road raised by the honourable member for Bellarine for the Minister for Transport will be passed on.

The honourable member for Mooroolbark raised for the Minister for Transport the matter of the Mooroolbark station and the ability of Connex to provide standards of cleanliness, and that will be passed on.

The honourable member for Knox raised a matter for the Minister for Local Government about Brimbank City Council. I shall refer that to the minister.

The honourable member for Preston raised a matter with the Minister for Health about assisting the Preston cemetery to establish a crematorium. I will convey that to the Minister for Health.

The honourable member for South Barwon raised a matter for the attention of the Minister for the Arts in relation to support from the Community Support Fund. I shall pass that on.

The honourable member for Keilor raised a matter with the Minister for Education Services on educational infrastructure in his electorate and his desire that projects be completed punctually. I shall refer that to the minister.

The honourable member for Glen Waverley raised a matter for the attention of the Minister for Planning about the continuation of the *Polly Woodside* museum. I shall refer that to the Minister for Planning.

The honourable member for Wimmera raised a matter for the Minister for Police and Emergency Services about the need to review arrangements for the Nhill fire brigade station. I shall refer that to the minister.

The DEPUTY SPEAKER — Order! The house stands adjourned.

House adjourned 10.41 p.m.

