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JOHN LANDY, AC, MBE

The Lieutenant-Governor

Lady SOUTHEY, AM

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Minister for Gaming, Minister for Racing, Minister for Tourism and Minister assisting the Premier on Multicultural Affairs ........................................................................ The Hon. J. Pandazopoulos, MP
Minister for Health .................................................................................. The Hon. B. J. Pike, MP
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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
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Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:
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Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:
Mr P. L. WALSH

<table>
<thead>
<tr>
<th>Member</th>
<th>District</th>
<th>Party</th>
<th>Member</th>
<th>District</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allan, Ms Jacinta Marie</td>
<td>Bendigo East</td>
<td>ALP</td>
<td>Languijor, Mr Tcherno Ramon</td>
<td>Derrimut</td>
<td>ALP</td>
</tr>
<tr>
<td>Andrews, Mr Daniel Michael</td>
<td>Mulgrave</td>
<td>ALP</td>
<td>Leighton, Mr Michael Andrew</td>
<td>Preston</td>
<td>ALP</td>
</tr>
<tr>
<td>Asher, Ms Louise</td>
<td>Brighton</td>
<td>LP</td>
<td>Lim, Mr Hong</td>
<td>Clayton</td>
<td>ALP</td>
</tr>
<tr>
<td>Bailieu, Mr Edward Norman</td>
<td>Hawthorn</td>
<td>LP</td>
<td>Lindell, Ms Jennifer Margaret</td>
<td>Carrum</td>
<td>ALP</td>
</tr>
<tr>
<td>Barker, Ms Ann Patricia</td>
<td>Oakleigh</td>
<td>ALP</td>
<td>Lobato, Ms Tamara Louise</td>
<td>Gembrook</td>
<td>ALP</td>
</tr>
<tr>
<td>Batchelor, Mr Peter</td>
<td>Thomastown</td>
<td>ALP</td>
<td>Lockwood, Mr Peter John</td>
<td>Bayswater</td>
<td>ALP</td>
</tr>
<tr>
<td>Beard, Ms Dyna Anne</td>
<td>Kilsyth</td>
<td>ALP</td>
<td>Loney, Mr Peter James</td>
<td>Lara</td>
<td>ALP</td>
</tr>
<tr>
<td>Beattie, Ms Elizabeth Jean</td>
<td>Yuroke</td>
<td>ALP</td>
<td>Lupton, Mr Anthony Gerard</td>
<td>Prahran</td>
<td>ALP</td>
</tr>
<tr>
<td>Brack, Mr Stephen Phillip</td>
<td>Williamstown</td>
<td>ALP</td>
<td>McIntosh, Mr Andrew John</td>
<td>Kew</td>
<td>LP</td>
</tr>
<tr>
<td>Brumby, Mr John Mansfield</td>
<td>Broadmeadows</td>
<td>ALP</td>
<td>McGTaggart, Ms Heather</td>
<td>Evelyn</td>
<td>ALP</td>
</tr>
<tr>
<td>Buchanan, Ms Rosalyn</td>
<td>Hastings</td>
<td>ALP</td>
<td>Maddigan, Mrs Judith Marilyn</td>
<td>Essendon</td>
<td>ALP</td>
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<td>Cameron, Mr Robert Graham</td>
<td>Bendigo West</td>
<td>ALP</td>
<td>Marshall, Ms Kirstie</td>
<td>Forest Hill</td>
<td>ALP</td>
</tr>
<tr>
<td>Campbell, Ms Christine Mary</td>
<td>Pascoe Vale</td>
<td>ALP</td>
<td>Maughan, Mr Noel John</td>
<td>Rodney</td>
<td>NP</td>
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<td>Carli, Mr Carlo</td>
<td>Brunswick</td>
<td>ALP</td>
<td>Maxfield, Mr Ian John</td>
<td>Narrean</td>
<td>ALP</td>
</tr>
<tr>
<td>Clark, Mr Robert William</td>
<td>Box Hill</td>
<td>LP</td>
<td>Merlino, Mr James</td>
<td>Monbulk</td>
<td>ALP</td>
</tr>
<tr>
<td>Cooper, Mr Robert Fitzgerald</td>
<td>Mornington</td>
<td>LP</td>
<td>Mildenhall, Mr Bruce Allan</td>
<td>Footscray</td>
<td>ALP</td>
</tr>
<tr>
<td>Crutchfield, Mr Michael Paul</td>
<td>South Barwon</td>
<td>ALP</td>
<td>Morand, Ms Maxine Veronica</td>
<td>Mount Waverley</td>
<td>ALP</td>
</tr>
<tr>
<td>D'Ambrosio, Ms Liliana</td>
<td>Mill Park</td>
<td>ALP</td>
<td>Mulder, Mr Terence Wynn</td>
<td>Polwarth</td>
<td>LP</td>
</tr>
<tr>
<td>Delahunty, Mr Hugh Francis</td>
<td>Lowan</td>
<td>NP</td>
<td>Munt, Ms Janice Ruth</td>
<td>Mordialloc</td>
<td>ALP</td>
</tr>
<tr>
<td>Delahunty, Ms Mary Elizabeth</td>
<td>Northcote</td>
<td>ALP</td>
<td>Naphine, Dr Denis Vincent</td>
<td>South-West Coast</td>
<td>LP</td>
</tr>
<tr>
<td>Dixon, Mr Martin Francis</td>
<td>Nepean</td>
<td>LP</td>
<td>Nardella, Mr Donato Antonio</td>
<td>Melton</td>
<td>ALP</td>
</tr>
<tr>
<td>Donnellan, Mr Luke Anthony</td>
<td>Narre Warren North</td>
<td>ALP</td>
<td>Neville, Ms Lisa Mary</td>
<td>Bellarine</td>
<td>ALP</td>
</tr>
<tr>
<td>Doyle, Robert Keith Bennett</td>
<td>Malvern</td>
<td>LP</td>
<td>Overington, Ms Karen Marie</td>
<td>Ballarat West</td>
<td>ALP</td>
</tr>
<tr>
<td>Duncan, Ms Joanne Therese</td>
<td>Macedon</td>
<td>ALP</td>
<td>Pandazopoulos, Mr John</td>
<td>Dandenong</td>
<td>ALP</td>
</tr>
<tr>
<td>Eckstein, Ms Anne Lore</td>
<td>Ferntree Gully</td>
<td>ALP</td>
<td>Perera, Mr Jude</td>
<td>Cranbourne</td>
<td>ALP</td>
</tr>
<tr>
<td>Garbutt, Ms Sheryl Maree</td>
<td>Bundoora</td>
<td>ALP</td>
<td>Perton, Mr Victor John</td>
<td>Doncaster</td>
<td>LP</td>
</tr>
<tr>
<td>Gillett, Ms Jane Mary</td>
<td>Tameit</td>
<td>ALP</td>
<td>Pike, Ms Bronwyn Jane</td>
<td>Melbourne</td>
<td>ALP</td>
</tr>
<tr>
<td>Green, Ms Danielle Louise</td>
<td>Yan Yeang</td>
<td>ALP</td>
<td>Plowman, Mr Antony Fulton</td>
<td>Benambra</td>
<td>LP</td>
</tr>
<tr>
<td>Haemeyer, Mr André</td>
<td>Kororoit</td>
<td>ALP</td>
<td>Powell, Mrs Elizabeth Jeanette</td>
<td>Shepparton</td>
<td>NP</td>
</tr>
<tr>
<td>Hardman, Mr Benedict Paul</td>
<td>Seymour</td>
<td>ALP</td>
<td>Robinson, Mr Anthony Gerard</td>
<td>Mitchell</td>
<td>ALP</td>
</tr>
<tr>
<td>Harkness, Mr Alistair Ross</td>
<td>Frankston</td>
<td>ALP</td>
<td>Ryan, Mr Peter Julian</td>
<td>Gippsland South</td>
<td>NP</td>
</tr>
<tr>
<td>Helper, Mr Jochen</td>
<td>Rippon</td>
<td>ALP</td>
<td>Savage, Mr Russell Irwin</td>
<td>Mildura</td>
<td>Ind</td>
</tr>
<tr>
<td>Herbert, Mr Steven Ralph</td>
<td>Eltham</td>
<td>ALP</td>
<td>Seitz, Mr George</td>
<td>Keilor</td>
<td>ALP</td>
</tr>
<tr>
<td>Holding, Mr Timothy James</td>
<td>Lyndhurst</td>
<td>ALP</td>
<td>Shardey, Mrs Helen Jean</td>
<td>Caulfield</td>
<td>LP</td>
</tr>
<tr>
<td>Honeywood, Mr Philip Neville</td>
<td>Warrandyte</td>
<td>LP</td>
<td>Smith, Mr Kenneth Maurice</td>
<td>Bass</td>
<td>LP</td>
</tr>
<tr>
<td>Howard, Mr Geoffrey Kemp</td>
<td>Ballarat East</td>
<td>ALP</td>
<td>Stensholt, Mr Robert Einar</td>
<td>Burwood</td>
<td>ALP</td>
</tr>
<tr>
<td>Hudson, Mr Robert John</td>
<td>Bentleigh</td>
<td>ALP</td>
<td>Sykes, Dr William Everett</td>
<td>Benalla</td>
<td>NP</td>
</tr>
<tr>
<td>Hulls, Mr Rob Justin</td>
<td>Niddrie</td>
<td>ALP</td>
<td>Thompson, Mr Murray Hamilton Ross</td>
<td>Sandringham</td>
<td>LP</td>
</tr>
<tr>
<td>Ingram, Mr Craig</td>
<td>Gippsland East</td>
<td>Ind</td>
<td>Thwaites, Mr Johnstone William</td>
<td>Albert Park</td>
<td>ALP</td>
</tr>
<tr>
<td>Jasper, Mr Kenneth Stephen</td>
<td>Murray Valley</td>
<td>NP</td>
<td>Trewise, Mr Ian Douglas</td>
<td>Geelong</td>
<td>ALP</td>
</tr>
<tr>
<td>Jenkins, Mr Brendan James</td>
<td>Morwell</td>
<td>ALP</td>
<td>Walsh, Mr Peter Lindsay</td>
<td>Swan Hill</td>
<td>NP</td>
</tr>
<tr>
<td>Kosky, Ms Lynne Janice</td>
<td>Altona</td>
<td>ALP</td>
<td>Wells, Mr Kimberley Arthur</td>
<td>Scoresby</td>
<td>LP</td>
</tr>
<tr>
<td>Kotsiras, Mr Nicholas</td>
<td>Bulleen</td>
<td>LP</td>
<td>Wilson, Mr Dale Lester</td>
<td>Naree Warren South</td>
<td>ALP</td>
</tr>
<tr>
<td>Langdon, Mr Craig Anthony Cuffe</td>
<td>Ivanhoe</td>
<td>ALP</td>
<td>Wynne, Mr Richard William</td>
<td>Richmond</td>
<td>ALP</td>
</tr>
</tbody>
</table>
WEDNESDAY, 30 APRIL 2003

PETITIONS

Church Nursing Home: closure .......................................................... 1135
Housing: loan schemes ................................................................. 1135
Emergency services: Warnambool helicopter .................................. 1135
Environment: sustainable development ......................................... 1135

PAPERS ..................................................................................... 1136

FEDERAL AWARDS (UNIFORM SYSTEM) BILL

Council’s amendment ........................................................................... 1136

VOCATIONAL EDUCATION AND TRAINING (TAFE QUALIFICATIONS) BILL

Introduction and first reading ............................................................. 1136

MEMBERS STATEMENTS

Jim Hardy ........................................................................................................ 1136
Seal Rocks Sea Life Centre: legal action ............................................. 1137
Anzac Day: Torquay .................................................................................. 1137
Lions Youth of the Year Quest ................................................................. 1137
Greenvale Primary School: community .............................................. 1138
Seal Rocks Sea Life Centre: jobs ............................................................ 1138
Anzac Day: Croydon ............................................................................... 1138
Manningham Park Primary School: grounds ........................................ 1139
Templestowe Valley Primary School: amphitheatre ................................ 1139
Uniting Church: Link@Bridgewater program ....................................... 1139
Centenary Medal: Mildura recipients ................................................... 1139
Schools: Burwood .................................................................................. 1140
Planning: green wedges ........................................................................ 1140
Puopolo family .......................................................................................... 1140
Goulburn Ovens Institute of TAFE: graduate interpreters ..................... 1141
Nursing homes: funding ......................................................................... 1141
Business: trends and prospects survey ............................................... 1141
Dandenong: community jobs program ............................................... 1142
Anzac Day: Epping, Diamond Creek and Whittlesea ....................... 1142
Red Cross: volunteer fundraisers ........................................................... 1142
Andrew Shelton ....................................................................................... 1143

MATTER OF PUBLIC IMPORTANCE

Medicare: reform ...................................................................................... 1143

BUSINESS OF THE HOUSE

Parliamentary committees: reports ...................................................... 1163

ESTATE AGENTS AND SALE OF LAND ACTS (AMENDMENT) BILL

Second reading ......................................................................................... 1163

COUNTRY FIRE AUTHORITY (VOLUNTEER PROTECTION AND COMMUNITY SAFETY) BILL

Second reading ....................................................................................... 1165

MURRAY-DARLING BASIN (AMENDMENT) BILL

Second reading ....................................................................................... 1168, 1178

QUESTIONS WITHOUT NOTICE

Roads: funding .......................................................................................... 1170
Budget: initiatives ..................................................................................... 1171
Regional Infrastructure Development Fund: projects .......................... 1172
Medicare: reform ...................................................................................... 1173
Eastern Freeway: extension .................................................................... 1174
Schools: numeracy programs ................................................................. 1174
Seal Rocks Sea Life Centre: legal action ............................................... 1175
Schools: capital works ............................................................................. 1176
Health: fire safety ..................................................................................... 1177
Water: Mildura projects ........................................................................... 1177

TRANSPORT (MISCELLANEOUS AMENDMENTS) BILL

Second reading ........................................................................................ 1183

MELBOURNE (FLINDERS STREET LAND) BILL

Second reading ........................................................................................ 1192

WATER LEGISLATION (ESSENTIAL SERVICES COMMISSION AND OTHER AMENDMENTS) BILL

Second reading ....................................................................................... 1199, 1221

UNIVERSITY ACTS (AMENDMENT) BILL

Introduction and first reading ............................................................... 1211

PORT SERVICES (PORT OF MELBOURNE REFORM) BILL

Second reading ........................................................................................ 1211

ADJOURNMENT

Coroner: undertaker services ................................................................. 1230
Country Fire Authority: Narbethong brigade ......................................... 1230
Lake Mokoan: management ................................................................. 1231
Racing: Anzac Day observance ............................................................... 1231
Mornington Peninsula: abalone poaching ............................................. 1232
Access for All Abilities program: Coburg playground ......................... 1232
Kew Residential Services: site development ........................................ 1233
Glen Eira and Kingston: home and community care program ............ 1234
Forests: firewood collection ................................................................. 1234
Millgrove: Vicroads car park ................................................................. 1235
Responses ............................................................................................... 1235
Wednesday, 30 April 2003

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.33 a.m. and read the prayer.

PETITIONS

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

Church Nursing Home: closure

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

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

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

Your petitioners therefore pray that:

1. the existing loans be recalculated from day one in a way as to give borrowers the loans they were promised — ‘affordable home loans specially structured to suit your purse’;
2. the home ownership be achieved within 25 to 30 years from date of approval;
3. the payments to be set at an affordable level (i.e., 20–25 per cent of income for the duration of the term for all the loan types;
4. past borrowers who have left the schemes be compensated for losses that have been incurred by them being in these faulty structured loans;
5. any further government home ownership schemes be offered in a way as to be easily understood by prospective loan recipients;
6. the interest rate will be at an affordable rate (i.e., flat rate of 3 per cent per annum or less for the length of the term of the loan) geared to income;
7. capital indexed loans be made illegal in this state to protect prospective loan recipients;

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

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

By Ms ECKSTEIN (Ferntree Gully) (32 signatures) and Mr LANGDON (Ivanhoe) (10 signatures)

Emergency services: Warrnambool helicopter

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

The humble petition of the citizens of Portland and district sheweth the desire to bring to the attention of the honourable members the issue of the lack of a multifunction emergency helicopter rescue service based in Warrnambool to provide emergency coverage throughout all of western Victoria. Western Victoria remains the only area of the state not covered by an emergency helicopter service. Our desired helicopter service would include air ambulance, firefighting capabilities, day and night search and rescue facilities and would be available for onshore, coastal and offshore operations. We seek a speedy establishment of such a helicopter service to cover all of western Victoria.

Your petitioners therefore pray that this matter be raised with the state government, requesting that the government address this appalling situation.

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

By Dr NAPTHINE (South-West Coast) (974 signatures)

Environment: sustainable development

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

The humble petition of the undersigned citizens of the state of Victoria sheweth that they are deeply aggrieved at the government’s failure to properly listen to competent big picture voices on the environment.
Combined fire and forest management planning is integral to biodiversity protection and native forest renewal. Prohibiting our own trained custodians from carefully managing the large level of renewable resources in our own backyard also increases the footprint in someone else’s and this too is not environmentally responsible.

Lockouts are no solution. Custodianship is a proven means of effectively looking after large areas with their diverse risks and complex biodiversity threats. More government gatekeepers will not substitute for using the diverse skills of our community to care and to show due care for the large and complex ecosystems and management issues involved.

Justice is denied to rural custodians, in particular. Those who care directly for natural resources in this country (e.g., land-holders and trained land managers) are not receiving a fair hearing because environmental abuse and risk claims by non-custodial neighbours are far too often not being properly heard before use and custodial rights are denied.

Your petitioners therefore pray that Parliament:

- leave open the issue of future uses for our reserves, as our forefathers intended;
- have a moratorium on the creation of any more large parks; and
- concentrate immediately on improving the means to resolve conflict equitably so that just and sound decisions for long-term resource protection and genuine sustainability are more evident to all Victorians.

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

By Dr NAPTHINE (South-West Coast) (14 signatures)

Received from Council.

Read first time on motion of Ms KOSKY (Minister for Education and Training).

MEMBERS STATEMENTS

Jim Hardy

Mr PANDAZOPOULOS (Minister for Gaming) — I wish to pay my respects to Jim Hardy, OBE, who recently passed away. Jim Hardy was a great icon of Dandenong: he was one of Dandenong’s best known and greatly loved sons. He was a real gentleman’s gentleman. He was born in Warrnambool in 1913 and was very proud of his Irish ancestry.

He served for the last 13 years as the president of the Dandenong Returned and Services League and had been an active member since the late 1940s. He was a real battler for the welfare of local veterans; he was Dandenong’s version of Bruce Ruxton in many regards — but much nicer, may I say!

Jim served in the 2/3 Light Anti-Aircraft Battery in the Middle East and New Guinea during World War 2. He was known to his mates as Cracker. He was very proud of having received an Order of the British Empire in the past few years. He used to describe OBE as meaning ‘over bloody eighty’. Jim was seconded to the Forces Amenities Unit, where his main role was to entertain the troops. He was a very witty man and was skilled as a storyteller, singer and entertainer. He was a real raconteur.

Jim was the older brother of the Australian literary icon, Frank Hardy, and the entertainer, Mary Hardy, who had a television show and often referred to Jim as the mayor of Dandenong. Jim was actively involved in the Returned and Services League, the Dandenong cricket club and his great parish at St Mary’s church. Jim will be very much missed by people in the RSL and the Dandenong community. My condolences go to his family.

Mr SMITH (Bass) — The Seal Rocks Sea Life Centre fiasco has finally come to an end with the decision last week of the Supreme Court to reject the
government’s appeal, leaving the people of the state of Victoria to pay about $80 million in compensation. This sordid tale of woe came about because of a conspiracy between the government and the former member for Gippsland West, Susan Davies, to bring down and financially ruin the Seal Rocks development and return it to government hands at a fire-sale price. But what the government could not do — unfortunately from its point of view — was ruin the strength of Ken Armstrong, the managing director of the development. The stupidity of some of the senior ministers — Garbutt, Thwaites, Brumby and Premier Bracks — —

The SPEAKER — Order! The member for Bass will refer to members of Parliament by their correct titles.

Mr SMITH — Right — and the Premier. There was a conspiracy with some of the senior public servants in the Department of Natural Resources and Environment, as it was, and the Department of Treasury and Finance. These people — van Rees, Leivers, Perham, Forte, Tamburro, Love and Cleave — cost the taxpayers about $80 million.

On the eve of the last election the government launched an appeal, despite its lawyers advising it not to do that as it would not win, to stop the Auditor-General investigating this disgraceful episode in the Victorian tourism industry. I ask that the Auditor-General now commence his investigations to ensure that those Guilty Party — —

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

Anzac Day: Torquay

Mr CRUTCHFIELD (South Barwon) — The Torquay Returned and Services League (RSL), particularly the president, Kevin Egan, and the secretary, Peter Thomas, coordinated a magnificent dawn service at Point Danger, Torquay on Anzac Day attracting approximately 7000 people. In the darkness, with the sound of the ocean below, people gathered at Point Danger to pay their respects to all people involved in war throughout Australia’s history. As the horizon was bathed in a pink light a number of Tiger Moth planes flew over the point and a 12-gun salute echoed across the bay. It was indeed a spectacular event.

Various community members spoke, including two representatives from Bellbrae Primary School, Jessie Drever and Nicola Blake. Colonel Geoff Skaron was the guest speaker. The service is a true community event in planning, implementation and attendance. The event is hosted by the Torquay RSL, but other partners include the Surf Coast Shire, which assists with officer time; the Torquay Lions Club, which coordinated the gunfire breakfast of a free sausage sizzle and coffee with rum; the Torquay Rotary Club, which provides marshals; the churches — the ministers rotate as the master of ceremonies; the Torquay police; the Torquay State Emergency Service and Country Fire Authority brigades; Torquay Red Cross; Rural Ambulance Victoria; the Geelong West brass band; the Torquay public reserves committee; the Geelong and District Vietnam Veterans Association; 27/28 Flights Air Cadets; 32 Regional Cadet Unit; and other community members, even the ladies auxiliary.

Lions Youth of the Year Quest

Mr DELAHUNTY (Lowan) — On 12 April I had the privilege of attending the state final of the Lions Youth of the Year Quest at Horsham. The quest is designed to encourage student interest in leadership and the qualities required to take an active and constructive role in the community. There were six contestants from Lions districts across Victoria. They included: Melanie Lowe, who attends Girton Grammar School and was sponsored by the Castlemaine Lions Club; Jacinta Preston from Orbost College and Lions club; Nicole Hirst from Ballarat High School and Sebastopol Lions Club; Shelley Fitzsimmons from Highvale College and Monash Waverley Lions; and Jessica Laurie from Rushworth College and Lions club. The winner, who was selected by a panel of five, was Ann Boyapati, who attends MacRobertson Girls High School and was sponsored by the Lions Club of Footscray.

The contestants were judged on various categories including academic achievement, general knowledge, public speaking, leadership and sporting, cultural and community interests. All the entrants were excellent ambassadors for youth. They had impressive curriculum vitae, and their families, schools, teachers and sponsoring clubs and districts would be very proud of their achievements.

Last night the parliamentary Lions club agreed to invite our state winner to their May meeting here at Parliament House. All members when they have the opportunity should meet this very impressive young lady, who might by that time be the national winner. I congratulate all contestants, the Lions Youth of the Year officials and the National Australia Bank, which has sponsored this quest for six years. In finishing may I say that this is an excellent program run by the Lions
Club of Victoria. It really supports our youth, and it was a great opportunity for me to be part of that forum.

**Greenvale Primary School: community**

Ms BEATTIE (Yuroke) — I take this opportunity to thank Greenvale Primary School for its hospitality at its assembly on Monday morning. I had the privilege of joining the teachers and students for their first assembly of term 2 to present the school with a new Australian flag and also an Aboriginal flag.

It is always an honour to share with our local schools such an important part of our history and heritage. Ensuring that our local schools’ flags are in pristine condition and able to be flown proudly to symbolise the pride we feel as Australians young and old is certainly one of the great privileges of being a member of Parliament. The national anthem was sung with great gusto, which was very heart warming, and the students’ behaviour was impeccable in the presence of so many parents at the assembly. This is a testament to a wonderful school and school community.

I would like to thank the principal, Mr Lloyd Mitchell, for the invitation to attend — despite the fact that he was wearing an Essendon Football Club scarf, an unwelcome intrusion into an otherwise lovely morning for a diehard Magpies fan.

I take this opportunity to wish Greenvale Primary School students and teachers, and of course the principal, a wonderful term ahead. I look forward to sharing in many more community activities with that wonderful school.

**Seal Rocks Sea Life Centre: jobs**

Mr McIntosh (Kew) — When is a cast-iron guarantee not a guarantee? I will tell the house: it is when it is given by the Bracks government.

On 27 August of last year the Premier gave a watertight guarantee, apparently, to the former employees at the Seal Rocks Sea Life Centre. On the Neil Mitchell show he said:

We’ve already made a guarantee, the conservation minister Sherryl Garbutt has made that guarantee, and I will reissue it, that any staff who wish to be re-employed at Seal Rocks will be.

Later on in the interview Mitchell asked:

So, you’re saying unequivocally that anybody who has worked there and wants a job will have a job?

The Premier replied:

Yes, that’s the guarantee the minister has offered, and I’m reissuing that today.

Unfortunately many of the former employees of Seal Rocks do not have a job. Mr Peter Cutler has been sent a number of advertisements from a newspaper with an invitation to apply but has never actually been offered a job. Two other employees I have spoken to who do not wish to be named are in a similar position. That demonstrates that you just cannot trust Labor — it will do anything and say anything to stay in power.

**Anzac Day: Croydon**

Ms BEARD (Kilsyth) — On Sunday, 13 April, I was invited to join in the Anzac Day parade and service hosted jointly by the Croydon sub-branch of the Returned and Services League (RSL) and the City of Maroondah.

The veterans marched to the James Stevens Memorial Lawns in Croydon, where they were welcomed by the official party and Mr Neil Gryst, the secretary of the Croydon sub-branch. After the introduction by Mr Ken Gibbons, president of the Croydon sub-branch, of the official party, including state and federal politicians and local councillors, the substantial crowd was addressed by Cr Les Willmott, mayor of Maroondah City Council.

The official guests were invited to lay their wreaths at the memorial. Representatives from Lilydale RSL and the National Servicemen’s Association of Australia then laid their wreaths, followed by schoolchildren and groups and members of the community. Mr Neil Gryst then recited the *Ode to the Fallen*, after which the bugler, Nigel Edwards, played the last post and after a moment’s silence followed it with reveille.

A highlight of the afternoon was a beautiful rendition of the anti-war song of the 1960s *Last Night I Had the Strangest Dream* by the students of Croydon Primary School led by Ms Ruth Kitchen. Guests, including local scout and guide groups, were thanked for their attendance by Mr Ken Gibbons, and the national anthem led by the Croydon Primary School choir concluded the ceremony.

**Manningham Park Primary School: grounds**

Mr KOTSIRAS (Bulleen) — Once again this inept, inactive and lazy government has ignored the education and safety needs of students attending Manningham Park Primary School and Templestowe Valley Primary
School. Parents are alarmed at the total disregard for and arrogance towards both these schools that this government has shown.

There are two issues of major concern to parents and students attending Manningham Park. The first is the future of the car park on the north-eastern side of the school. As I understand it, the school has requested that a portion of this vacant land be retained by the school to be used as a car park to enable students to be dropped off and collected safely. This section also needs to be secured because at times it resembles a rubbish tip and is not fit for young children to be in.

Ms Duncan interjected.

The SPEAKER — Order! The member for Macedon!

Mr KOTSIRAS — The second issue is the dangerous condition of the school ground. The ground has cracked and is uneven and very dangerous. I call upon this minister to show some commitment and instruct her department to investigate the condition of the ground and to resolve the car park issue which is now in its fourth year.

Templestowe Valley Primary School: amphitheatre

In relation to Templestowe Valley Primary School, about 12 months ago I wrote to the minister requesting that she investigate the possibility of providing financial assistance for the school to build an amphitheatre. Unfortunately I have not received a response from the minister. Templestowe Valley is seeking to build an amphitheatre to cater for the 44 per cent increase in enrolments since 1999. The school does not have a meeting area to cater for this increase. I call on the minister to actually do something and visit both schools and provide some funding for them.

Uniting Church: Link@Bridgewater program

Ms ECKSTEIN (Ferntree Gully) — Recently I had the pleasure of attending a new drop-in program in my electorate at the Unitingcare Bridgewater Centre in Rowville. The Link@Bridgewater program operates out of the Uniting Church’s Bridgewater centre each Thursday.

Honourable members interjecting.

The SPEAKER — Order! The level of interjections is too high.

Ms ECKSTEIN — It provides an opportunity for people who are isolated, particularly women, to reconnect with a community. Over a cup of tea or a fabulous cappuccino, people can make friends, share experiences and information and find out what’s on in Rowville.

Above all, the aim is to have some fun. Because Rowville is a relatively new area — —

Honourable members interjecting.

The SPEAKER — Order! The members for Brighton and Yuroke!

Ms ECKSTEIN — It does not have some of the services and facilities that older, more established communities enjoy. Therefore, women with young children and seniors can easily become isolated in their homes. The limited public transport options can make access to regionally based programs and services quite difficult.

The Link@Bridgewater program therefore meets an important local community need. The program has been funded through a community development grant from the City of Knox. Before I entered this place I served for many years on the Knox City Council Community Development Fund committee and I remember well the submission to establish this project.

It is pleasing to see the project come to fruition and make a difference to people’s lives.

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

Centenary Medal: Mildura recipients

Mr SAVAGE (Mildura) — I wish to acknowledge the following recipients of the Centenary Medal. All these awardees have made a significant contribution to my community: Alan Chalkley, Thea Cornell, Patricia Pike, Hilda Weinert — —

Mr Smith interjected.

Mr SAVAGE — You are hopeless!

The SPEAKER — Order! The member for Bass and the member for Mornington!

Mr SAVAGE — Simon Grigg, Allan Anderson, Michael O’Callaghan, Brian Decker, Ian Roberts, Alfred Chisholm, Sister Marion McDonald, Graham Wyatt, John Burfitt, Ken Carr, Malcolm Hopkins, Margaret Kelly, Fr Francis Monaghan, Barry Kirkwood, Patsy Ann Doolan, the late Ann Cox,
Stefano De Pieri, Nicholas Forsburg, Milton Whiting — a significant member of the National Party who sat in this place, Jennifer Bennett, Vernon Knight, Ken Wakefield, Neville Heintze, Patricia Martin, Dennis Bell, Jessica Leach, Francis Bawden, Charles Hepworth, Judith Robbins, Christine Wilson, Ian Lauder, Ken Wright, Richard Garlick, Brian Cavanagh, Carolyn Driscoll, Margaret Howie, Neville Japp, James Kane and Victor Matotek.

Honourable members interjecting.

The SPEAKER — Order! Before calling the next member I ask members to stop the continual interjections. I particularly warn the member for Bass that I will not tolerate further interjections from him.

Schools: Burwood

Mr STENSHOLT (Burwood) — Today I want to congratulate the state primary schools in my electorate for the magnificent job they do in educating our children. I refer to Ashburton Primary School which held a great fete earlier this year; Glen Iris Primary School, which is right in the centre of Melbourne; Hartwell Primary School, which I know the member for Forest Hill has visited; Solway Primary School, which had a successful car boot sale; Parkhill Primary School, which ran a very successful Ashwood festival; Roberts McCubbin Primary School in Box Hill South, which has an enviable recognition in the arts; and Wattle Park Primary School, which has a great community focus.

I am proud to see that under the Bracks Labor government prep to year 2 class numbers in Burwood have dropped by an average of 2.7 children and are now at a record low of 22.3 students. Class sizes overall in Burwood schools are now at the lowest levels since records were first kept in 1973. They were an average of 26.3 in 1999; now they are at a record low of 23.7.

We are seeing a revival of our schools, which suffered many closures under the previous government. Our schools are now getting the resources they need. Record funding has gone into facilities development, $180 million has gone into extra teaching resources for the crucial prep to year 2 primary years, and now funding efforts are being directed towards the crucial middle years.

My message for Burwood, with Education Week coming up in the week after next, is that education remains the no. 1 priority for the Bracks Labor government. We deliver for the children in our area.

Planning: green wedges

Mr HONEYWOOD (Warrandyte) — There are three Labor lies on green wedge protection, coming as they now do on top of the recent broken promise on the Eastern and Scoresby freeways. My constituents in Warrandyte are very much on the alert about this government’s credibility gap.

The first green wedge lie relates to what happened when the original green wedge legislation came before this Parliament. Just prior to the last state election the Minister for Planning belatedly brought her so-called urgent legislation into the lower house in the dying weeks of the session. It never got to the upper house because of her lack of seniority around the cabinet table. Other ministers pushed their legislation forward, and she was left holding the baby at the very end. Who did she blame? She blamed the opposition for delaying her legislation. She went out to the local media in every green wedge area and claimed the opposition was responsible for delaying the legislation. That was a Labor lie. The minister was incompetent. She could not schedule her legislation properly. She did not even get it to the upper house prior to the state election.

The second Labor lie on green wedge protection relates to the usage of land. Up until now factories, service stations, convention centres and caravan parks have been excluded from most green wedges. So what has motivated the Minister for Planning to change that? Surely it begs the question: what has a factory to do with — —

The SPEAKER — Order! The member’s time has expired.

Puopolo family

Ms MARSHALL (Forest Hill) — It is with great pleasure that I note that the sporting endeavours of three of my constituents were acknowledged by their receiving nominations for the Leader newspaper sports star awards. What makes this occasion even more significant is the fact that all three are members of the same family. Gus, Christina and Justin Puopolo are living proof that a family that plays together, stays together. The youngest member of this talented family, Justin, was nominated in the athlete category for the hammer throw, having picked up a silver medal at the Australian University Games and a bronze medal in the under-18 Australian championships. In a sport where the average age is late 20s, Justin has many years of competition ahead of him.
Justin’s father is not only his coach but an inspiration. Gus is a volunteer contributing over 25 hours a week designing and implementing fitness programs for athletes from sports such as the javelin, the shot put, the hammer throw and even netball. Gus was one of the coaches for the Australian track and field team at the Commonwealth Games in Manchester. Gus is also a *Whitehorse Leader* sports star in the services to sport category.

Gus’s wife, Christina, was also nominated for her services to sport, and she provides coaching free of charge to 10 different netball premiership teams. She has been coaching the Victorian Churches Ariels team in addition to the Victorian men’s masters team. I would like to wish the Puopolo family good luck for the awards night later this year.

The Minister for Sport and Recreation in the other place yesterday called for nominations for the 2003 sport and recreation awards, to be announced in September. The electorate of Forest Hill will be putting forward many nominations, including the immensely talented Puopolo family.

**Goulburn Ovens Institute of TAFE: graduate interpreters**

_Mrs Powell_ (Shepparton) — On Wednesday, 16 April I had the honour of attending a graduation ceremony at the Goulburn Ovens Institute of TAFE in Shepparton recognising the graduates of the diploma of interpreting course. Ten Arabic interpreters graduated and received their certificates, and three more students are yet to be assessed. I thank the Minister assisting the Premier on Multicultural Affairs for attending the graduation and presenting the certificates.

Three years ago I invited the minister to Shepparton. We already had a number of Arabic-speaking people in Shepparton and a number were coming from the detention centres. This caused a strain on local welfare and government services. A number of issues were raised with the minister, such as the lack of housing and the lack of jobs, but the biggest issue was the language barrier and the need for Arabic interpreters. They believed they could assimilate more effectively into the community if they could communicate better. This interpreter course was the outcome of that visit.

There was great support from the Ethnic Council of Shepparton and District, particularly the president, Vicki Mitsos. Great support was provided by the Goulburn Ovens Institute of Technical and Further Education, which provided the course, and its director, Peter Ryan, was very supportive.

Of the 10 graduates, 6 already have jobs in the public sector. These interpreters will be a great asset to the 3500 Arabic-speaking people in Shepparton, and they believe they will provide positive links to the broader community. I wish them all the best in their chosen careers.

**Nursing homes: funding**

_Mr Carli_ (Brunswick) — There is a crisis in aged care in Victoria as a direct result of federal government funding policies. High-care beds in inner Melbourne are currently being closed. This has been brought about because the funding policy of the commonwealth government dictates that smaller centres are no longer economical to run, and they are being closed.

In my electorate the Church Nursing Home, which was a state-of-the-art nursing home with some of the most modern facilities in the country when it was purpose built in 1995, has now been forced to close. This has been completely attributed to the inadequate funding policies of the federal government.

This is happening not just to church-run nursing homes; it is occurring throughout inner Melbourne where a majority of nursing homes have between 30 and 45 beds. All of these homes are now considered uneconomical to run and will be closed in the near future.

There is a need for urgent action. Federal government policies need to change, otherwise nursing home beds throughout inner Melbourne will disappear, resulting in a critical situation. The Church Nursing Home in Brunswick is in the Moreland area which is already underserviced with a bed shortage and an acute — —

_The Speaker_ — Order! The member’s time has expired.

**Business: trends and prospects survey**

_Ms Asher_ (Brighton) — I refer honourable members to the survey published by the Victorian Employers Chamber of Commerce and Industry entitled *Survey of Business Trends and Prospects*, which covers the outlook for the March quarter 2003 and the June quarter 2003.

I draw the attention of the house to some significant concerns in the manufacturing sector in particular. Thirty-five per cent of manufacturing companies in Victoria unfortunately feel that there will be a weaker economic performance in the state. Of significant concern for employment prospects is that business conditions in the manufacturing sector declined.
significantly over the March quarter, with the majority of firms reporting declining sales profitability, selling prices and exports.

I further draw the attention of the house to the fact that 50 per cent of the companies surveyed reported that profitability was down in the March quarter of 2003, so it should not be surprising to members on the other side that 12 per cent of firms reported that employment was also down. Indeed 41 per cent of manufacturing firms report that they expect profitability to be down for the June quarter of 2003, and unfortunately 16 per cent also expect employment to be down in the next quarter.

What is needed in these times is tax cuts, not tax increases such as those the Labor Party announced yesterday.

**Dandenong: community jobs program**

*Mr DONNELLAN* (Narre Warren North) — I rise to congratulate the 19 trainees who successfully completed their community administrative jobs project under the state government’s community jobs program at the Link Employment and Training Agency in Foster Street, Dandenong.

I also congratulate all the staff, including Cheryl Moroz, the manager of the centre, and Frank Krasovec, the project coordinator. Their dedication was very obvious when I was handing out awards certificates to all successful trainees this week.

One of the trainees, Marie Therese, talking on behalf of all the trainees, mentioned the importance of these programs in providing hope and confidence for people who have been unsuccessfully looking for work for some time. She highlighted the terrible sense of disconnection from the community that is experienced by the unemployed and which saps their energy and their belief in their abilities. Worst of all it denies the community the benefit of a productive worker.

The community jobs program has had a terrific success rate, with 62 per cent of participants continuing further training or employment. All the people participating are volunteers; they are employed in a real job and receive a real award-level wage. This is a great program. It is something the federal government should look at in the light of its less than successful attempts in addressing long-term and medium-term unemployment.

Lastly I wish to congratulate those involved in providing job placement: Link Training and Employment, Eumemmerring Secondary College, City of Casey, Chandler Primary School, Monash City Council, Job Watch, Family Business Australia, Department of Human Services, Lyndhurst Secondary College and Dandenong Secondary College, and the trainees, Ms Green, Ms Bond and Ms Catalano.

**Anzac Day: Epping, Diamond Creek and Whittlesea**

*Ms GREEN* (Yan Yean) — On Anzac Day I had the privilege of attending three events in my electorate, at Epping, Diamond Creek and Whittlesea.

The first event was a moving dawn service at the Epping Returned and Services League (RSL) branch attended by 500 people, from small children to veterans from the Vietnam and Korean wars and the Second World War. The Epping Country Fire Authority (CFA) made a great contribution to the service, providing a torch-lit guard of honour. Ex-brigade captain Ken Jefferey was MC, and the event was ably organised, as always, by club president, Herb Mason.

I was proud to be nominated for affiliate membership of the Epping RSL branch, as my paternal grandfather served in both world wars.

The second event I attended was a community and wreath laying service at the Diamond Creek cenotaph. The service was addressed by Jock Ryan and ably organised by Diamond Creek Rotary, including its president, Bev Baker, and Nillumbik shire councillor Michael Hall. Local scouts, the police and the CFA, and many community members participated in the service.

Finally, I attended the Whittlesea RSL service and march through the township, led by veterans and cadets from Ivanhoe Grammar and the CFA. I thank the president, Ned Panuzzo, and the organiser, Nancy Pierce, for inviting me to such a wonderful Anzac Day event and the wonderful afternoon tea that followed.

**Red Cross: volunteer fundraisers**

*Mr LOCKWOOD* (Bayswater) — As members will be aware, March was Red Cross month, when collectors from all walks of life went out into the community to seek donations. At major intersections in the outer east we could see members of the local Country Fire Authority and State Emergency Service doing their bit for Red Cross.

For my part I joined a great group of collectors operating within the Knox local government area. This group is ably led by Marie Wallace, former mayor of Knox and now a freeman of the city. Some of the collectors were: Anne Heir, the treasurer, the Lioness Club of Ferntree Gully, the Red Cross Rowville branch,
the Red Cross Ferntree Gully branch, the Basin girl guides, the Wantirna pathfinders, the Ferntree Gully pathfinders, the Bahi community, the Church of Jesus Christ of Latter Day Saints, the Bayswater-Knox opportunity shop, the Screen family, Anne O’Sullivan and family, Carol Peterson, Olwen Johns, David Andrews, Gwenda Leake, Carole Stadelmann, Joshua Kazar, Jenny Folino, June Randal, Nick Davis, Brian Bradfield, Mrs Sutton, Rose Gosling and Marie Lockwood.

They deserve enormous credit for organising the distribution of kits, the collecting and the counting. I acknowledge their contribution to our community.

The amount collected was more than $25,000, which is a credit to the volunteer team who knocked on so many doors. I can add that it is a much more pleasant experience to call for Red Cross than it is to call for a vote! Red Cross is always there when there is a disaster or a humanitarian crisis. Locally it is best known for its blood donation service and first-aid training. It provides more than 70 different kinds of services within Australia.

Andrew Shelton

Mr LANGDON (Ivanhoe) — I take this opportunity to congratulate Andrew Shelton, this year’s winner of the Austin and Repatriation Medical Centre (A & RMC) Australia Day award. Andrew was nominated by his colleagues, and his outstanding contribution to the medical centre and his active involvement in humanitarian projects, along with his groundbreaking work in patient safety, contributed to his unanimous selection for the prestigious award.

Last year, Andrew’s commitment to World Vision saw him lead a group of teenagers to Cambodia, visiting landmine sites and impoverished communities. Within the A & RMC Andrew and his team created the revolutionary post-operative surveillance program. As part of the program, Andrew visited patients with a high risk of post-operative complications.

MATTER OF PUBLIC IMPORTANCE

Medicare: reform

The SPEAKER — Order! I have accepted a statement from the Minister for Health proposing the following matter of public importance for discussion:

That this house expresses its grave concern at the recently announced changes to Medicare, which will dramatically increase pressure on Victorian public hospitals at a time when the state government has yet to receive an adequate funding offer from the commonwealth for the existing costs faced by public hospitals.

Before I call the Minister for Health, I remind the house that this is not a discussion about Medicare per se and that members will be required to restrict their comments to the way the recent changes affect the Victorian public health system.

Ms PIKE (Minister for Health) — The Medicare system of universal health care has served Australia well for almost two decades. It is based on the fundamental principle that just as sickness has no favourites neither should access to good-quality health care. This makes good policy sense, and it certainly makes good public policy sense in the Victorian health system, as well as good economic sense. In public policy terms this principle is underpinned by the knowledge that access to medical treatment, irrespective of people’s capacity to pay, actually enhances public health, enhances social inclusion and drives up the productivity of the whole population.

Economically we know that a strong primary health system diverts the unnecessary utilisation of more costly tertiary care, particularly in the public hospital system. General practitioners are the gateway to good health and preventative care, and Medicare is the means of opening that gate. Medicare is not a safety net available only to those who can afford to pay; we all pay for it through our taxes, and we expect that if we have a medical problem we will have health care. Without the widespread availability of bulk-billing Medicare will be weakened, yet this is the very plank of Medicare that the Howard government is now undermining. Bulk-billing was never an optional extra; it was always fundamental and certainly never was intended to be only for concession cardholders.

John Howard is trying to rewrite history and limit bulk-billing to only the disadvantaged. He wants to have the kind of health care system where the poor are stigmatised and where the service is residualised rather than being for the whole community but where everyone holds the same yellow-and-green card. We should not be too surprised about this.

John Howard was Treasurer under Malcolm Fraser when they tried to dismantle Medibank. He said then that he would pull it right apart and get rid of bulk-billing, which he described, and is on the record as describing, as an ‘absolute rort’. Later he changed his tune. Noting the public popularity of Medicare he then promised to retain it. In 1995 he told the Age, ‘We’re keeping Medicare, full stop. There’s no doubt about
that. Let’s have that absolutely crystal clear, we are going to keep Medicare lock, stock and barrel’.

At that time there was absolutely no mention that bulk-billing was only for the poor. The only part of the lock, stock and barrel that is being kept is the barrel. He is shooting the whole thing down around our ears. It now appears that John Howard has found it politically expedient to fulfil his long-held ambition. He is coming full circle and he is now dismantling Medicare by stealth and trying to convince Australians that this is not a bitter pill to swallow.

Over the past seven years bulk-billing levels have been in free fall and are now below 70 per cent. At the same time presentations to emergency departments in our public hospital system have risen by 9 per cent. Rather than trying to arrest that increase and help the public hospital system the federal government has chosen to prop up the private health insurance system. The rationale for this, and its public articulation of it, is that this will take some pressure off the public system, but it is really part of a longer term agenda to create a two-tiered health system in Australia.

This year over $2.3 billion will pay for things like cosmetic dental surgery and minor procedures but do nothing to alleviate the pressure on the public system.

Dr Napthine interjected.

Ms Pike — John Howard and the member for South-West Coast say this is not true, but let us have a look at the recent Australian hospital statistics, which clearly show that when you adjust for patient acuity, when you look at the kinds of patients who are being treated in the public system and the private system, that private hospital separations actually fell by 2.12 per cent in 2000–01 whereas the public system remained fairly constant. In other words, the public system — and I must say it is doing very well — is coping with more complex and expensive patients.

Dr Napthine interjected.

The Speaker — Order! The member for South-West Coast will get the call later. I ask him to desist from interjecting.

Ms Pike — On top of this, during the 1990s funding for public hospitals as a total share of commonwealth expenditure declined from 32 per cent to 26 per cent. At the same time Victoria’s relative share of funding under the agreement with the commonwealth has increased to 55.7 per cent. In other words the commonwealth is diminishing its effort, particularly in the public system — the system that is the critical part of Medicare — and increasing its effort in the private system.

We also know the current offer in the Australian health care agreement falls far short of the real costs. There is no adjustment for the fact that the commonwealth has access to a range of other levers that it fails to do anything about. Firstly, nearly 600 hospital beds in Victoria are filled with patients who should be in a commonwealth-funded nursing home. As the member for Brunswick has reminded us, Victoria is 5400 nursing home beds short. Secondly, there has been a 15 per cent growth in primary care patients who should be going to GPs and who would if they could find a bulk-billing GP or an after-hours GP. Thirdly, private health funds pay less for patients in the public hospital system than they do for those in the private system.

This all comes on top of the fact that Senator Kay Patterson, the commonwealth Minister for Health and Ageing, has acknowledged that the real growth in health care costs in Australia is closer to 8 per cent than to the 5.9 per cent she is willing to offer the public system. She has recently given the private health insurance funds the green light to increase their fees by 7.4 per cent and has publicly said that that is the real cost of growth. She has also said publicly that indexation in the health system is running at double the rate of other sectors.

What of the new changes that the Prime Minister, John Howard, announced this week? Will they strengthen our internationally acclaimed health care system? Will they broaden access to primary health care for all Australians and all Victorians? Most significantly for us, will they ease the demand on the public hospital system, which treated nearly 50 000 additional patients last year? I would say it would be hard to find anyone in Australia — perhaps with the exception of the private health insurance companies — and certainly anyone in the public media who would give a resounding ‘yes’ to any of those questions.

Let us look at what has been said about this. Dr David Rivett, the chairman of the Australian Medical Association’s Council of General Practice, said that as few as 20 per cent of general practitioners would opt into the package.

Honourable members interjecting.

The Speaker — Order! If the member for Mulgrave and the member for South-West Coast want to have a discussion, I suggest they leave the chamber.
Ms PIKE — He went on to say that GPs would have rocks in their heads if they signed up for this package. What about the AMA? The president, Dr Kerryn Phelps, whom the member has quite rightly drawn to our attention, has said that this package does not go close to addressing the fundamental problem, which is the gross underfunding of the Medicare benefits schedule by more than $1 billion.

The president of the Royal Australian College of General Practitioners, Professor Michael Kidd, went on to say that the package was a bandaid solution and did not address the challenges facing general practice. The Rural Doctors Association of Australia national president, Ken Mackey, estimated that only about 15 per cent of rural doctors would take up the scheme. The president of the Doctors Reform Society, Dr Tim Woodruff, said that the care has been taken out of Medicare and that instead we are being offered Minicare.

It is hard to find anyone in the public arena who will give any affirmation to questions about whether this will strengthen our health care system, whether it will broaden access to primary health care and whether it will decrease the demand on the public hospital system.

What will happen, as the Prime Minister has acknowledged, is bulk-billing will plummet. Bulk-billing will become a system for only concession card holders, and ordinary families — particularly those who fall into that low-income category — will now not have access to bulk-billing into the future and will choose not to go to a doctor at times when they may need to, because doctors have now been given the green light to charge whatever they want.

If anyone thinks that a mechanism that enables doctors to access funds electronically and charge people upfront for the gap is going to help ordinary families, they should look again. The whole principle of Medicare is, in effect, a national contract: a national agreement between the medical profession and the community of Australia that there is a provision of uniform health care based upon the idea that people could access it when they were sick, not when they were rich. This will, of course, be brought under considerable pressure.

The other thing, in economic terms, is that virtually every single commentator says that the real impact of the proposed changes will be that the cost of health will be increased dramatically. From Victoria’s perspective, the government believes that Victorian hospitals will continue to see a growing number of people in emergency departments. Some very conservative estimates show that that increase could be up to 60 per cent, which of course will stretch the capacity of the public hospital system in Victoria enormously.

The greatest tragedy in all this is that a system that has been based upon that great egalitarian Australian ethos of a fair go for everyone, no matter whether they are rich or poor and no matter what their life circumstances, will be shamelessly decimated by the Liberal government. I think it is because it actually has a fundamental ideological objection to the concept of an accessible entitlement based upon principles of equity.

The Victorian government is going to fight these proposed changes. We are going to continue to point out to the community that not only are these changes fundamentally inequitable, extremely poor policy and very flawed economic policy, but they will also have a huge impact upon the public health system in this state.

The reality is that the commonwealth proposes two things to undermine the two basic principles of Medicare: access to a general practitioner as part of a strong primary health system and access to a public hospital. Fundamentally these changes to Medicare will mean that ordinary families who are paying a mortgage and struggling to put their kids through school — coping with a whole range of pressures — will have the added pressure of the decline in the accessibility and availability of bulk-billing. That will have a huge impact on the primary health of our general community.

The other plank of Medicare is, of course, access to a good health system through our public hospital system. Apart from the decline in the availability of bulk-billing, the other factors that are affecting our system are the non-availability of nursing home beds and the totally inadequate amount of funding that has been offered by the commonwealth government in the Australian health care agreement, which will go no way towards meeting the genuine cost of the growth of health care in this state.

Mrs SHARDEY (Caulfield) — I rise to make a contribution on this matter of public importance (MPI), which in its wording makes two claims: firstly, that the recently announced proposed changes to Medicare by the federal government will increase pressure on Victorian public hospitals, and secondly, that the federal government is not offering adequate sums for the current costs incurred by public hospitals in Victoria.

In examining the claims expressed in the wording of this MPI it is important to look at two main areas. The first main area is, of course, the government’s claim...
that the commonwealth is not offering enough funding for the state to cover existing costs in the public hospital system. Let us look at the federal government funding and this government’s performance since 1999 in managing the public hospital system. I note that over the previous five years, the commonwealth has contributed some $7.7 billion to Victorian hospitals, and it is offering some $10.15 billion over the next five years.

Honourable members interjecting.

Mrs SHARDEY — It is very interesting that this minister is now churlishly trying to interrupt every point I make, knowing that the points I will make will show that she is incompetent and unable to manage the public hospital system — so perhaps she should listen a little more carefully.

It is the Liberal Party’s contention that the current health minister inherited a disaster created by her predecessor, the member for Albert Park, but of course that does not really excuse her.

In fact, hospital performance has been declining since Labor came to power in 1999. This is despite a massive surplus of some $1.8 billion provided by the previous government. Every single day we are seeing the money disappearing down a hole — down the gurgler. It is declining despite the fact that under the previous agreement there was also a 28 per cent real increase in commonwealth hospital funding nationally and a massive jump in the number of people with private health insurance that has taken pressure off the public health system in Victoria.

Now we look forward to a further 17 per cent increase in commonwealth funding for Victorian hospitals. In our view the former Minister for Health, the present Minister for Health and the Bracks government are very firmly to blame for the poor state of the Victorian public hospital system. The Bracks government has slashed bed numbers at key hospitals such as the Royal Melbourne Hospital by 16 per cent. Hospital waiting times and ambulance bypasses have blown out under this government. I will give the house some figures to substantiate that.

Ms Pike interjected.

Mrs SHARDEY — I have. The most recent Hospital Services Report, the one going back to September, shows that ambulance bypasses went from 367 in September 1999 to 581 in September 2002 — that is, nearly doubling. My mother had the great pleasure, at the age of 88, of lying on a trolley in one of our major hospitals for more than 24 hours — and she was suffering from a heart condition. The Hospital Services Report scarcely qualified this minister to go to Canberra and make claims about what was happening in Victoria and how the federal government was not doing its job.

The commonwealth government’s private health insurance reforms, including the 30 per cent rebate, have seen a 12 per cent increase in admissions to private hospitals and a much slower growth in admissions to state-run hospitals. In fact, the Australian Institute of Health and Welfare says that 52 per cent of surgical procedures are being performed in the private hospital system. States like Victoria have benefited on the one hand from money received from private insurance patients staying in public hospitals and on the other hand from an increased number of patients visiting private hospitals and being treated in that system.

Claims of mismanagement of the hospital system under the Bracks government are further supported by the Auditor-General, and I turn now to some of those issues. First of all the Auditor-General claimed that nine Victorian public hospitals are operating under financial difficulty on four indicators and a further 15 hospitals have returned unfavourable results under at least two key indicators. He said:

Despite cash injections, our review of the net cash outflows from the operating activities of the metropolitan hospitals identified that while cash payments rose by 15.2 per cent, total receipts rose by only 9.8 per cent.

That leaves a pretty large shortfall; about $46.8 million is needed for operating activities within our hospital system. The Auditor-General has called upon the Victorian government to review the funding practices currently used in the health sector to ensure that depreciation funding is provided to hospital authorities to effectively maintain hospital infrastructure. Later on we will look at what is happening with equipment and see that it is in a very parlous state.

In relation to those hospitals that are continuing to encounter financial difficulties the Auditor-General has called on the Department of Human Services to:

… undertake a thorough review of the number of additional nurse positions funded in comparison with the number actually employed —

sorry, I will go there again.

Mr Wynne — Read the press release properly.
Mrs SHARDEY — I am quoting the Auditor-General from the Auditor-General’s report. This is a quote from the Auditor-General; I will help members opposite with that one. He said the government should:

… undertake a thorough review of the number of additional nurse positions funded in comparison with the number actually employed as a result of the agreement, to determine whether any unfunded salary increases were incurred by those hospitals as a result of implementing the agreement.

Ms Pike interjected.

Mrs SHARDEY — Oh, he has no problem? That is very funny; I will look at that later.

Then we go to the Hospital Services Report of 2002 and we find, as I said earlier, that periods of ambulance bypass increased from 367 in September 1999 to 581 and that the number of people waiting on trolleys also increased enormously. I go back to the time when the previous Minister for Health was in opposition and used to gleefully report on people waiting on hospital trolleys in our hospital system.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! If the member for Melton and the Leader of the Opposition wish to have their own debate they should take it outside the chamber.

Mrs SHARDEY — If we move on to the December 2002 Hospital Services Report I dare say few people could forget the absolute comedy — —

Mr Wynne interjected.

The DEPUTY SPEAKER — Order! We do not need assistance from the member for Richmond either.

Mrs SHARDEY — Few could forget the absolute comedy of the minister’s debacle over the so-called error in the waiting list figures. The first figures showed that 12 083 patients had been cleansed from the waiting list, and when it was pointed out that that was almost double the number for the December quarter the year before, lo and behold, the Minister for Health came out and claimed there had been an error. I know that the minister is very good at cleansing waiting lists — she cleansed the waiting lists for the housing portfolio, and we found out how that happened. However, the fact is that this minister has demonstrated a huge level of incompetence. She claims that her figures were incorrect. If those figures were incorrect, how are we to believe the minister’s figures on any matter?

The next indicator is the failure of the Minister for Health to table Victoria’s hospital annual reports, which were due in October last year — before the election. Most of those reports were not tabled until this year. Under section 53A of the Financial Management Act the minister has a clear requirement to table annual reports from hospitals, but we found that 85 per cent of those reports were not tabled as required. When the reports were finally tabled we found that there was a $122 million black hole in the hospital system. Annual reports tabled in Parliament show that metropolitan hospital spending on state programs grew by $365 million, but the Bracks government increased its allocation to hospitals by only $243 million, which leaves a $122 million black hole. It is now very clear that this minister and this government were really into a huge cover-up.

I turn now to the next indicator. I am almost running out of time because there are so many indicators that this government’s performance is absolutely appalling. A crisis was identified by the Auditor-General in relation to the management of medical equipment in Victorian hospitals. The Auditor-General looked at only 19 of the 91 hospitals in this state, but he found that there was a black hole of some $35 million in metropolitan hospitals and one of another $10 million in rural hospitals. This funding shortfall will undoubtedly lead to a requirement for at least $50 million to $100 million in funding to upgrade medical equipment that is required for the care of patients who are very seriously ill.

The next indicator shows that the Bracks government has presided over a massive blow-out in the dental waiting list. I will not go into the detail as some of my colleagues will do that. It is extraordinary that all the claims and all the rhetoric from this government in relation to what it was going to achieve in dental health care have amounted to nothing. In fact the waiting list has blown out enormously. In June 2001 the average waiting time to see a dentist was 19.8 months and that had increased to a wait of 25 months in February 2003.

The next issue about the government’s management of our hospital system relates to the extraordinary release of the Hume hospital report. I think that is something the government really should be — —

Honourable members interjecting.

Mrs SHARDEY — I am almost lost for words. This government is looking at closing public hospitals and ensuring that there are no equipment upgrades, no employment and no improvements in facilities. What this shows is that this government will do anything to
try and blame the federal government for its own lack of capacity to perform in the hospital system. It also runs as far away as possible from any form of transparency, which is now going to be required.

Ms Pike interjected.

Mrs SHARDEY — You are hiding the figures, Minister. What are you going to do? Are you going to be matching the commonwealth’s contribution?

Ms Pike interjected.

Mrs SHARDEY — You will be more than matching them? That will be interesting. Learn how to manage the system.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Richmond and the Leader of the Opposition!

Mrs SHARDEY — Other colleagues, particularly the member for Malvern, will deal with the Medicare agreement. But I think the house will see that the Medicare agreement offers Victorian patients increased access to general practitioners and provides a system that will take the pressure off our public hospital system. Patients will find it easier to attend general practitioners using the swipe card system. It will ensure that there are more general practitioners trained and available for country hospitals.

Honourable members interjecting.

Mrs SHARDEY — I conclude my remarks by saying that in relation to this matter of public importance this government needs to accept that

Mr ANDREWS (Mulgrave) — What an amazing 15 minutes spent explaining away a series of changes to Medicare that will do nothing to address the decline in the rate of bulk-billing. The set of funding proposals put forward by the Prime Minister and the federal minister for health equate to nothing more than a cheating of this state. The shadow Minister for Community Services spent 15 minutes explaining away a completely inappropriate set of arrangements put in place by the federal government, 15 minutes that would have been better spent on the phone to the Prime Minister, John Howard, saying, ‘Why don’t you stop shafting Victorians? Why don’t you stop underfunding health in this state? Why don’t you put forward appropriate funding arrangements? Why don’t you address the crisis in bulk-billing in this state and across the nation? Why don’t you put forward a series of measures that, rather than undermine Medicare and turn it into a two-tier system, get in there and rebuild it? Why not get in there and support the system?’.

It comes as no surprise to those who have followed this debate that, as the minister pointed out earlier, the Prime Minister has been on a 25 or 30-year campaign to destroy Medicare. He has never ever supported universal health cover. Now he seems poised to realise one of his many political dreams. He wants to gut Medicare and to have one system for concession card holders — health care card holders and Seniors Card holders, including self-funded retirees, which I will say more about in a moment — and another system for ordinary families, in which there is no incentive for doctors to bulk-bill. That other system contains no incentive for doctors other than to ratchet up gap fees and charge whatever they want rather than to provide a comprehensive plan and appropriate resources to support it to address the decline in Medicare.

The Prime Minister and federal government would rather put in place a set of measures designed to gut Medicare as a universal health system. This is a disgrace, and the Australian community and the Victorian public will have none of it.

The central tenets of the system, as the minister pointed out earlier, are access to bulk-billing and access to proper services in a public hospital, and they should not be undermined or underfunded. The Prime Minister and the federal health minister have put forward a plan that does nothing other than undermine the universality of our national health scheme. That plan is a set of funding proposals that equate to nothing more than cheating the state — and, indeed, all states.

Mr ANDREWS — The member for South-West Coast wants me to deal with some facts. How about the fact that the Doctors Reform Society, the Australian Division of General Practice, the Australian Consumers Association, the Consumers Health Forum of Australia, the Royal Australian College of General Practitioners and the Rural Doctors Association of Australia have all indicated that this plan does nothing more than undermine Medicare. Those organisations — not me, and not this government — have all put the case quite strongly that this package does nothing more than undermine what ought to be a proper and appropriately funded universal health care system.
Having said that, the notion that this will somehow improve access to bulk-billing —

Mr Doyle interjected.

Mr ANDREWS — With a very complex and confusing set of arrangements that offer costly but often very small incentives to GPs, how would the general community even know that a general practitioner was in a position as approved under the commonwealth scheme to prioritise those on concession cards? How would you know that when you walked into a particular surgery?

Mr Doyle interjected.

Mr ANDREWS — There is no transparency, no link between the subsidies and no reasonable expectation that bulk-billing rates will do anything other than continue to decline.

As I said at the outset, rather than reinvesting in Medicare, rather than putting money behind the notion that you can go and see your local general practitioner and be bulk-billed after having made your contribution either through the taxation system or in a universal way through a national scheme, the federal government would rather have a situation where you would need a flashlight and a road map to find a GP who has received this incentive.

A working family with two or three kids living in my local community where there has been a 10 per cent decline in bulk-billing and a 10 per cent increase in the gap charge could, if it can find a GP who bulk-bills, see a doctor in a situation where it will have to pay a higher gap or not have access to bulk-billing, but a self-funded retiree who earns any amount of money and is in receipt of a commonwealth Seniors Card will get preferential treatment.

Mr Doyle interjected.

Mr ANDREWS — If you are happy to have and support a situation where a self-funded retiree who is in receipt of a commonwealth Seniors Card gets preferential treatment above a working family you stand condemned for supporting it. It will be a two-tiered system.

It should come as no surprise that these are the first comments made by members of the opposition; the comments from the member for Caulfield are the only comments we have heard from anyone on that side of the house. It is no surprise that the opposition is silent and has not publicly condemned this plan, which will see the gutting of Medicare, set up a two-tiered system and fundamentally establish a set of funding proposals which will cheat this state, which are $300 million below what we will need over the next five years and which take no account of growth at all. The federal government says, ‘Here is a parcel of money for five years for you to provide services; match it and we will hand it over’. It contains no provision for growth in the system that that money is supposed to support over that period. What a disgraceful set of arrangements!

It comes as no surprise that those opposite would support a two-tiered system — two tiers of incompetence, two tiers of absolute neglect of our health system both from the Liberal and National parties in Canberra and the Liberal and National parties in this state. People are well aware of the opposition’s record in providing health services, so it comes as no surprise that it meekly supports these measures when it ought to stand up and condemn its colleagues in Canberra; pick up the phone and say, ‘Don’t do this; don’t gut Medicare; don’t cheat Victorian taxpayers’.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The level of interjection has become far too great. There are three or four persistent offenders this morning, and the Chair is rapidly losing patience with them.

Mr ANDREWS — These arrangements will have a direct impact on public health in this state. The Department of Human Services estimates that if the decline in bulk-billing continues at the present level, and I reiterate that nothing in this package will do anything to arrest the rate of decline, presentations to accident and emergency departments may well increase by 61 per cent — more than 2000 people a day. What that will do is put our hospital system under enormous strain and put at risk the great strides forward we have made in the last three and a half years in cleaning up the mess left behind by those opposite after seven years of abject and criminal neglect of our health system.

All of those important measures, which are confirmed by the recent Hospital Services Report — more nurses, record levels of recurrent funding and record levels of capital funding — are in a situation where they will be put at risk by virtue of John Howard and Kay Patterson’s gutting of Medicare and dudding of Victorian taxpayers.

Mr DELAHUNTY (Lowan) — Last night I had the privilege of attending Melbourne University to hear a debate about public health. I know the minister was there a week or so before. The debate highlighted to me that there is general agreement overseas that Australia,
when compared with overseas countries, has one of the best health systems in the world. That does not mean we do not have room for improvement. I think the debate this morning is not about the recent federal government announcements on health but more about the report released yesterday by the Auditor-General about parliamentary control and management of appropriations. I quickly highlight — —

The DEPUTY SPEAKER — Order! I remind the honourable member that the debate is about Medicare funding and public hospital funding.

Mr DELAHUNTY — I also note that the matter of public importance states ‘increase pressure on Victorian public hospitals at a time that the state government has yet to receive an adequate funding offer from the commonwealth for the existing costs faced by public hospitals’. That is what I am trying to highlight, and it comes back to the report. It is highlighted by an article in today’s Age under the heading ‘Public sector wages take great leap’, which states:

Victoria’s financial watchdog has revealed a massive increase in spending on public sector wages in the three and a half years since the Bracks government won office.

… Auditor-General Wayne Cameron said the government’s use of discretionary funds —

they have done this in the health sector —

to pay for wages growth and other related costs increased from $19 million in 1998–99 to $265 million in 2001–02.

Mr Cameron has repeatedly stated that public sector wage growth threatened Victoria’s budget position …

This is what it is all about. This article highlights again that the Labor government cannot manage our finances; it is a poor money manager and has already blown $1.8 billion left to it by the previous government. Now it wants to blame someone else for its mismanagement.

The federal government has put out its hand to assist this government. A report in the Australian Financial Review yesterday said that the federal government has put out its hand and offered a 17 per cent increase and even more if the state government will contribute. As we have seen on many other occasions, when the federal government puts money into the state, the state government weasels its way out the back door and does not contribute as much.

The Australian Institute of Health and Welfare states that it found that the growth in public hospital funding provided by the states and territories as a whole has not kept pace with growth in commonwealth funding.

Honourable members interjecting.

The SPEAKER — Order! The member for Melton and the Leader of the Opposition!

Mr DELAHUNTY — It states that state funding had fallen from 47.2 per cent in 1997–98 to 43.4 per cent in 2000–01 and that the commonwealth share had risen from 45.2 per cent to 48 per cent over the same period. That highlights the fact that the federal government has increased its amount of money while the state government has weaselled its way out the back door.

We have heard many comments today about whether there is support for the federal government’s programs. A report in the Australian Financial Review yesterday states:

Rural Doctors Association president Ken Mackey estimated that half of Australia’s 7000 rural doctors would take up the 12-month offer. ‘The package will certainly influence some doctors to start practising in rural areas and it will help retain doctors in rural areas’.

The National Party believes it is a good offer at this stage that will help us in country areas.

The debate should be about health outcomes; too often we have seen a debate about finances, which is an important part of this issue. I highlight some examples of health outcomes. I refer to child immunisation. During the time of the last federal Labor government the child immunisation program dropped to one of the lowest levels in the world. During the period of the current federal coalition government it has increased to one of the best in the world. I do not think there is much fanfare about it, but it shows we can increase public outcomes with some good work in relation to processes.

There has been increased pressure on Victorian public hospitals. A recent Auditor-General report highlighted and warned that services would be compromised by the failure of this government, the state government, to fully fund such things as staff wage rises — the two enterprise bargaining agreements, particularly the one that was signed just before the last election — and equipment purchases. We could not even get cooperation from the government in relation to this. We were hearing that medical services, including hospitals, across country Victoria were in financial trouble.

We wrote to the minister eight months ago, asking for the financial status of rural and regional hospitals. It took eight months for the minister to respond, and we were denied access to that information. I highlight again that the Auditor-General’s report said that the
reason for this financial problem was that the government was not fully funding wage rises, enterprise bargaining agreements (EBAs) and equipment purchases.

I refer to the Hume hospital health services plan, which highlights what it is all about in country areas. The Hume hospital plan, which is a 26-page document, was commissioned by the Department of Human Services, and the consultants were Healthwise Consulting. It is fairly important and contains a lot of detail, including maps, and I wish to quote from certain parts of it. The introduction on page 1 says:

The Department of Human Services (DHS) has commissioned this Hume hospital health services plan to guide the provision of hospital services in the Hume region over the next 10 years.

For the information of honourable members, I refer to the plan’s description of the Hume region:

The Hume region is one of nine DHS regions. It includes the local government areas of Alpine, Delatite, Greater Shepparton, Indigo, Mitchell, Moira, Murrindindi, Strathbogie, Towong, Wangaratta and Wodonga.

The plan highlights the government’s intentions. The reason for the commissioning of this health services plan is that the government has mismanaged the financial position of the state and blown $1.8 billion. When the report came out the member for Benalla did an excellent job, as highlighted in a press release headed ‘Sykes — Pike spikes local hospitals’:

Bill Sykes, member for Benalla, today called on Bronwyn Pike to ‘please explain’ the proposal to cut surgical and obstetric services to smaller country hospitals.

Dr Sykes said, ‘In one breath the government talks about sustainable country communities and in the next breath they propose to reduce hospital services …

At that time the president of the Rural Doctors Association of Victoria, Dr Andrew Slutzin, put out a press release dated Monday, 13 April, and headed ‘State health plan will destroy country hospitals’:

Small country towns from Kilmore to Yarrawonga and Numurkah to Alexandra are set to lose crucial services if a plan in the Hume region is implemented.

…

‘Every smaller hospital within approximately 45 minutes of a subregional hospital must phase out obstetric delivery services within just three years!’, a shocked Dr Slutzkin said, quoting from the Hume hospital services plan which was leaked last week.

Not given out, but leaked:

Amazingly this plan is revealed in the same week of the Prime Minister’s major policy announcement to support the health care of rural people.

It is an extensive plan, but I want to highlight a couple of parts of it. I refer to the implementation plan on page 20, which under ‘Strategy’ states:

Local hospitals within 45 minutes motor vehicle travel time of a subregional hospital will phase out theatre services.

They will also phase out obstetric delivery services.

The responsibility for that lies with the Department of Human Services regional offices. This government and the department have their hands wrapped around regional hospitals.

The plan also refers to work force planning, access and the use of technology, and there are some good points in that. One of the key things is to:

Ensure adequate numbers of appropriately qualified and skilled staff are available to meet the needs of rural hospitals.

The announcement by the federal government in the last couple of days goes some way towards addressing that. It provides more funding to train doctors for rural areas, as well as nurses and other health practitioners.

So much for this government’s pledge to retain and improve rural health services. I am sure the Hume hospital plan is also about testing the waters and preparing for major reductions in services in rural areas. Since the release of the Hume plan the board of Rural North-West Health service has been sacked. They have had their problems — —

Mr Nardella interjected.

Mr DELAHUNTY — These are volunteers.

Mr Nardella interjected.

The SPEAKER — Order! The member for Melton!

Mr DELAHUNTY — The member for Melton said they were shocking people. I would like to see him run into some of them: they might be bigger than he is! The reality is that they have had their problems, and the board has had its troubles attracting staff. The major problem, and this has been highlighted, was that as soon as the nurses EBA came through, which included the staff-patient ratios, their financial position went down. Many hospitals in country Victoria are in
financial trouble, and there are also many in the city that are in financial trouble. But it is not the federal government’s problem, it is this state government’s problem. This motion is nonsense.

Mr LONEY (Lara) — The recently announced Howard government changes to Medicare will have a drastic and adverse effect on ordinary Victorian families. The changes will effectively put primary health care out of their reach. This is a very important issue across the state, particularly in my electorate, and it is one that I want to come to shortly and examine in more depth in my contribution.

Firstly, I will look at those changes and what they mean. Their effect will be first and foremost to reduce what was once a world-envied universal safety net system. The changes will place a massive financial impost on low-income families. The irony of that, of course, is that prior to the 1996 federal election these were the so-called John Howard battlers, whom he was going to defend, protect and enhance at every turn — but at every turn they have been abandoned, and these changes to Medicare again abandon them.

John Howard’s battlers are battling all right, and they are battling as a direct result of the policies he has inflicted on them, none more so than in the area of the public health policy. In my electorate the combined effect of a number of public health policy decisions by the federal government has meant that primary health care is virtually non-existent, or very difficult to achieve.

Further, these changes ensure ever-increasing costs for ordinary families who attend the doctor. The federal health minister, Senator Kay Patterson, has said that there will be no cap at all on doctors fees. But what has the federal government done in its normally dishonest way? This bulk-billing mechanism will not show the full cost of doctors’ charges but will hide them. In many cases people attending the doctor will not understand the full fee being charged by that doctor, and they will not understand the increase that has been charged. This is the dishonest mechanism that John Howard has again chosen. If there is one thing John Howard is consistent on, it is dishonesty.

The change will effectively add $1000 a year to the cost of private health insurance for many families, because the federal government has said that you can insure against the gap but that before you can claim it you have to pay $1000 a year in doctors’ fees. That is effectively a $1000 impost on your health insurance costs. That comes on top of constant levies, taxes and charges to fund the health system.

Mrs Shardey interjected.

Mr LONEY — I am glad to have the opportunity to explain this to the member for Caulfield, because she does not understand what is going on. These changes will force many low-income earners to pay doctors with credit cards, because they will not be able to pay any other way. They will have to go into debt to pay for their family medical costs and fees, and they will then have to pay exorbitant interest rates to credit card companies. This is the system that John Howard says is about defending the Howard battlers we have heard so much about. Of course the only alternative for many working families will be to attend a public hospital accident and emergency unit. They will not have appropriate access to primary health care because they will not be able to afford it.

This is particularly the case in my own electorate, and I will talk about that in detail later. Before I do so I draw attention to what has been going on already in areas like mine where we have seen a huge decline in bulk-billing rates over a number of years. Across the federal electorate of Corio just within the last two years, we have seen a decline in bulk-billing rates from 66.9 per cent to 58.5 per cent — a dramatic increase in the decline.

If you go back to the start of the Howard government’s term the figures are even more dramatic. This is highlighted even more in the part of the Corio federal electorate that forms my state electorate, where families are being hit even harder. For the information of the honourable member for Caulfield, on top of a 10.8 per cent drop in bulk-billing in the Goldstein federal electorate and a 10.2 per cent drop over the last two years in the federal electorate of Melbourne Ports, there has also been a 15 per cent increase in the gap. So on top of the fact that many doctors are not bulk-billing there have been huge increases in gap payments. The honourable member might like to wander around parts of the Goldstein and Melbourne Ports electorates and see what can be done about that situation.

In my electorate the neglect of the Howard government has led to a great lack of primary health care. This has eventually led to a disproportionately high attendance level by people living in the Corio northern suburbs area of Geelong at the accident and emergency unit of the Geelong hospital. The reason for that is that we cannot get primary health care in those suburbs. There are not enough GPs in those areas and those located there are not bulk-billing, which is reducing the opportunity for families to access primary health care and for parents to look after their children.
I have made approaches over a number of years to the previous and current federal health ministers seeking more doctors for the area. I did so in the light of some rather interesting statistics. In the Corio area figures show that the incidence of breast cancer in females older than 45, lung cancer in males older than 54, acute myocardial infarctions for both males and females older than 45, suicides by males aged 25 to 34, the incidence of depression in females aged 15 to 24, diabetes in males older than 65, and the incidence of asthma in persons aged 0 to 4 are all at the highest recorded levels for the Barwon area.

In spite of those statistics we still do not have GP coverage. If these figures were applied to any rural, remote and metropolitan area (RRAMA) this would eventually allow us to get more doctors, but of course being in an area that is classified by the federal government as part of the metropolitan area for RRAMA purposes we cannot get those GPs without federal approval. There are some nine doctors in the area, and the federal government says that is enough doctors. The research I have carried out shows that while you might have nine doctors in the area very few of them practise full time.

The northern suburbs of Corio are being treated absolutely disgracefully by a federal government that does not care one iota about primary health care. These people are entitled to a better deal. They are the people whom John Howard marked as his battlers, the people whom he was going to protect and defend and whose lot he was going to improve. He certainly has not done that in this area — the changes to Medicare will make it even more difficult for people in this area to get primary health care. It is a disgraceful situation. It is an untenable situation and one that a government with any conscience and compassion would not have allowed to develop.

We cannot get proper responses from the federal government on this issue. We cannot get primary health care in that area; and it is less expensive to do it that way, as we know. The direct cost of bulk-billing is around $25, yet people in this area are being forced to go to the accident and emergency unit at a cost of about $108 to the health system. This money could be used elsewhere to improve the health of people in Geelong, it could be used to improve the health of our whole community; but we have a federal government that only cares about cost shifting, it does not care about health.

Mr DOYLE (Leader of the Opposition) — I have followed this debate very carefully from its inception. I find it remarkable that this is presented as a matter of public importance relating to Medicare, yet the government apparently has no other frontbenchers apart from the minister to put its case, despite the fact that it argues that this is a most important issue. It seems to me that the other side is arguing that in some way the federally announced package is going to destroy Medicare.

An Honourable Member — Yes, it is.

Mr DOYLE — Hang on, I will get to that.

Assertion and claim are not the same as argument. There are two fundamental principles and pillars of Medicare. The first is universal access to medical services through an 85 per cent rebate of the scheduled fee.

An honourable member interjected.

Mr DOYLE — No, that actually remains. You have to get the facts, not the hype; that actually remains, and the second principle is universal access to free treatment as a public patient in a public hospital.

An honourable member interjected.

Mr DOYLE — No, universal free access as a public patient in a public hospital remains — both key elements of Medicare remain. Let us look at what is actually on the table: a $917 million Medicare package. You may argue that that is not enough and that you want more — we understand that state governments always do that and that state health ministers of both colours always jump up and down and argue with the federal government — but the fact is that it is $917 million. In terms of the Australian health care agreement, that agreement over five years goes from $7.7 billion to $10.15 billion.

An honourable member interjected.

Mr DOYLE — The point is that you may be arguing about the destruction of Medicare, and yet what do we have so far? We have the two basic pillars of Medicare retained and strengthened. We have additions to Medicare and additions to the Australian health care agreement. How in any way does that diminish the health service to Australians? The member for Lara talked about a massive financial impost on the battlers, and he talked about increasing costs. That is what he said — that this package would ensure increased costs. In the contributions from the members for Mulgrave and Lara there was an underlying presumption that in some way the package is a disincentive to bulk-billing.
They may not like the fact that doctors do not choose to bulk-bill, or the member for Lara might not like it that there are doctors in his electorate who do not bulk-bill, but government members have not pointed to a single disincentive in this package, which aims to give incentives to bulk-bill, all of which have been either ignored by the other side or treated as if in some way they are disincentives.

Mr Nardella interjected.

Mr DOYLE — Let me make three points — and I will take up at some length the interjection from the member for Melton. There are three important elements in this package. The first I have touched on, which is that Medicare has received an increase of $917 million and funding for the Australian health care agreement has increased from $7.7 billion to $10.5 billion.

The second — and this was argued by the member for Lara — is about it being a disincentive because it is an impost on the battlers. However, I would argue that a catastrophe-insurance product which applies when they are more than $1000 out of pocket for non-hospital medical expenses would be of benefit to those people, because otherwise there would be no rebate for them. That seems to me to be a great stride forward, yet somehow, it is painted by the members on the other side — —

Honourable members interjecting.

Mr DOYLE — I will come to private health insurance in a moment. We know the government hates the private system. It does not want to work with it, takes every chance to run it down and does not acknowledge its contribution to the fabric of the overall health system.

My next point — and again it was argued by the members for Mulgrave and Lara — is about the claim that in some way assigning the Medicare rebate to the GP is a bad thing because people would not know the cost. Basically the state government is claiming that people are dumb and that they do not understand what is going on when they pay their bills. I reject that notion. But also, and here is the sneaky assertion that is underneath it, the government does not trust doctors. Government members will not come out and say so, but in their contributions the members for Mulgrave and Lara made it patently clear that they believe this is a lever whereby our doctors will rip off their patients. Apparently the minister believes it as well.

The Australian Medical Association will be very interested to hear that, because essentially the message from the government boils down to this: ‘Doctors are greedy and cannot be trusted’. I would have thought that on those three counts: the important initiative of allowing catastrophe cover, the important issue of assigning the rebate — —

Ms Pike interjected.

Mr DOYLE — The minister says she is on the doctors’ side, but apparently she has not consulted with her backbenchers, who patently are not. That might be something they care to resolve privately.

The other point is that this is an interesting argument coming from the state government. Why is this matter before us? What does the government have to do in order to access an enormous amount of money — namely, $10.5 billion? It has to be transparent. What a terrible thing! It has to demonstrate to the federal government — —

Ms Pike interjected.

Mr DOYLE — The minister says that is no problem. Then she should agree to it, because that was not her first reaction.

Ms Pike interjected.

Mr DOYLE — I am sorry. I would go back and look at your initial utterances, because that was not your first utterance about transparency.

The DEPUTY SPEAKER — Order! I assume the Leader of the Opposition is not addressing the Chair.

Mr DOYLE — I certainly would not be, Deputy Speaker.

Let me take up the point mentioned by the minister, and it is about the hatred on the other side of the private health industry and private hospitals. There was a recent Harper report done by Medibank Private — —

Honourable members interjecting.

Mr DOYLE — Both Labor members raised this. They talked about how the $2 billion subsidy actually reduces the burden on the public hospital system and reduces the dependence on public dental services by allowing access to private dental services. I will not go into that, but I hope other members have the time to. I warned of this in my budget speech last year. The performance of the government in dental health has been nothing short of shameful. It was putting in $4 million a year, every year, but it reduced the amount to $1 million a year.

Mr Nardella interjected.
Mr DOYLE — The temperature rises as the guilt kicks in! It is amazing. Government members know that they went from providing $4 million every year to providing $1 million a year. They should just read the budget papers. Government members have been in office for four years, and now they are wreaking among the most vulnerable exactly what the heartless policy of last year was designed to do. It is as simple as that, and they do not like it. They get very touchy about this, and that is because they know they have failed their own. That is what this is about. All of that patina of compassion disappears when it comes to the budget bottom line.

Government members were supine over tolls on Scoresby. You were not here, so I cannot blame you; but you were supine when the budget was cut — —

The DEPUTY SPEAKER — Order! I remind the Leader of the Opposition of his use of certain pronouns.

Mr DOYLE — I will resist the temptation, tempting as it is.

The other argument seems to be that bulk-billing will in some way cease. However, no-one has made the argument about why that will be so. It continues to be available to all Australians, the incentives are available to enable GPs to participate, and under this package bulk-billing will be available in some areas such as the north-east of Victoria for the first time. This is a very important package. Whether it is through private health insurance or through Medicare, Victorians will still be able to access protection from high medical expenses, and it will make those medical expenses and medical services more affordable.

When I looked at this matter of public importance I thought to myself: what is this all about? There are no frontbenchers in here, only a couple of newies and a couple of hacks — so what is this all about?

Dr Napthine interjected.

Mr DOYLE — I am not sure whether they will be doing it in Western Australia, but I will bet they are doing it in New South Wales and Victoria, because Simon reckons he has found an issue and he is going to ask his little friends down here to carry it until it dies of overwork. But this is not an issue and it will not save him. It is not an issue where you can come in here and pretend that there are disincentives or do a Chicken Little and tell us that the sky is going to fall. The government has not made an argument; it has only made assertions. The government has said, ‘We think this is going to happen’ because it wishes to take the worst possible scenario. No-one could look at any of this and say, ‘This is well done’. Medicare and the health care system remain in the firm control of the federal government — —

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

Mr DONNELLAN (Narre Warren North) — I rise as a strong supporter of our current Medicare system. What we have in Australia today is a federal government that is determined to ruin the best medical system in the world — one that has universal coverage, does not discriminate between the rich and the poor and delivers quality health care to all Australians.

In Australia we spend about 8.9 per cent of our gross domestic product (GDP) on health care. We can compare that to the United States of America, which spends 13.5 per cent of its GDP on health and does not even have universal coverage. That is where Australia is heading at the moment. Today’s Australian Financial Review contains an article by Alan Mitchell entitled ‘Medicare still looks sickly’. It says:

John Howard’s fairer Medicare measures are more about shifting costs and conning voters than fairness or anything else.

That is a damning indictment. A fair chance for a better life is what Australians ask of our federal government, and for the government to provide the basic needs of quality health care and education for all.
Why does our Prime Minister utter the words ‘equality’ and ‘a fair go’ but act in a contrary manner — one that discriminates against the weaker members of our society? Couples on $26 000 and families with kids on $41 000 will not have access to bulk-billing services, they will not get a chance for a decent health care system. In my electorate we currently have bulk-billing rates of 65.3 per cent in the federal seat of La Trobe and 77 per cent in the seat of Holt. In 2000 the figures were 77 per cent in La Trobe and 90 per cent in Holt. It has taken John Howard only two years to reduce access to basic health care for the average family in my electorate by 12 per cent plus. That is not a bad record.

We are travelling back to the future, not with Michael Fox but to a time when John Howard was Treasurer in the Fraser government and spent his days killing Medibank and delivering the greatest budget deficit in federal history — some $8 billion. In today’s terms that is over $24 billion. That would buy a lot of health care services.

Since 1996 the average cost of seeing a GP in my electorate has risen by approximately 50 per cent, but that is if you can find a doctor in the Casey municipality. The federal government appears to be intent on starving the residents of Casey of GPs. Since it has been in power — since 1996 — it has comprehensively failed to address the issue of shortages of doctors in rural and outer regional areas. When I drive through James Cook Drive in Endeavour Hills, which is in my electorate, I can see about 10 people sitting out the front of their local GP’s office waiting for service. It is not good enough. A great disappointment for the families of Casey is the fact that they will have to wait seven years for new doctors to arrive under this new system — well after John Howard has finished dividing the country into rich and poor, and between the working poor as against the new migrant.

When I look at the federal government’s proposals for restructuring Medicare I think the Prime Minister must be joking. He is the only one who thinks his reforms will improve or address the current problems; no-one else does. He has hated Medicare all the days of his life. Apart from the Prime Minister tearing apart the fabric of our society, as he has done before, we will be left with a system which is based solely on wealth, not the health needs of our community. I wonder what those members on the other side of the house in their middle-class seats are thinking. Are they thinking, ‘That is another great idea from our Prime Minister.’? They must be looking forward to getting out there and spruiking the benefits to their middle-class families. Maybe they hold some fears, as do Liberal members I have spoken to, who wait for the moment when a mother with a chronically ill kid presents at their front door to explain that she can no longer afford basic health care for her child because it is too expensive under Mr Howard’s ‘A fairer Medicare’ package.

A major problem I see for this state government, and for that matter for future ones, is that we will have an enormous increase of 61 per cent in the number of people attending our emergency departments. I guess that is what we call cost shifting. It is a grubby and dangerous way of doing things. It is a nice way of avoiding responsibility for Australian families and dumping them on the state system, which does not get access to the growth tax of the goods and services tax for some years. These Australian families will remember, because we on this side will never let them forget, that the same man who promised no goods and services tax and no changes to Medicare is the deficit king of Australian politics.
In Australia today a couple earning more than $25,000 and a family earning more than $40,000 are considered rich. Below that level families will be able to get access to a health care card, but above that level you are rich, rich, rich! It is amazing because in my electorate people earning that amount of money find it very difficult to make ends meet. Maybe in Sydney they live off fresh air — maybe they do not need health care. Maybe our Prime Minister simply does not care.

But with this package there is the Demtel kitchen knife bonus option: a family will be able to buy gap cover after they have spent some $1000 going to see doctors. I can hear the families in my electorate saying, ‘Thank you, Mr Howard’. There is also a bonus for self-funded retirees who earn $35,000 a year: they still get access to bulk-billing services. I do not think that is fair.

So, since many of Mr Howard’s special people, Australian families, cannot get bulk-billing services, what will be the result? Apart from succeeding in trying to kill the states’ emergency wards, the proposal will mean that people simply will not go to the doctor. That is what is happening at the moment. Already we have had 1.75 million less visits to GPs than before. That is a startling figure. I can just see the residents of Casey coming to the door. What will I say: ‘It is John Howard’s fairer Medicare system’? They may laugh, but hopefully they will never forget.

They certainly will not forget how many times they have to pay for health care: once with the Medicare levy, once with private health insurance, once with the visit to the doctor, once through the general taxation system and once more, after $1000 is expended, by taking out further health insurance in the form of gap insurance. They are paying for health care five times! Life is certainly not meant to be simple under John Howard. Bring back the days of Mr Malcolm Fraser!

Who is going to benefit from this fairer system? The private health industry? For sure! The same ones who have grown dependent on state-sponsored subsidies — they cannot survive without us subsidising them.

These proposed changes are a disgrace. We will find that many families in the middle class will simply not be able to afford health service for their kids. We are going to have a crisis on our hands. It is not going to work. In my experience, having done financial work for them before, the bonus of $22,000 for doctors who provide GP service will not provide an incentive for having bulk-billing services. It will simply make no difference. John Howard has never liked Medicare. He is stealing our health system, and we will never let the people forget.

**Dr NAPTHINE** (South-West Coast) — This motion is based on two assertions which are patently and absolutely wrong. Assertion no. 1 is that the recently announced changes to Medicare will increase pressure on Victorian hospitals. This is absolutely wrong! Any such assertion shows a complete lack of knowledge and understanding of these proposed changes because the reality is that the proposed changes will actually increase GP service delivery, improve accessibility for lower income people and families, improve access to bulk-billing for those low-income people and families, and reduce pressure on our public hospitals.

Assertion no. 2 in this motion is that the commonwealth has not made an adequate funding offer in relation to the next Medicare agreement. Again this is blatantly and absolutely untrue. I refer to the Prime Minister’s statement on 23 April. I quote:

> Nationally this funding represents a 17 per cent real increase in our commitment to public hospitals …

A 17 per cent per cent real increase, on the table! I will now quote what the Australian Institute of Health and Welfare says about hospital funding in recent years:

> The institute also found that growth in public hospital funding provided by the states and territories as a whole has not kept pace with growth in commonwealth funding, with the state and territory share in total funding falling from 47.2 per cent in 1997–98 to 43.4 per cent in 2000–01 and the commonwealth share rising from 45.2 per cent to 48.1 per cent over the same period.

So we have a situation where commonwealth funding is going up and the state and territories’ input into public hospitals is going down. The commonwealth has offered a 17 per cent increase, which is a very good deal, and all it is looking for from the states is transparency, honesty and a commitment to increase their funding to match commonwealth funding. That seems fair and reasonable.

One has to ask why Victoria will not sign up to it, and the reason is that this state has totally mismanaged Victoria’s funds. It has overspent; it has blown the surplus it inherited; it has blown the increased taxation windfalls it has received from stamp duty, land tax and police fines; and now it is imposing tolls on freeways in the Scoresby and Mulgrave area. In addition, for the first time in a decade it is increasing motor vehicle registration fees. The total and utter mismanagement of the economy by the Bracks Labor government is an absolute disgrace.
It proves once again that Labor governments cannot be trusted to manage Victoria’s finances, because they are absolutely hopeless. Now the government is trying to blame the commonwealth for its own mismanagement of the health system.

I mourn the Labor Party’s position on the changes to Medicare, which reflects the changes that have occurred in the ALP over the past 10 to 20 years. It used to be a party I respected as caring for people on low incomes and people from working-class families. But the Labor Party of the 21st century has deserted the lower income and working-class families of Australia and has sold out to the dual-income latte sippers of Albert Park and the Williamstown wankers! They are who the Labor Party is supporting and whose votes it is after. It is not interested in working-class families. It is not interested in the 7 million Australians who are on health care cards and forms of other assistance.

If the Labor Party really cared about ordinary Victorians and people on low incomes it would recognise that access to bulk-billing GPs is important to them. Unfortunately people across many areas of Victoria — particularly those on low incomes and those who are pensioners on health care cards or seniors concession cards — do not have access to bulk-billing general practitioners. These changes will correct that and provide people in Bendigo, for example, with access to bulk-billing GPs.

As I said, there are 7 million Australians who are pensioner concession card holders, health care card holders or commonwealth Seniors Card holders — in other words, 7 million Australians who are on the lowest incomes right across Australia. They are the people who should have priority in accessing bulk-billing GPs, and these changes will ensure that happens. They will ensure that those people have priority for bulk-billing. They will take away the red tape and will help those people who currently cannot visit a GP because they cannot pay cash up front and have to wait to go around to the Medicare office and get a rebate. Those people from Bendigo and other areas of country Victoria will be able to see a GP, with no cash payment up front. There will be no gap payments for those 7 million people.

I also welcome the fact that the commonwealth government has made a commitment to provide an extra 234 publicly funded places in medical schools for people to work in medical practice in country Victoria.

In the remaining time I will look at how this state government is managing components of the health care system. I take one example — an area that the state has been responsible for since Federation in 1901 — and that is public dental health. In 1999 Labor’s election policy stated that a Labor government would cut waiting times and waiting lists for both general care and dentures. What has happened? The waiting list figure for October 1999 was 139 439, and for February 2003 it was 213 446. An additional 74 000 Victorians on low incomes — people who are eligible for health care cards — are now on the waiting list for public dental services because of the incompetence, mismanagement and fundamental uncaring attitude of the Bracks Labor government.

Mr Nardella interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Melton!

Dr NAPTHINE — The Labor party does not care about the disadvantaged in our communities, and those figures prove it. It is absolutely disgraceful that my constituents have to wait 49 months — more than four years — for dentures from the general public dental service. It is an absolute and utter disgrace. This government, this minister and the previous minister, the current Minister for Environment, stand absolutely condemned. This is one of the most fundamental services for those in most need. If this government really cared, if it was really concerned about the disadvantaged in our community, it would fix the public dental system — but it has gone backwards. It is a disgrace and an embarrassment.

This government ought to stop playing politics with health issues. It ought to get on and do the job. It ought to fix the public dental system, reduce the waiting lists and address the financial plight of country hospitals, which are going from bad to worse. It ought to provide public funding for medical equipment for our public hospitals, the lack of which the Auditor-General has highlighted as a disgrace. It ought to do something positive with the money it inherited from the previous government and the money it is getting from record windfall taxation gains to deliver better public health services in country Victoria.

Honourable members interjecting.

The ACTING SPEAKER (Ms Lindell) — Order! Conversation at the table is not needed.

Dr NAPTHINE — This government is taking the money and not delivering the services. It is about time it stopped playing politics and fixed the health system in Victoria.
The ACTING SPEAKER (Ms Lindell) — Order! Before I call on the member for Preston, I ask for not so many interjections and certainly no conversation across the table.

Mr LEIGHTON (Preston) — I welcome the opportunity to contribute to this debate, because I know that in Preston and in electorates like it one of the most basic needs of ordinary working people is to have accessible and affordable GP services that are located where they need them, when they need them. Increasingly that is not the case. Certainly in areas like Preston people struggle to find a local GP after hours or at weekends, and increasingly they cannot access GPs who bulk-bill.

I know some very decent GPs in Preston and the surrounding areas who have a philosophical commitment to bulk-billing and have attempted to maintain it but who find increasingly that they struggle financially to do so. The other problem is that those people who do offer a bulk-billing service have an enormous demand from patients, and there comes a time during the day when they have to close their books off and say they are not able to see any more patients. It is not satisfying for doctors to provide a 6-minute consultation when it should be a 20-minute consultation; nor is it satisfying for the patient, and it is certainly not good medicine.

I will give Mr Howard credit for three things: the practice nurses are a welcome development; the bonding of the 234 medical students is a good measure, albeit a drop in the ocean; and the package is politically cleverly crafted. While it is cleverly crafted, it is socially harsh policy. Mr Howard tries to sell his package by saying, ‘In future you will not have to spend your lunchtime queuing up at a Medicare office’. What he does not tell you is that if you are working poor, if you are part of a low-income family but not a pensioner or health care cardholder, it will not be a question of queuing up at lunchtime — instead of spending 5 hours in a hospital emergency department you will be spending 8 hours.

One need only look at the emergency department at the Northern Hospital to see the demand on the emergency department from people who need to access GP services; the fact that so few of them are admitted to hospital demonstrates that there is a demand for GP services from that emergency department. I do not believe that this package will do anything to support the sustainability of GPs in areas of work force shortage or in disadvantaged areas — all it does is shuffle them around. Are GPs supposed to run around and identify where the incentive areas are to work?

Mr Howard claims that he is trying to assist outer urban areas. In the north, for instance, where my electorate of Preston is located, the only outer urban area eligible under commonwealth government programs is the township of Whittlesea, which is hardly an urban area. What about the vast new housing estates of areas like Craigieburn? What assistance are they going to get?

The commonwealth government is telling GPs who work in areas of shortage or low-income areas that it is bad luck. Not only do they have to struggle with a massive amount of red tape on top of the rising medical indemnity and quality assurance costs but now they are going to be asked to perform a Centrelink role of trying to assess the patient’s income and social circumstances rather than concentrating on providing good health care.

The president of the Australian Medical Association, Dr Kerryn Phelps, said just yesterday in a written statement:

The government has admitted it is not prepared to pay for Medicare … The people most at risk out of this package will be individuals and families without concession cards who have chronic illness or a number of kids prone to illness — the working poor. These people will fall through the cracks — unless their doctors continue to support them.

The sad thing with so many families is that instead of having doctors practicing good medicine the health care system will be forced to be reactive. What about kids whose families cannot afford to pay for them to go to a GP? We will pay for the damage that is done to them further down the track. Instead of families with three or four kids ill with the flu being able to afford to see their local GP you will have families queued up in emergency departments when they are in crisis.

I want to make a few comments about the 30 per cent health insurance rebate. There is a very interesting report of January of this year to the state and territory health ministers by Dr John Deeble that is well worth reading. He demonstrated quite clearly that the 30 per cent insurance premium rebate has not made health insurance more affordable; all it has done is provide a benefits for the health insurance companies. I want to quote one paragraph from the report. It says in respect to this matter:

That was an extraordinary result. Instead of the leveraged increase which it projected, the commonwealth had simply replaced private funding with over $2 billion of its own, with almost no net gain to the health care system. This was despite a spectacular rise in health insurance membership. And the position will not improve. Much has been made of the 16 per cent increase in insurance benefits last year but the insurers are already seeking premium rises to cover them and the commonwealth will meet 30 per cent of that.
In my view what has been occurring during the life of the Howard government is that Howard, having given a commitment to maintain Medicare but never having liked it, has slowly strangled it, particularly by not increasing the Medicare rebate.

Two things are needed. The first is a realistic increase in the Medicare rebate, something that should occur each year; and the second is that money spent on the 30 per cent health insurance rebate would be much better directed, much better as social policy and much better money spent on the health system if it were directed into Medicare rebates. This package announced by the federal government does not deal with any of the structural problems. It does not deal with work force issues. More than ever low-income working families and single-income families will be directed away from their local GPs and into hospital emergency departments.

When you consider the other things that are occurring, such as the fact that instead of funding nursing home beds the federal government has left many patients to lie in our acute public hospitals, you can see that increasingly the move is away from primary health care. More support needs to be given to families so they can access their local general practitioners. This package does nothing for Howard’s battlers, the people on low incomes and the people of middle Australia.

Mr PLOWMAN (Benambra) — I am delighted to be able to speak on this matter of public importance, because nothing is more important than the delivery of public health services to Victorians, whether they live in urban or rural areas. However, I am particularly concerned about rural communities and the future of public hospitals in country Victoria.

It is an extraordinary scene when you look at the concerns the whole community has about the delivery of public health services, particularly in country Victoria. Waiting lists for elective surgery have blown out. That is one of the most criminal things that can happen, particularly to the aged people in our community. In rural hospitals waiting lists have blown out by a massive 61.5 per cent, which is an extraordinary figure. In December 1999, 455 people were classified as having had to wait too long. After three and a half years of the Bracks Labor government the figures for December 2002 show that an additional 280 patients were deemed to have been waiting too long, taking that to a staggering 735. There are now more patients waiting for elective surgery, with an additional 264 on the waiting list. A total of 2000 rural Victorians who are suffering from ongoing illnesses are waiting for surgery. These are Victorians who, due to unexpected injury or illness, require urgent medical attention.

In December 1999 five patients were waiting on trolleys for more than 12 hours in emergency departments. In December 2002 — —

Mr Stensholt interjected.

Mr PLOWMAN — I am talking about country patients. In December 2002, 497 patients waited longer than 12 hours. That figure has gone from 5 to 497, and that is in the period of the Bracks Labor government. The Minister for Health must stop trying to deceive Victorians, particularly rural Victorians, about the waiting list blow-outs in rural hospitals, as shown in the quarterly Hospital Services Report. It is not time to blame the federal government or the previous state government.

I am more concerned about what is happening in my electorate and in the health district of Hume. A Hume hospital health service plan was commissioned by the government, and I would like to quote some of the strategies in that plan:

Local hospitals within approximately 45 minutes of motor vehicle travel time of a subregional hospital will phase out theatre services.

Local hospitals within approximately 45 minutes motor vehicle travel time of a subregional hospital phase out obstetric delivery services.

Taking away those two major services from the Hume region would put at risk a list of hospitals. I find that absolutely unacceptable, because those hospitals are the lifeblood of those smaller communities. The Benalla and District Memorial Hospital is supposed to provide lower level services, for which the New South Wales equivalent is health delineation level 3. That would mean a substantial reduction in the delivery of services from the Benalla hospital. The plan continues:

DHS to work closely with hospitals to ensure that they have well developed change management strategies.

‘Change management strategies’ means a reduction in the services these country hospitals will deliver. These hospitals, as I said, are the lifeblood of those communities. This government is quite happy to accept the recommendations of the report it commissioned. A further strategy is to ensure:

… hospitals serving smaller communities are made aware of any services delivered by external providers to that community.

The most important strategy, which is of high priority, is as follows:
Level of funding to be transferred annually from a smaller hospital to a larger hospital in order to ensure access to services for its community.

What a load of codswallop! That means that those smaller communities will not have the delivery of services in their areas but will still have to pay for them. The funding from those smaller community hospitals is to go to the bigger regional centres. I contacted representatives from my larger regional hospitals this morning, and they said they are flat chat providing services to meet the growing needs of the bigger regional centres. How can they do both? This is an absolute outrage.

This would sign the death warrants of many of those smaller hospitals. This review was developed on very flimsy evidence — only 10 patients and smaller country hospitals. This review was developed to go to the bigger regional centres. I contacted representatives from my larger regional hospitals this morning, and they said they are flat chat providing services to meet the growing needs of the bigger regional centres. How can they do both? This is an absolute outrage.

The ACTING SPEAKER (Ms Lindell) — Order! I call the member back to the matter of debate.

Mr PLOWMAN — This is a real threat to the delivery of services, which is what we are talking about. We are also talking about the costs being faced by public hospitals, which is the last part of this matter of public importance. What is proposed for these hospitals in the Hume area is indicative of what this government is planning to do with hospitals right across country Victoria. This is a wake-up call for all country communities. It is a warning not only that this government is broke but that, because it does not have the money to fund those smaller hospitals, it is prepared to go to these lengths to reduce the services provided to the communities that rely on them and to make smaller communities rely on centralist services provided by our regional centres.

I respect that obstetrics patients often vote with their feet, and if members of the community wish to get those services in another place, so be it. However, taking those services away means that those very patients — those people who have their babies in regional centres — cannot come back to their local hospitals for convalescence and cannot get the prenatal and antenatal care that is essential. By taking away these services the government is taking away the essential additional services required by these communities. This is an appalling situation.

I would like to touch briefly on the federal government’s Medicare plan and how it will affect country Victoria. The bulk-billing rate has always been low in country Victoria. The new program will increase the rebate to doctors and is therefore designed to increase bulk-billing among country doctors. The additional training places will certainly affect country doctors, country hospitals and country communities. Many of the additional places will result in more doctors practicing in country Victoria and country centres. The shortage of doctors is one of the most critical problems facing country Victoria at the moment.

The new system will also introduce a system of swipe cards to make the payment of accounts simpler for both the patient and the doctor and will provide a one-stop means for payments. This will increase the number of country doctors using bulk-billing and the number of patients able to use it with ease.

I finish by saying that for all Victorians, but especially for country Victorians, the minister must stop blaming the federal government for her government’s inadequacies, particularly in country hospitals and country health services. It is time to start proper negotiations to look after the interests of those country communities. The government must achieve the best outcomes for the health care agreement for the next five years for Victoria and most particularly for those people I represent in country Victoria.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Burwood has 9 minutes.

Mr STENSHOLT (Burwood) — I rise to support the matter of public importance, which expresses our grave concern at the recently announced changes to Medicare and the lack of an adequate offer by the commonwealth of a new hospitals agreement.

This is a grave situation and a grave dereliction of duty by the federal government. The federal health minister is clearly incompetent; the Prime Minister will not even allow her to get up and take the public flack on this one because he does not think she performs all that well. The minister has an appalling record of management of the pharmaceuticals debacle of the last two days. Her behaviour in sorting out that problem by getting the parliamentary secretary, Trish Worth, to front up on the pharmaceutical industry bungle and trying to cover up the proposed changes to Medicare is insidious.

These changes to Medicare take us back to the future. Health is a top priority for this government, and I am happy to agree with the previous speaker that public health is very important, especially in Burwood. It is a top priority because people wanted us to concentrate on
health just as they wanted us to concentrate on schools and public safety. The people in my electorate remember what happened under the last government, when they lost the hospital in Burwood.

Mr Andrews interjected.

Mr STENSHOLT — Yes, it was a bombsite on Warrigal Road, quite frankly. It is a monument to the failure of the previous government. The Burwood hospital had one of the most efficient operating theatres in the state; but no, it was closed down in spite of its effectiveness and efficiency.

The Bracks Labor government has done a magnificent job in respect of our hospitals. A lot of funding has gone into them; the number of new nurses — well over 3000 spread all around the state — is impressive; and we are treating so many more people, particularly in the emergency area. The number of people being treated has been going up by somewhere between 8 per cent and 12 per cent per year. I know that to be a fact at the Box Hill Hospital. I visited there recently and talked to the board. Box Hill is a typical case because of the increased workload in its emergency department, but it is coping very well because health and hospitals are a no. 1 priority for the Bracks Labor government.

The work of the Bracks government is being eviscerated and emasculated by the federal government and its policies. The federal government shows a lack of vision, a lack of action and a lack of ability to understand what is going on. The proposed new arrangements for Medicare put out by the federal government represent a journey back to the future, as I said before. I noticed that John Deeble, the major architect of Medicare, said it is a direct return to the 1960s with similarly discounted pensioner fees but even less cross-restraint than existed then. He said it will give the medical profession all it has dreamed of for a century — universal insurance with no limits on the fees doctors charge most patients.

This is a divide and conquer tactic, typical of the wedge politics the Prime Minister is known for. He does not care about governing for all Australians, but the Labor Party does. The Labor Party is out there supporting all Victorians. That is what we are doing with our hospitals.

Unfortunately the federal government’s policy affects aged care in particular. The federal government is unwilling to make available the appropriate number of places in nursing homes. That puts intense pressure on our hospitals and represents cost shifting by the federal government. We know well the federal government’s Medicare policy — to destroy the centrepiece of our health system in Victoria and in Australia. That policy is anti-Australian: it does not look after the battlers and the ordinary people, and does not look after families. It is a policy of destruction rather than of construction.

And what are people saying about it? I notice that Dr David Rivett, chairman of the Australian Medical Association’s Council of General Practice, said GPs would have rocks in their heads to sign up for this. Tim Woodruff of the Doctors Reform Society of Australia said the care has been taken out of Medicare, and that we are being offered Minicare instead. I know it has been said before by others, but Medicare is now really lack of care; it is saying, ‘I do not care about you or about the battlers in Australia anymore’. That is what John Howard is saying.

The federal health minister is reduced to irrelevance; she cannot even run the regulation of the pharmaceutical industry. That is an absolute disaster that is ongoing. We do not even know what has been withdrawn and what has not been withdrawn.

What are other people saying about it? The president of the Royal Australian College of General Practitioners, whose office is in my electorate, said the package was a bandaid solution and did not address the core challenges facing general practice. There is universal condemnation by the practitioners in the area. As the Minister for Health said, the package will mean more working families will lose access to bulk-billing and everybody will be paying more. Is that a solution for Victorians? Is that a solution to the problems in health? No, it is not a solution at all.

We have already seen a free fall in bulk-billing in Burwood and throughout the state. Figures released on a Federal electorate basis show that in the Federal electorate of Chisholm the changes in bulk-billing over the past two years have resulted in a 6.2 per cent drop, from nearly 83 per cent to 76.5 per cent. You would think the federal Treasurer would have an interest in the health of the people of Higgins. No — there has been a 9.3 per cent drop in bulk-billing, down from 72.9 per cent to 63.6 per cent, over two years. In the Federal electorate of Kooyong there has been a similar drop, from 70 per cent to 61.6 per cent — an 8.5 per cent drop.

This process is destroying the universality of health care in Australia. It is destroying the Australian spirit and the Australian ethos of a fair go for everybody — a
fair go for our mates — and of looking after all Australians. This is what John Howard is proposing. It is un-Australian. He is not looking after the battlers, the families or the health of Australians.

BUSINESS OF THE HOUSE

Parliamentary committees: reports

The ACTING SPEAKER (Mr Delahunty) — Order! The time allocated to debate this matter of public importance has expired. The next matter on the notice paper is the consideration of parliamentary committee reports.

Mr Ingram — On a point of order, Acting Speaker, the next item of business on the notice paper is the consideration of parliamentary committee reports. As no committee reports have been tabled until today we will not have a debate on this matter today, but two papers were tabled yesterday which were government responses to parliamentary committee reports. In the future the house will be able to debate those responses if they relate to committee reports presented to this Parliament. I ask the Speaker to investigate this issue and to pass that on to the Standing Orders Committee. An important part of the work of members of Parliament is to use the committee system to investigate issues. A lot of good work is done through the process.

The consideration of parliamentary committee reports is an excellent addition to the sessional orders, but we could further improve the function of the house if members were allowed to discuss parliamentary committee reports and government responses to them, particularly now that we have set dates for elections so that everyone knows the day of the next election and committees would more than likely table their reports on a set day prior to the election. This issue should be set out in the standing orders because we would not be able to debate committee reports that were presented in the last few weeks of Parliament or the government responses to those reports until the next Parliament. I ask you, Acting Speaker, to pass it on to the Speaker and ask her to refer the issue to the Standing Orders Committee.

The ACTING SPEAKER (Mr Delahunty) — Order! I will take on notice what the honourable member for Gippsland East has said and pass on his comments to the Speaker. There is no point of order.

ESTATE AGENTS AND SALE OF LAND ACTS (AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The bill amends the Estate Agents Act 1980 and the Sale of Land Act 1962 to deliver substantial improvements in the protection afforded to consumers when purchasing real estate and in their dealings with estate agents generally. The bill will also implement a number of proposals arising from the national competition policy review of the Estate Agents Act and will make a number of other amendments necessary for the efficient operation of the legislation.

For most Victorians, purchasing a home is the largest and most significant financial commitment they will make. Home buyers, and indeed other investors in the Victorian real estate market, are entitled to approach purchasing property with confidence, particularly when buying at auction. For this reason, the government is committed to ensuring that the auction process is fair and transparent, and that Victorian consumers and investors can put their hand up at an auction confident that they are not bidding against a tree or a dummy bidder.

The amendments to the Sale of Land Act will introduce new rules governing the conduct of real estate auctions that will ensure fairness and transparency, and which will benefit prospective purchasers, honest vendors and honest estate agents.

The amendments to that act will require that all bids made by the vendor be made via the auctioneer. The auctioneer will be required to declare that a bid is a vendor bid by using the words ‘vendor bid’ when making a bid on behalf of the vendor. The auctioneer will be prohibited from acknowledging a bid that he or she knows was not made or was made by or on behalf of the vendor.

The bill will provide for substantial financial penalties for an individual or corporation who fails to comply with the new provisions. In addition, an estate agent who is found to have engaged in the dishonest auction practices prohibited by the bill could be subject to disciplinary proceedings at VCAT. VCAT could, if it considered it appropriate to do so, cancel or suspend the agent’s licence.

The bill will also give a purchaser who believes he or she has been a victim of prohibited auction practices a
right to make an application to VCAT for compensation for any loss or damage he or she has suffered as a result. The tribunal will be able to order a vendor to pay compensation to the purchaser where the tribunal is satisfied that dummy bidding occurred and that the purchaser suffered loss or damage as a result of that dummy bidding. In order to protect honest vendors from unfounded claims for compensation, a purchaser who is found to have made a vexatious or frivolous application for compensation or a claim without substance could be held liable for any loss the vendor may have incurred as a result of the application.

In addition to creating new rules for the conduct of real estate auctions, the bill also improves consumer protection in relation to sales of residential real estate by private treaty. The bill will remove the $250 000 cap on the right to ‘cool off’ that exists under section 31 of the Sale of Land Act. Given the recent substantial increase in house prices, this cap effectively means that a large number of Victorian home buyers do not have the protection afforded by the right to cool off.

Rather than simply increase the cap, which will again become outdated, the government has decided to extend the protection afforded by the right to cool off to all purchasers of residential land, regardless of the purchase price. The government does not believe that a purchaser should be denied adequate consumer protection simply because the price of the property he or she purchases exceeds an arbitrary set amount. The right to cool off will still not apply to auction sales or to where the purchaser has obtained legal advice prior to signing the contract of sale or has entered into a similar contract with the vendor for the purchase of the same land.

The bill will also amend the Estate Agents Act to prohibit the practices of underquoting and overquoting. It will prohibit an estate agent or agent’s representative making a false representation to a vendor, or prospective vendor, as to the agent’s true estimated selling price of the vendor’s property. This provision is designed to stamp out the practice, engaged in by some dishonest agents, whereby the agent gives the vendor an inflated estimate of the property’s value in order to obtain the vendor’s listing. The bill will require the estate agent to record his or her estimated selling price in the authority or agency agreement signed by the agent and the vendor.

The bill will also prohibit an estate agent or agent’s representative from underquoting the estimated sale price to a prospective purchaser. This provision is designed to stamp out the practice, also engaged in by some dishonest agents, whereby the agent gives prospective purchasers a low estimate of the selling price in order to encourage interest in the property and attendance at the auction. This practice can in some cases result in purchasers spending money on architect or builder’s inspections or on legal fees when in reality the property is beyond their means.

Under the new provisions, the Director of Consumer Affairs Victoria will be able to require an estate agent or an agent’s representative to provide evidence of the reasonableness of his or her estimated selling price. Substantial penalties will apply for a breach of the new provisions and an estate agent or agent’s representative who fails to comply may find him or herself subject to disciplinary proceedings at VCAT.

The intent of these provisions is to prohibit estate agents deliberately underquoting or overquoting. The provisions are not intended to penalise an estate agent who makes an honest mistake about the estimated selling price. Only those estate agents who flout the new laws by deliberately underquoting or overquoting will run foul of the new laws and be subject to prosecution by Consumer Affairs Victoria.

The bill also introduces new requirements regarding advertising rebates and other payments received by some estate agents in relation to outgoings purchased on behalf of their clients. The bill requires that these payments be passed on to the agent’s client. It will be an offence for an estate agent to fail to pass on a rebate to the client or to charge their client more for the supply of goods or services than the estate agent paid to the supplier.

The government is committed to working with industry to improve the quality of services provided by estate agents, as well as ensuring that they comply with their legal obligations. To this end, the bill will establish a framework for the development of a system of continuing professional development for estate agents and agents’ representatives. The bill will amend the Estate Agents Act to require estate agents and agents’ representatives to undertake further training and development activities, designed to improve their knowledge and understanding of the law and their obligations to consumers. Consumer Affairs Victoria will work closely with industry bodies such as the Real Estate Institute of Victoria and the Estate Agents Council to develop an appropriate continuing professional development system, that will benefit individual estate agents and agents’ representatives, consumers of estate agency services and the real estate industry as a whole.
The bill will also enable the regulations to specify consumer protection information that must be given by estate agents to consumers of estate agency services. This information will cover matters such as negotiating the agent’s commission, entering into a contract with an agent to sell or manage a property, warnings about engaging in prohibited auction practices, and advice on underquoting and overquoting, rebates and dispute avoidance and resolution processes. It is hoped that, through the provision of this information, consumers will be better informed of their rights and responsibilities when engaging the services of an estate agent.

The bill makes a number of further amendments to the Estate Agents Act, including:

- amendments resulting from the national competition policy review of the act;
- amendments designed to update the trust accounting requirements to take into account modern accounting software;
- amendments to make the qualifications for auditors of estate agents’ trust accounts similar to the qualifications required for auditors of solicitors’ trust accounts;
- introducing a capacity for infringement notices to be issued for certain prescribed offences; and
- tightening up the provisions regulating the purchase by an estate agent of a property he or she has been engaged to sell.

This bill represents a substantial and significant package of reforms to the laws governing the sale of real estate and the regulation of estate agents in Victoria. Industry and consumer groups, individual estate agents and consumers have been consulted on and have had input into the bill. The key consumer protection measures contained in the bill have widespread community and industry support. The majority of honest estate agents are keen to see dishonest practices eliminated from the industry and will support the bill. The bill will provide increased protection to consumers, will increase consumer confidence in the market and, as a result, will ensure that Victoria has a healthy and vibrant real estate market.

I commend the bill to the house.

Debate adjourned on motion of Mr PLOWMAN (Benambra).

Debate adjourned until Wednesday, 14 May.
Charitable organisations — for example, Lions clubs or other organisations of a similar nature — will be able to apply for exemption permits on total fire ban days to operate cooking appliances. At the moment there is an anomaly where businesses are able to apply for exemptions to run certain activities which would not pose a risk to the community but unfortunately charitable organisations are not able to apply.

Provision will be made for regulations to be established with regard to the use of scatterguns and like activities.

Fundamentally the bill covers a range of issues, but its core is the protection it provides for legal immunity. The bill provides for better and more certain compensation and for civil liability immunity protection for CFA volunteers. As was highlighted during the fires of the last year, we need to ensure that our volunteers are adequately supported and protected in their actions with regard to their firefighting duties. I know of the difficulties faced when fighting a fire. You cannot literally be running around thinking about legal issues every step of the way. If a fire truck has to be driven through a gate the driver should not have to be paranoid about what legal liabilities may be incurred if the last vehicle through that gate accidentally leaves it open and there are issues of stock wandering through that gate.

Even though protection is already provided for the volunteers some legal opinions have indicated that the protection may not be as strong as it should be. As a result we have to make sure that firefighters can act in good faith when they are providing their time as volunteers to support and assist the community with fires. I know that with every fire I have been involved in the wonderful people I have fought with have had the needs of the community in mind and a desire to put the fire out promptly and efficiently. There has never been an attempt to do the wrong thing or to adopt a cowboy mentality. That they respond in such a good manner reflects highly on the CFA training have received.

But even with that there are some concerns. We must ensure that adequate compensation is available to cover people who are seriously injured fighting fires or, as has happened in rare situations, have lost their lives. I believe we need to send a message to all volunteers that we will as a government and a community stand by them. They are giving their time and effort to support the community, and we really need to back them up. They are away from their families and away from their businesses and they will miss important family and community events because they are supporting the firefighting effort.

During the last fires quite a number of people left home for tour of duty after tour of duty, putting great stress on those left to carry the load while they were away. And while they were away they might have had the thought in the back of their minds that the compensation might not be appropriate or there were some legal risks. This bill is really designed to identify some of those problems and deal with them in an appropriate manner.

We are also expanding the eligibility of family members to include dependent spouses, domestic partners and those who need to receive compensation. At the moment the regulations are too narrow in their focus to adequately compensate the appropriate people. This bill will widen the compensatory provisions to better reflect the nature of families today and ensure that those who are drastically affected by a serious injury or death are covered by the more appropriate compensation that will be available.

The issue of compensation for expenses incurred by volunteers is also important. For example, a person might own a $200 watch which might get broken whilst the person is fighting a fire. There are also a range of other expenses that might be incurred because of damage to clothing et cetera. The current $600 limit has been in place for many years. With inflation and increased costs it is obviously time to update the compensation level. Increasing the amount to $1000 in the first instance will realistically reflect today’s costs. It will also let volunteers know that we are supporting them. That is the core principle of this bill.

Another aspect covered by the bill is exemptions on days of total fire ban. Commercial organisations can be granted an exemption from the total fire ban regulations providing they have taken the right precautions to ensure there is no risk. However, this exemption has not been available to charitable organisations. If your local Lions Club is running a sausage sizzle and taking appropriate precautions to ensure there is no fire risk, under the current law it is still not eligible to receive an exemption, but a private company is. What this area of the bill does is put charitable organisations on a level footing with commercial organisations so that they can also engage in fundraising activities.

In conclusion, I commend the bill to the house. It recognises and supports the wonderful efforts of our Country Fire Authority volunteers and will help to ensure that these volunteers remain with the CFA.

Mr INGRAM (Gippsland East) — I want to make a brief contribution to the Country Fire Authority (Volunteer Protection and Community Safety) Bill. I have had a number of discussions with CFA personnel.
regarding the necessary changes to this legislation. It has become obvious that the issue of liability is a very vexed one which has become a moveable feast over recent years. The hierarchy of the CFA has regularly put out directions to the authority’s members outlining the protection provided, and it was assumed until around 12 months ago that volunteers were protected by the existing legislation. There is some concern amongst branch members that, while they are doing their best to provide safety to the community from the risk of fire across Victoria they might still be liable to incur costs while doing that, and the government should be congratulated on introducing these protection measures.

One thing is certain, we will not continue to attract the volunteers we need to provide fire protection across Victoria if they are not protected from litigation when they are performing their firefighting activities. A number of issues still need to be addressed, and at some stage the minister should inform the house whether that protection is available.

One thing that needs to be made clear is when a fire officer, a CFA volunteer or an incident controller is liable. Take for example the recent fires in East Gippsland when the town of Omeo was under significant threat for many days. Although we fortunately had the ability to rotate fire officers in that area, for nearly two weeks that town was under some kind of threat. Local volunteers in that area put in an enormous number of hours. Some would say that in the two days when the fire swept through the town, if a local volunteer was off duty for a couple of hours he would have come back on duty to defend the town. If, for instance, he had been working beyond the hours that are stipulated, is someone then liable because he is involved in an accident due to his tiredness from overwork? Is protection still okay in that instance?

This is an issue that needs to be addressed because it will happen again during major fire efforts. We cannot always rotate fire officers. We do our best, and we get backup from the outer metropolitan brigades, and that is much appreciated.

The other issue is that while we should never encourage it — and I am sure no Country Fire Authority volunteer would attempt to go to a fire situation after having a few drinks — if an incident happened when a member was deemed to be under the influence of alcohol would they be protected by the indemnity provisions in this legislation? As I said, we should not encourage anyone under the influence of alcohol to participate, but you never know. In an emergency someone who thinks they are all right might be called on to attend an incident, and who is to say if they are protected or not? If an accident happens and in hindsight it is deemed that the volunteer was under the influence of drugs or alcohol, what protection is available? We need to ensure that in that instance the senior incident controller is not held liable. These are isolated incidents that would not happen often, but we need to make sure that our volunteers are always protected when they are operating in good faith in fire situations.

The other vexed issue is the compensation and financial implications for CFA volunteers. The matter came up recently during the fire efforts in East Gippsland, where some members were saying that maybe we should be paying CFA volunteers. The overall view was that the volunteers should not be paid. Recently in East Gippsland the fires went for more than 50 days, and volunteers were repeatedly asked to put in a large amount of effort. They were away from their homes, businesses and workplaces for extended periods. In my view, we do not need to pay for volunteers to fight fires, but when they are asked to put in for long periods and there is an impact on their businesses and their financial circumstances at home, it needs to be considered. In Omeo, for example, the volunteers were expected to put in for an extended period; they wanted to be there, but in some instances that had a major impact on their family budgets. We need to take that into consideration.

I am not sure how we deal with that, because we want to maintain a volunteer ethos; and the state cannot afford to pay for the dedicated work that CFA volunteers put in.

I would like to congratulate the government on bringing in the legislation, which is a necessary step in protecting the volunteers. The discussions I have had with the CFA indicate that it fully supports the bill. However, I would like to see some of the issues I have raised looked at in the future.

Debate adjourned on motion of Mr PLOWMAN (Benambra).

Debate adjourned until later this day.

MURRAY-DARLING BASIN (AMENDMENT) BILL

Second reading

Debate resumed from 26 March; motion of Mr THWAITES (Minister for Environment).

Mr PLOWMAN (Benambra) — It gives me great pleasure to speak on the Murray-Darling Basin
(Amendment) Bill, because it embraces the agreement between the three states of New South Wales, Victoria and South Australia and the federal government and is about the way we manage the water within the Murray-Darling Basin. The arrangements between the states exclude Queensland, although the Murray-Darling Basin agreement includes the state of Queensland — but I will come to that later.

In effect the Murray-Darling Basin Act 1993 is being amended in order to approve and give effect to the agreement between those three states and the commonwealth of Australia to amend the Murray-Darling Basin agreement.

The bill shows clearly the background to the legislation. On 24 June 1992 the commonwealth government and the governments of New South Wales, South Australia and Victoria entered into the Murray-Darling Basin agreement, which was ratified by the parliaments of all those states and the federal Parliament. The state of Queensland became a party to the principal agreement on the terms and conditions set out in schedule D of the principal act. It provides that certain parts of the principal agreement do not apply to Queensland.

The bill adds schedule G to the principal act, its purpose being:

… to make arrangements for sharing between New South Wales, South Australia and Victoria of water made available in the catchment of River Murray above Hume Dam by the Snowy scheme.

We are talking about releases of water from the Snowy scheme to the Murray catchment above the Hume Dam to allow increased environmental flows to run down the Murray and to make arrangements so that there is protection in respect of those increased flows for the environmental flows going down the Snowy and for each individual state in respect of the sharing arrangements between Victoria and New South Wales.

I will speak mostly about schedule G, because it is the essence of this bill. As I said, the purpose suggests that the schedule is to make arrangements for the sharing between the three states — Victoria, South Australia and New South Wales — of the water being made available in the catchment of the Murray River above the Hume Dam from the Snowy scheme.

The bill is complex — as complex as the arrangement is complex. There are 43 definitions — I will not go through them — all of which need to be understood if you are to understand the further parts of the calculations. The calculations look like a legal agreement and are set out in a sort of legalese manner which makes them hard to understand. The only way to understand it clearly is to fully understand all of those new 43 definitions and to include them in the principal agreement.

This agreement changes the principal agreement. I note the ninth item, the definition of the Mowamba borrowings account, which means:

… the water account to be maintained by the Licensee under the Snowy Water Licence to account for flows made under the Snowy Water Licence from the Mowamba River and the Cobbon Creek in the first three years after the Corporatisation Date …

This accounts for the initial flows going down the Snowy. As you would appreciate, Acting Speaker, those initial flows are at a maximum of 38 gigalitres per year for those first three years, and those first three years of flow incur a debt to the system. The debt is virtually on the basis of the debt of the Mowamba borrowings account, and the debt will increase at that rate if 38 gigalitres are put down the Snowy River each year for those three years. It will increase to the total of that after three years with the subtraction of the amount of savings that can be achieved by the state.

To date to my knowledge there have been no savings that can offset the amount of water that is going down the Snowy, and on that basis as every year progresses that account will grow. The original agreement says that if that borrowings account is not matched by savings then the agreed amount of water to flow down the Snowy — the 38 gigalitres — cannot be increased. This is the catalyst to the whole arrangement for the Snowy flows.

It is important to recognise that this government has allowed a situation to occur wherein it let a water debt build up, in much the same way as it let the state’s financial debt build up, without ever recognising that unless it meets that debt it cannot increase the flows down the Snowy above 38 gigalitres. That being the case it cannot meet the promise it has made to the member for Gippsland East and to the whole community that those environmental flows will increase to the amounts it has promised — 21 per cent and then 28 per cent.

The bill then goes on to the calculation of water volumes. I will not try and explain how those calculations occur except to say that the Snowy scheme and the Murray River have a calculation, which is the water available to the Snowy-Murray development. It means the water of the upper Snowy River regulated by the Snowy scheme, plus water from the Geehi River and the Bogong Creek, plus the Snowy notional spill,
transfers from the Snowy-Tumut development, 4.5 gigalitres is transferred from the Snowy-Tumut development and half the balance of the Mowamba borrowings account — I go back to the need to see what that borrowings account develops to over the next three years — minus the Snowy notional spill from the Snowy-Murray development. This shows the complexity of it. To the layman that is impossible to understand. I notice that everyone from the gallery has left because obviously they found it too difficult to comprehend.

Mr Mulder interjected.

Mr PLOWMAN — It does indicate the complexity of the bill.

The calculation of water volumes goes on to note that the agreement is for the net Snowy-Murray development diversions to the Murray River, the water available to the Snowy-Tumut development, the excess Snowy River releases, the Snowy River release shortfalls, the accounting for water releases, the entitlements of New South Wales and Victoria to use water, the water estimated to be under the control of the commission, the allocation of the water to New South Wales and Victoria, the tributary inflows and the use by New South Wales and Victoria of allocated water.

All of these are the different arrangements in the accounting mechanism for calculating the water volumes to go down the Murray, down the Murrumbidgee or down the Snowy. As I said, it is a highly complex set of arrangements. This agreement allows for additional flows to go down the Murray by increasing the environmental flow of water from the Snowy scheme.

The next important part concerns the translation factors in each Snowy-Murray development (River Murray) environmental entitlement. I will read a few extracts which indicate what those translation factors are:

(1) New South Wales and Victoria each transfer water savings and water entitlements to its respective Snowy-Murray development (River Murray) environmental entitlement in accordance with translation factors agreed between each of them and the commission.

(2) New South Wales, Victoria and the commission must ensure that:

(a) the translation factors are determined in a manner consistent with the principles used to determine exchange rates in the relevant water market at the time of each transfer …

(b) the use of translation factors to transfer water savings and water entitlements to a Snowy-Murray development (River Murray) environmental entitlement will not have an adverse impact on:

(i) the level of reliability of entitlement to water diverted from the River Murray system, the Murrumbidgee River system and the Goulburn River system …

It is important to note that the translation factors cannot have a significant adverse impact on the entitlements from those diversions from the three systems.

There must also be no adverse impact on the environmental benefits related to the quality and timing of the water flows in the River Murray. The bill should also take account of the seasonal availability of the entitlements to be received during the water year as well as the water quality in the River Murray in South Australia, thus protecting South Australia.

The apportionment of environmental entitlements is another important issue in the bill. New South Wales and Victoria must notify the commission of how each environmental entitlement has been apportioned between the Snowy and the Murray. In respect of valley accounts:

(1) New South Wales or Victoria … must notify the commission of the volume and reliability of the entitlement requirement to be added to the relevant valley account to generate the environmental entitlement.

This must in turn have an impact on the long-term diversion caps, which is again indicated in the bill:

(1) Prior to New South Wales or Victoria transferring either or both of water savings and water entitlements to an environmental entitlement, the relevant state must calculate the equivalent volume by which its long term diversion cap must be reduced.

(2) … the relevant state must advise the commission of its calculation as to the volume by which its long term diversion cap must be reduced.

…

If the commission is not satisfied with the appropriateness of the calculations advised under that, the commission must arrange for the relevant volume referred to be recalculated in consultation with the relevant state.

As I see it, it means that as each state determines how it is going to achieve the savings it must achieve in order to meet the requirements for the increased flows down the Snowy or the Murray, the calculations have to be checked by the commission. I was interested to note, when considering the decommissioning of Lake Mokoan to meet some of those savings, that the state
government suggested that savings of the equivalent of 41 000 megalitres each year would be available by way of reductions in evaporation. In fact in all probability that figure would be closer to 20 000 megalitres per year. It would be interesting to see whether, if Lake Mokoan were decommissioned — which I strongly oppose — the calculation would show a saving of 41 000 megalitres, as the state government suggested. I suggest that the commission would be highly unlikely to accept that as a reasonable figure. I suggest that the 41 000 would be reduced to something more like 20 000, which is more in line with what that saving would be.

If that is one of the major planks in the saving of water to meet these environmental flows, it throws up the fact that many of these figures are hypothetical and that the actual amount saved will fall a long way short of what is required and certainly a long way short of what is promised.

I will quickly run through the basics of the bill and the need for it. As I said, the bill deals with the new arrangements for sharing the water made available to the River Murray from the Snowy scheme, principally between New South Wales and Victoria, while also giving security to South Australia.

The bill removes references to the Snowy Mountains Hydro-Electric Authority, which has been corporatised, and therefore those elements dealing with the old authority are eliminated from the bill. It determines the respective allocations of water from the Snowy scheme and the increased environmental flows to the Murray. It also says that if New South Wales fails to meet its obligation to provide environmental flows to the Snowy or the Murray River, Victoria’s water rights will be protected, which is important for those irrigators who rely on this arrangement to look after their interests.

It transfers water savings and purchases to environmental entitlements, and in so doing means that any of those environmental entitlements will then reduce the Murray-Darling Basin diversion cap. It establishes new water modelling and accounting systems in order to meet the changed agreement between the states on those environmental flows.

Despite the fact that the bill is complex, it leaves a lot unsaid about how these savings are going to occur, and that is a fundamental side to this argument. It is one thing to bring into law an agreement between the states as to how the savings from the Snowy scheme are to be delivered to both the Snowy and the River Murray, but unless we can see the practical means by which those savings will occur, the bill will achieve little in respect of the requirement to meet those commitments.

As I said, the Murray-Darling Basin cap will be reduced. It is my belief that the savings will not be met in the time required by the states. If they are not met, the states will be required to take water from the surplus water which is currently called the sales pool in order to meet the requirements or go into the market and buy water entitlements. Neither is acceptable to the industry, and neither is acceptable to the opposition.

Sitting suspended 1.00 until 2.03 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Roads: funding

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. I refer the Premier to the 3-cent-a-litre levy on petrol used to fund road projects collected from Victoria’s $3.5 million motorists, and note that in 2001–02 not one new road project was funded from that levy. I ask: why would Victorians believe that the Premier’s $240 million car registration slug will go to road projects rather than plugging his budget black hole?

Mr BRACKS (Premier) — I thank the opposition leader for his question. In answering the question about motor registration fees going up by $17 in order to fund the better roads trust, I am very heartened by some of the comments of some opposition members on this matter, in particular the member for Polwarth, the shadow transport minister, who today quite correctly and rightly nailed the issue directly. He said:

… if the money does go to road-related activities, well, the government may well be able to come out and at least claim that they’re trying to do something sensible with the revenue.

I agree with him. I indicate that I support those comments from the shadow minister, the member for Polwarth. This is a sensible policy. It will go to improving roads in the growth areas of Melbourne and in country areas. Initially, $10 million will go to making sure that we can reduce the country road toll. It is sensible, and I welcome wholeheartedly the support of the opposition. It will make a difference to meeting growth in the outer suburbs and improving roads, and it will make a difference in bringing down the country road toll.
Budget: initiatives

Mr MILDENHALL (Footscray) — My question is to the Treasurer. Could the Treasurer advise the house how the Bracks government is continuing to produce budget surpluses, reduce the state’s net debt — —

Honourable members interjecting.

The SPEAKER — Order! The member for Scoresby!

Mr MILDENHALL — How will it do this and still deliver in the core areas of health, education, community safety and the environment?

The SPEAKER — Order! The question is very broad, so I ask the Treasurer, in responding to it, to relate it to current matters.

Mr BRUMBY (Treasurer) — I was just reminded that the budget is next Tuesday!

On this side of the house we are very proud that the Bracks government has produced budget surpluses for every year we have been in office. The reality is that despite unprecedented domestic and international challenges, we have delivered strong budget surpluses every year since 1999, and we will deliver strong budget surpluses every year going forward.

Few governments around the world can match that — Peter Costello cannot match that — but we have been doing it year after year in Victoria. All of the independent analysts, whether it be Moody’s Investor Services, Standard and Poor’s or any others, give Victoria a AAA credit rating, the best you can get. That has been delivered under the Bracks government.

Mr Wells interjected.

The SPEAKER — Order! The member for Scoresby will cease interjecting.

Mr BRUMBY — The government is also pleased that over the past five years Victoria has achieved stand-out economic performance. Our average gross domestic product growth has been 4.8 per cent per annum — a full percentage point above the Australian average. That means that the Victorian economy has become almost 25 per cent larger in real terms in the past five years — it has grown by a quarter in real terms. It has been an exceptional performance.

The fact of the matter is that the Bracks government produces surpluses and puts them to work in the interests of all Victorians. When I hear the Leader of the Opposition and other members opposite ask ‘Where’s the money gone?’, I am happy to answer the question: it has gone into 3300 additional teachers and support staff; it has gone into thousands of additional nurses in our hospitals and cutting hospital waiting lists; and it has gone into 800 additional police. Where has the money gone? It has gone into nurses, it has gone into teachers and it has gone into police. Does the Leader of the Opposition — —

Mr Smith — It is gone!

The SPEAKER — Order! I have already warned the member for Bass today. I shall not warn him again.

Mr BRUMBY — We can assume from that that the opposition is opposed to this — or have you lost your voice? You have lost your voice!

The SPEAKER — Order!

Mr BRUMBY — You have lost your voice!

Honourable members interjecting.

The SPEAKER — Order! I remind the Leader of the Opposition that it is customary for members to cease interjecting when the Chair is on her feet. I ask him to do so or I shall remove him from the chamber. I remind the Treasurer that when the Speaker says ‘Order’ it is appropriate for the minister to cease speaking and to listen to what the order is. I ask the Treasurer to relate his comments to current conditions rather than giving a review of the last few years in office and warn him that his time is expiring.

Mr Wells interjected.

The SPEAKER — Order! I warn the member for Scoresby.

Mr BRUMBY — The question ‘Where has the money gone?’ is also asked. Some $1.5 billion has been placed in the Growing Victoria infrastructure reserve, building schools, building hospitals and building the fast rail links to the regions. We have also — —

Honourable members interjecting.

The SPEAKER — Order! The member for Mornington! The member for South-West Coast! I ask members on the government side to cease interjecting.

Mr BRUMBY — We assume from that that the opposition also opposes those projects.

We have also seen net debt reduced from $4.9 billion to $2.4 billion as at June 2002 — $4.9 billion to
$2.4 billion, a substantial reduction in net debt. The question is: is the opposition opposed to this as well? We have also seen $1 billion paid into business tax cuts. From 1 July this year we will see a further reduction in payroll tax from 5.35 per cent down to 5.25 per cent.

The government has done all those things. We have produced surpluses, we have improved services, we have paid down debt and we have increased infrastructure spending, and we have done all that while producing a budget surplus.

This year’s budget does have some challenges. There are difficult international challenges. I will just read something about this year’s budget — I will quote this:

It is a hard budget. A bad international economy, the worst drought in 100 years, and a war.

Guess who said that? Peter Costello — your mate!

Mr Perton — On a point of order, Speaker, I suggest that the Treasurer’s time has expired, and he is debating the question, in any event.

The SPEAKER — Order! Indeed. I ask the Treasurer to wind up. I also ask him to address his comments through the Chair.

Mr BRUMBY — We endorse those comments. It is a challenging environment — and we will be producing budget surpluses. In the circumstances of a challenging budget people always ask, ‘Will this be in; will that be in; will you rule something in; will you rule something out?’. You do not do that until the budget. The budget will be delivered next week and we will make the decisions about that at that time.

Honourable members interjecting.

Mr BRUMBY — If I can just conclude: as I said, we have produced the surpluses every year, they have been strong surpluses and they will be strong surpluses going forward. We have paid down debt, we have improved services, we have doubled infrastructure funding and we have cut business taxes by $1 billion a year. It has been a strong performance with record economic growth, and we will be seeking to replicate that in the years ahead.

Regional Infrastructure Development Fund: projects

Mr RYAN (Leader of the National Party) — My question is to the Minister for State and Regional Development. Will the minister assure the house that the $50 million unallocated in the current Regional Infrastructure Development Fund will not be expended in the nine metropolitan interface councils?

Mr BRUMBY (Minister for State and Regional Development) — I thought this would have been made abundantly clear in the questions that I have had in Parliament on this in the last two weeks. I think I have had two questions on the Regional Infrastructure Development Fund, a great success of the Bracks government.

Two weeks ago I also introduced into the house amendments to the RIDF to enable the expansion of natural gas throughout country Victoria. We promised $70 million at the last election to expand natural gas. There will be expansions throughout regional Victoria and in some of the rural areas of the fringe councils. Let us be clear about this: that is the government’s commitment. On the other side of the house, there is no Regional Infrastructure Development Fund but privatisation of the gas industry. Read the speeches of the Leader of the National Party who opposed — —

Mr Ryan — On a point of order, Speaker, on a question of relevance, the issue relates to expenditure from the current Regional Infrastructure Development Fund — it has nothing at all to do with the new fund. It is the current Regional Infrastructure Development Fund to which this question is directed.

The SPEAKER — Order! I overrule the point of order at this stage. I understand the Minister for State and Regional Development was attending to that matter.

Mr BRUMBY — As I said yesterday, $130 million of the fund has been committed to date. A number of projects are under consideration at this point in time and, as I have made very clear publicly time and time again for the Leader of the National Party, the $50 million will be fully committed by 30 June this year. The forward commitment in relation to natural gas relates to increased funding to be provided through the fund in the future.

All that we are seeing today from the National Party is something between sour grapes and scaremongering: sour grapes because it never had the gumption to introduce a Regional Infrastructure Development Fund — the National Party never had the gumption or the backbone to do it — and scaremongering because the Leader of the National Party knows that the assertion he has made today is untrue. He knows that is untrue, he continues to make it, and he should apologise for his scaremongering.
Medicare: reform

Ms MARSHALL (Forest Hill) — My question is to the Minister for Health. Will the minister advise the house of the action the Bracks government is taking to properly assess the effects of the federal government’s proposed changes to Medicare and their impact on the Victorian health system?

Ms PIKE (Minister for Health) — I thank the member for Forest Hill for her question. Today I can inform the house that I will be asking the Family and Community Development Committee to conduct a parliamentary inquiry into the impact of declining bulk-billing rates on the state’s health system and on Victorian families.

This parliamentary committee will investigate firstly, amongst other things, the increase in patient presentations to public hospital emergency departments in Victoria since 1996 and the extent to which this includes providing types of medical services that normally would be provided by a general practitioner in a primary care setting; and secondly, the causes of increased presentations to public hospital emergency departments in Victoria since 1996, including difficulties in patients gaining access to bulk-billed and after-hours GP services. There are a range of other references.

The government has initiated this inquiry because it knows, of course, that there is a strong connection between all the different aspects of our health system, some of which are funded by the state and some by the commonwealth. The commonwealth cannot stand up there and desegregate the health system by initiating policies in one area and somehow think that is going to have absolutely no impact on the public hospital system.

We know that bulk-billing rates have been in freefall for some time, plunging from above 80 per cent to now below 70 per cent. We have had a look at a whole range of different areas, and in the federal electorate of Dunkley, which includes Frankston, there has been a decline of 29.8 per cent in bulk-billing rates since 2000. The percentage of people who are bulk-billed in Dunkley is now only 48 per cent. When we have that happening on one side we know it has to have an impact because anybody who thinks the hospital system is not connected is rather foolish.

The impact is this: there has been a 15 per cent growth in the number of primary care patients attending public hospitals — that is, from 370 000 in 1998–99 up to 427 000 in 2000–01. Primary care patients, those patients who really ought to be going to their GPs in any other circumstances, now make up around 50 per cent of all patients coming to emergency departments. We have estimated that if we really have to factor in the increasing cost of treating these patients in our public hospital system the figure is around $1.93 billion over the life of the next Australian health care agreement.

Clearly the federal government has presided over this dramatic decline in bulk-billing, which, as we already know and as has been clearly demonstrated, has an impact on our community by increasing the number of people who are forced to go to the emergency department of their local hospital because that is the only place where they can get free or affordable health care.

To add insult to injury the Howard government has now siphoned $1 billion out of the new health care funding offered to the states to finance this $917 million so-called Medicare reform package. It has taken money away from the public hospital system, which is already bearing this extra demand, and forced it into this so-called fairer Medicare package — not! — so that it can prop up some of its flawed policies.

Virtually every commentator in Australia, including every single health care group, is laughing at this package; they show absolutely no confidence in it. In fact to date I have heard of only one group of people supporting John Howard’s new Medicare package, and that is the Victorian opposition.

Mr Honeywood — On a point of order, Speaker, on the question of debating, we have heard the minister ad nauseam on this matter this morning in debate on her matter of public importance. She is repeating herself. I put it to you that she has been going for 5 minutes and is already at the limit of a normally acceptable answer from a minister.

The SPEAKER — Order! It seems there are two points of order there. I overrule the first one, but in relation to time the minister should conclude her answer now.

Ms PIKE — Thank you, Speaker. This parliamentary inquiry is going to be very valuable for us because it will clearly demonstrate to Victorians that John Howard and his government, with the tacit support or approval of the Victorian opposition, cannot really tamper willy-nilly with one aspect of the health system and then somehow expect that — —

Mr Doyle interjected.

Ms PIKE — The Tampa is your problem!
The federal government should not be able to tamper with one aspect of the health care system and not expect it to have a significant and detrimental impact on ordinary Victorian families. They are the ones the Victorian government is concerned about; they are the ones the Bracks government is supporting — —

The SPEAKER — Order! I ask the minister to conclude her answer.

Ms PIKE — The government is supporting them through significant investment, and we will certainly rise to meet the challenges in health care into the future.

Eastern Freeway: extension

Mr MULDER (Polwarth) — My question is to the Premier. I refer the Premier to the $255 million left by the previous government in the 1999 state budget earmarked specifically for the Eastern Freeway extension. Given the admission by government spokesperson, George Svigos, that this money has been redirected, where has that money gone and will there be provision in next week’s state budget for this project, as has been the case for the last four years?

The SPEAKER — Order! I rule the last part of the question out of order, but the Premier may answer the first part of it.

Mr BRACKS (Premier) — On the second matter of what is in the budget, I urge the member to wait till 6 May to find out what is in the budget.

On the first matter, it is interesting to note that when questioned on where as a shadow minister he would use new funds gained, the member nominated roads in the Colac-Otway shire, the Corangamite shire and the —

Mr Mulder — On a point of order on the question of relevance, Speaker, I asked where the $250 million had gone. Where have you lost it?

The SPEAKER — Order! I ask the member to resume his seat. There is no point of order; the Premier has barely started speaking.

Mr BRACKS — The Better Roads Trust Fund, which the member is referring to, will be boosted — —

Mr Wells interjected.

The SPEAKER — Order! I will not warn the member for Scoresby again; he will be removed from the house.

Mr BRACKS — The Better Roads Trust Fund, which the member is referring to, has been boosted by some 30 per cent by the decision the government has made, which gives us more flexibility — —

Mr Honeywood — On a point of order on the issue of relevance, Speaker, we are not talking about Better Roads funding. The question related to the $250 million allocated for the Eastern Freeway extension. It has nothing to do with the Better Roads Trust Fund.

The SPEAKER — Order! There is no point of order. The Premier has been speaking for barely 60 seconds, and such points of order are unhelpful.

Mr BRACKS — While I cannot comment on interjections, although he raised it as a point of order, the member is incorrect. The money allocated for the project was from the Better Roads Trust Fund, which will be increased by 30 per cent in the future, which will give us the flexibility to operate the fund.

Schools: numeracy programs

Ms LINDELL (Carrum) — My question is to the Minister for Education. Will the minister advise the house of the results of the Bracks government’s investment in numeracy programs for Victorian students?

Ms KOSKY (Minister for Education and Training) — I thank the member for Carrum for her question and her interest in numeracy in our schools in Victoria. When we came to office the numeracy results for Victorian students were particularly worrying. They were not good at all. In fact the LAP/AIM data for 1998 showed that for years 3 and 5 almost half of Victorian students did not reach the appropriate target. It was an appalling situation that we needed to address, and that is what we did immediately. Something needed to be done, and we have done it.

Last Monday the Premier and I announced the lower prep-to-grade 2 class sizes, which demonstrate the results of our investment of over $180 million in extra teachers in order to ensure that numeracy and literacy in those early years were improved. We also allocated $34 million — —

Mr Perton interjected.

The SPEAKER — Order! I ask the member for Doncaster to cease interjecting. The Minister for Education, without interjections from the member for Doncaster.

Ms KOSKY — The government allocated $34 million to support the early years numeracy programs, and we now have an early years numeracy
coordinator in every primary school around the state. So every primary school has a training coordinator.

In the middle and later years of primary school and also in secondary schools we have numeracy coordinators who have been trained to build on the strengths of the early years programs. We have put in the resources and put in the programs, and we are now seeing the results. By 2002 the year 3 figure I mentioned had risen from 55 per cent under the Kennett government to 69.4 per cent. We have seen incredible results in a short space of time. The year 5 figure has increased from 56.6 per cent to almost 62 per cent — a fantastic result.

The latest data from the national numeracy benchmarks indicate that Victoria is well above the national average. Our programs are based on extensive research, and we know things are now working in relation to improved numeracy in our early years. We are seeing the results.

Today the member for Doncaster released his numeracy discussion paper. What did he base his analysis on? Literacy funding! So his numeracy program and policy were based on literacy funding! On seeing the worrying numeracy results, did the Liberal Party invest in numeracy programs when it was last in office? It invested nothing in numeracy programs, not a cent. The Kennett government had a huge surplus at the time, but it invested in nothing for the kids in our schools, yet now the opposition complains. We guarantee that our commitment adds up. Additional resources and additional programs equal much better results.

Ms KOSKY — It would help of course if the member for Doncaster could get a question up. There is one thing for sure: if you take the honourable members for Hawthorn, Brighton, South-West Coast and Malvern, you see that four into one does not go.

Mr Perton interjected.

The SPEAKER — Order! If the member for Doncaster wishes to raise a point of order he should await the call and then address the matter, not stand their yelling. Does the member have a point of order?

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

The SPEAKER — Order! I uphold the point of order and ask the minister not to debate the question but to answer it.

Ms KOSKY — The government has made a major commitment to numeracy programs in our schools. We have the results, and our students are very happy with them. One thing is for sure: four contestants into one leadership position does not go.

Seal Rocks Sea Life Centre: legal action

Mr SMITH (Bass) — I address my question to the Premier. I refer him to his unconditional pledge that he would abide by the arbitrator’s findings in the Seal Rocks fiasco, and I ask: who is responsible for the decision to appeal the arbitrator’s findings to the Supreme Court, and how much has it cost Victorian taxpayers?

Mr BRACKS (Premier) — I very much welcome the question and inquiry from the new member for Bass. The appeal was twofold: not only did the government appeal, but the Seal Rocks operator appealed. In fact the Seal Rocks appeal was about seeking damages of more than $400 million for future economic loss, which was rejected by the Supreme Court in its decision.

I also welcome the question from the member for Bass because he would be aware, being a long-time member of Parliament, that the situation goes back to 5 July 1995, when we can only hope — —

Mr Perton interjected.

The SPEAKER — Order! The member for Doncaster will cease interjecting. The Minister for Education, addressing her comments through the Chair.

Ms KOSKY — The opposition’s record is based only on subtraction and division.

Mr Perton — On a point of order, Speaker, the minister is clearly debating the question. If the minister wants to make a ministerial statement and have a fully fledged debate, she is entitled to do that; but at this stage she is only entitled to answer on government administration and not to debate the question. I am happy to debate the minister at any time, in any place.

The SPEAKER — Order! The last part of the point of order was out of order. I do not uphold the point of order at this stage. I understand the minister to be outlining the improvements in numeracy under her tutelage.

Mr BRACKS (Premier) — We can only hope that the then Treasurer, the Honourable Alan Stockdale, would have
taken the advice he received from his Department of Treasury and Finance.

That advice on 5 July 1995 was quite clear — and the member for Bass might be interested in this matter as well. The advice to the then Treasurer was:

We are concerned about the risk to government on this project due to the dubious commerciality of the … proposal from Seal Rocks Victoria.

Mr Smith — On a point of order, Speaker, I refer to relevance with regard to this issue and the fact that the Premier is debating the issue. I asked a specific question. That was: whose decision was it to appeal the arbitrator’s findings and how much has it cost the Victorian taxpayer? That is all I wanted — not a debate. I would be happy to debate you any time!

The SPEAKER — Order! I will not take points of orders from members if they do not put them in a proper form. It is not an occasion for the member for Bass to enter into debate on the matter. I overrule the point of order.

Mr BRACKS — Thank you for your ruling, Speaker.

The advice to the Treasurer at that time goes on to talk about the particular matters which the Treasurer should have been warned about in this project in the first place. It goes on to refer to:

- the environmental acceptability of the proposal …
- the community acceptability of the proposal —
- with very high admission fees —
- the lack of development experience of the proponents …
- [and]
- dubious market appeal of the proposed facilities.

In conclusion it says that the project:

… generates very similar returns to the public sector alternative —

except that the admission fees are twice the price.

Mr Doyle — On a point of order, Speaker, in accordance with the custom of the house, as the Premier is quoting from a document I ask him to table the full document for us.

The SPEAKER — Order! Is the Premier quoting from a document?

Mr BRACKS — Yes, Speaker. I am pleased to table the document — we have been waiting for the opportunity to do that. I will hand the document to the clerks, which is in accord with the procedure of the house. The document is headed ‘Minutes to the Treasurer’, its subject is ‘Nobbies redevelopment project’ and it is dated 5 July 1995. It goes on to talk about the department’s concerns about this project as far back as 1995. All I can say is I wish the Treasurer had won the day and not the Premier at the time, Mr Kennett, who overturned the Treasurer on that matter.

Honourable members interjecting.

The SPEAKER — Order! The Chair does not require the assistance of the government backbench, thank you!

Schools: capital works

Ms MORAND (Mount Waverley) — My question is to the Minister for Education Services. Will the minister please advise the house of the latest information regarding school capital works investment by the Bracks government?

Ms ALLAN (Minister for Education Services) — I thank the honourable member for Mount Waverley for her question because since 1999 the Bracks government has invested heavily in schools and teachers to ensure Victoria has a world-class education system, and undoing the damage of the previous seven years inflicted by the Kennett government.

The first three budgets invested a massive $822 million in schools and TAFE capital works improvements. That is almost three times the amount that was allocated in the last three Kennett government budgets. Let us look at where that funding of $822 million went. We have built 16 new schools, 5 replacement schools, and reopened Fitzroy Secondary College at a cost of $115 million. We have undertaken 287 modernisation projects at a total cost of $413 million. We have provided $32 million for additional classrooms to meet our commitment to reduce class sizes in years prep to 2, and the Premier made that fantastic announcement on Monday of this week that class sizes in prep to year 2 are at their lowest levels on record.

We have invested $14.6 million to develop the gene technology centre at University High School, the space centre at Strathmore Secondary College and a science centre at Bacchus Marsh Secondary College. We have committed $4.6 million to date to establish the Maryborough education precinct — and I know that is a very dear project to the member for Ripon — and
$10.5 million for the Gippsland education precinct, and we have provided $14 million to upgrade and replace old portables.

Honourable members will be pleased to know that in its second term the Bracks government will continue with getting on with the job in education and will invest at least a further $350 million to build new schools and upgrade existing schools. I am pleased to announce today that as part of this commitment in our second term we will be providing $12 million from the forthcoming budget to rebuild a number of schools recently destroyed by fires. This is great news for those school communities that were devastated by fires that destroyed classrooms and staff and administration areas. This funding includes $800 000 for the Wodonga High School, which also accommodates the Flying Fruit Fly Circus, to rebuild rooms and administration areas that were destroyed in a fire in February.

The member for Monbulk will be pleased to know that $1.7 million is to be allocated to rebuild an art and craft classroom and a gymnasium and refurbish five classrooms also destroyed by fires late last year. The member for Yan Yean will be pleased to be able to inform her school community at Hurstbridge Primary School that $4.5 million is to be allocated to replace 17 classrooms and facilities that were also destroyed by fire in January. Finally, the member for Mount Waverley will also be pleased to advise her school of a $5 million investment to Mount Waverley Secondary College to replace classrooms lost in a fire in January this year.

Before I finish, I commend those school communities. I know the Minister for Education and Training visited a number of those school communities that were affected by fires. I commend them for their dedication to their students — the teachers and parents who continued with education during what is a difficult time.

The Bracks government is continuing its investment in education. The Kennett government’s answer to education was to close schools and to sack teachers. The Bracks government invests in schools and is getting on with the job.

Health: fire safety

Mrs SHARDEY (Caulfield) — My question without notice is to the Premier. At a 2002 Public Accounts and Estimates Committee hearing the previous Minister for Health, the Deputy Premier, promised that all state-owned residential care facilities were to meet fire risk safety standards by August 2002 as required by state law. I ask why eight months later there are still 31 state-owned facilities which do not meet the fire safety standards promised by the Deputy Premier?

Mr BRACKS (Premier) — I thank the member for her question. I will examine the matter she has referred to and get back to the member on that matter.

Water: Mildura projects

Mr HELPER (Ripon) — My question is to the Minister for Water. Will the minister please advise the house about new water projects in the Mildura region and their importance in securing the future of the Sunraysia district?

Mr THWAITES (Minister for Water) — I thank the member for Ripon for his question. The Mildura Sunraysia region contributes well over $1 billion in economic activity from irrigated horticulture, principally vines, citrus and stone fruits, but also now vegetables, nuts — including almonds — and avocados.

Speaker, we all know, and I am sure you do better than most, how good Mildura grapes are, and we want to see more of them. But of course the growth of Mildura means increased demands on the water system, and it is important as we do that that we also ensure we do not exacerbate salinity and other associated problems.

I am very pleased that the Bracks government has committed $1.7 million to the Sunraysia salt interception initiative. That is underpinning irrigation development, and without that initiative we cannot have irrigation growth.

We are also assisting new growers in focusing their new developments in areas of low salinity. Growers are working with the government to ensure that there is minimum impact on salinity with that new growth. In addition, through its Water for Growth program the government is working with farmers in the Sunraysia region to encourage good use of water. We have funded approximately $1.4 million in grants and incentives to Sunraysia farmers to improve their water use efficiency on farm. As a result of these efficiencies we have seen a reduction of some 30 to 40 per cent in irrigation-related drainage flows back into the Murray River. That provides us with a real benefit by reducing salinity and by giving us access to salt credits in the future, which will underpin further growth.

I was pleased to be in Mildura last week representing Labor, the party of country Victoria, and I was very pleased to be there with the member for Mildura, who is very much the face of the north-west. He was able to
introduce me to a number of growers in the area. I listened to issues they raised and will work with the local member on those issues.

I was also pleased to be in the company of the honourable member for Mildura whilst announcing the commencement of the construction of the new $12.6 million water treatment plant for Mildura. That will provide an extra 20 megalitres of town water per day, and it has the capacity to grow to 80 megalitres as Mildura grows in response to the prosperity that is being attracted to that region.

This government is committed to the Sunraysia region. As part of the $320 million water trust it has committed $20 million over the next four years to upgrade irrigation infrastructure and water efficiency projects. Some recent studies have highlighted the opportunity for investment in the region, and in particular the need for funding, especially federal funding, of these important water projects.

The Bracks government has demonstrated its commitment by making available that $20 million for the next four years. It is hopeful that in the forthcoming federal budget the federal government will likewise commit funds for the development of water projects in this very important region of Victoria.

MURRAY-DARLING BASIN (AMENDMENT) BILL

Second reading

Debate resumed.

Mr PLOWMAN (Benambra) — Prior to lunch I was speaking on the Murray-Darling Basin (Amendment) Bill, and in particular about the calculations. I now want to touch on part V of the bill entitled ‘River Murray increased flows’; the obligation of the commission to release increased flows to the Murray River; and the further obligations before the commencement of the second complete water year after the corporatisation date of the ministerial council to determine a strategy for retaining and releasing River Murray increased flows and to determine the environmental flow objectives for the River Murray.

The bill further states that the strategy:

(a) must include provisions that the River Murray Increased Flows have first priority from River Murray Above Target Releases …

The target releases are those releases from the Snowy scheme where the Snowy Corporation has the discretion for power generation. It is important to note that those increased flows have priority once those flows are accredited. It should also be noted that the bill provides that the strategy:

(c) unless the Ministerial Council otherwise determines, must not have a significant adverse impact upon the security of entitlements to water.

The crux of the matter is that if the government is to meet its commitments to the savings required and, as the bill specifically says, it is not to have a significant adverse impact on the level of reliability of entitlements to water diverted from the Murray, the Murrumbidgee or the Goulburn River systems, the government must ensure it achieves these savings rather than the water requirement coming from the purchasing of entitlements from the water market or from a reduction of the water available through the sales pool. In either case if the government resorts to that practice in order to meet the environmental flows the irrigators of this state will be disadvantaged, yet there is that specific requirement in the bill that there not be a significant adverse impact on the entitlements of irrigators in the state relying on water diverted from either the Murray River or the Goulburn River in Victoria.

The ministerial council must determine the environmental objectives, and they are an important part of the role of this agreement. The environmental objectives outlined in the bill include:

(a) Natural diversity of habitats and biota within the river channel, riparian zone and the floodplain …

It goes on to say that that includes the natural linkages between the river and the flood plain. This is an important part of any environmental flow regime. It is not enough to just increase the flows down the Murray River or down the Snowy River in order to increase the environmental benefit from those flows; the way those flows are managed is important in order to get that linkage between the river and the flood plain.

It goes on to say that elements of the natural flow regime — in particular, seasonality — should be retained as far as possible in order to ensure that the future habitat of the native fish population is enhanced, rather than the current situation where exotic species like carp predominate in the Murray system.

These environmental objectives are the most important part of the agreement and of the responsibilities of the ministerial council. It is interesting to note that the bill states specifically that consistent and constant flows and water level regimes should be avoided where practical, as this is contrary to the natural variable flow regime of
the River Murray. That means that in order to get the environmental benefits from these increased flows it is not just a matter of putting a certain amount of water down the Murray or the Snowy. It is the way the water is managed that is important from an environmental point of view.

Finally, I would like to talk about the inter-valley water transfers, which are referred to in part 8 and the other provisions which conclude the bill. To facilitate the water transfers the commission may request New South Wales to release water to the Snowy-Murray development and to each or both of the Tumut River catchment and the Murrumbidgee River catchment, and/or the water available to the Snowy-Tumut development to the River Murray catchment upstream of the Hume Dam.

It is of note in this agreement that if New South Wales agrees with this request the inter-valley transfers I have just referred to must be converted into an allocation to New South Wales of water in the Hume Dam. That is an important part of this agreement, which means that those releases which are required of the New South Wales government and which end up in the Hume Dam must equate to additional water available to New South Wales for allocation.

The bill is concluded by the agreement which is executed and signed by the Prime Minister and the premiers of New South Wales, Victoria and South Australia. It is a major agreement in the ever-changing arrangements for water diversion from the Murray system and the Murrumbidgee system and the entitlements of the Murray system and the Snowy system to environmental flows.

As a consequence, and as this is of both interstate and national importance, the opposition wholeheartedly supports the elements of the bill which adapt the current agreement to meet the requirement for additional environmental flows. However, I reiterate that it is not enough to have an agreement. The government has to find the savings to achieve the environmental flows not just from going into the water market but by injecting state government funds into the water industry to make the savings that are there to be made.

Mr WALSH (Swan Hill) — The Murray-Darling Basin (Amendment) Bill effectively formalises the current operating rules into a legislative accounting model for the sharing of the water made available above the Hume Dam for the Snowy scheme. It principally does this through parts 2 and 3 of schedule G.

During the summer a photo was printed in our local newspaper in Swan Hill depicting a family at the turn of the century having a picnic in the dry riverbed of the Murray with their horse and buggy. At that time they could not have comprehended that 100 years later we would be in this place enshrining highly complex water sharing arrangements and legislating for environmental flows. Thankfully with this legislation and the management we have the Murray River will never again be a series of muddy puddles. Without the river regulation and water management skills we have acquired the 2002–03 drought would have seen the Murray River at Swan Hill stop flowing again. Last week I contacted Goulburn-Murray Water, and at the moment there is 3800 megalitres a day flowing past Swan Hill, instead of what would have been a dry riverbed.

We owe this luxury of permanent water to some visionary thinkers. I note that at the moment people are trying to go through the Living Murray process in 12 months, but at the turn of the century it took 13 years of intense negotiations before the River Murray water agreement was finally signed in 1915. It was this agreement that over time led to the establishment of the Murray-Darling Basin Commission in 1998. In 1936, the construction of the Hume Dam further increased water security for northern Victoria. In 1949, in a postwar nation that was looking for major projects to stimulate activity, the concept of the Snowy Mountains scheme was developed and implemented. It was built to generate hydro-electric power and water for the development of the hinterland of Australia. This hydro-electric power is generated from water stored from the Murray, Murrumbidgee and Snowy rivers.

The aim of generating hydro-electric power was to reduce our dependence on brown coal. Time has evolved and we now know that brown coal is a major contributor to our greenhouse gas emissions. Hydro-electricity is not a contributor to greenhouse emissions but is clean and green power that will be there every year into the future.

We should not forget that the Snowy scheme was set up to produce hydro-electricity as much as it was to produce irrigation water. Water was diverted westwards from the Snowy River to increase the supply to both the Murray and Murrumbidgee rivers. Thousands of immigrants who came to Australia after the war built the Snowy Mountains scheme, and I commend them for their work. That wave of immigration was the start of what has made Australia a truly inclusive multicultural country.
In 1956, after seven years of work, the first water flowed from the Snowy River to the Murray system. As we all know with the benefit of hindsight, such a huge conceptual project could not be undertaken without some costs. With the wisdom of hindsight also we now understand the cost to the Snowy River and some of the issues associated with it, including increased salinity in the Murray Valley.

It is very important that we not forget the immense wealth that the Snowy scheme has created for Australia and for the area of the Murray Valley in Victoria in particular. It continues to create huge economic growth, as has been outlined by the Minister for Water in a response during question time. We cannot underestimate the impact that water security has for all communities right along the Murray River and for Adelaide.

As I said, this bill formalises some very complex water-sharing management practices that have evolved over the last 50 years and shapes them into a legislative accounting model. It sets up a legal context for environmental flows in the Snowy and Murray rivers and allows the transfer of water savings or water purchases into environmental entitlements and then reduces the cap in Victoria for that water that has been transferred across.

The bill also requires the Murray-Darling Basin Commission to develop goals and a strategy for directing environmental flows. More importantly, it requires government to have a full accounting model of those environmental flows into the future. Good accounting notification and consultation and modelling are profoundly important if we are to achieve the maximum outcome for the environment from those environmental flows. We need to make sure the processes we go through are transparent and open so everyone can see what happens.

One concern the National Party has is that we do not have in place the joint government enterprise that has been set up by the states to implement the Snowy water inquiry outcomes implementation deed and to invest in water savings so that it will achieve the things we are talking about. It was supposed to be created on 1 January but we are still waiting. It is a pivotal part of going ahead with this project. Where is the commitment to environmental flows if we cannot get the joint venture up and running and make these things start to happen?

As we work through and discuss the accounting, modelling and verification of this water management proposal it is important to highlight that we need good environmental science to make sure that we manage these environmental flows properly. We do not want the decision making on environmental flows based on some warm, cuddly, feel-good green emotion. Lately the infamous Wentworth group has been having a lot to say about environmental flows. From what I have read they are basically saying ‘Give us some water! Trust us! We will make it better’. What we need is good science to make sure we have our decision making done properly.

The National Party is concerned about section 27 of part VII, inserted by clause 6. There is potential to have different analytical models set up in calculating the timing and the quantities of relaxation volumes under the baseline conditions in the act. The Murray-Darling Basin Commission will be doing that for the Murray River and the New South Wales government for the Murrumbidgee River.

National Party members would like to make sure that those two models are the same for the best and most efficient outcomes for the rivers. The Bracks government has made much of the 70 gigalitres of environmental water that it has bequeathed to the Murray River. There are some issues that need to be set straight for the record. This water is not an unencumbered gift to the river. The water is gleaned from savings in the systems and the possibility of purchases which National Party members do not agree with and which is stored as above-target water in the reservoirs.

Above-target water is accumulated in the system and is managed by the corporatised Snowy Hydro. This is an amount of water in excess of that required to deliver the allocation to the Murray and Murrumbidgee rivers: 162 gigalitres for the Murray and 1026 gigalitres for the Murrumbidgee. These amounts are stored on a rolling average to make sure that even in the worst drought they can still be delivered. The release of this above-target water is at the absolute discretion of Snowy Hydro and is worth a fortune to it. The above-target water can be used for hedging in the power market and can be sold many times over.

It is quite an interesting story that the electricity generators on-sell energy to the retailers. Should supply fall short because of a breakdown in one of our power stations, they buy a hedging contract with Snowy Hydro to make sure they do not have buy power at spot-market prices to fill a shortfall with a power station breakdown. For example, Snowy Hydro contracts to supply 500 megawatts of power for two days in any given time frame. If that time frame elapses and the power station has not called on that hedging agreement,
it rolls over and Snowy Hydro can again sell that water for another hedging contract in the future. Snowy Hydro can actually sell that water numerous times over without ever having to deliver it, and it makes a lot of money for Snowy Hydro.

Although the above-target water represents only 15 per cent of the actual power generated out of the system, it represents something like 60 per cent of the value of the electricity generated by Snowy Hydro and is a significant asset to Snowy Hydro.

The 70 gigalitres for the Murray will sit in above-target water at the discretion of Snowy Hydro as to when it is released, which is not necessarily at the best time for the environment. As I have said, that water is extremely profitable to Snowy Hydro and it will release it when it sees fit. It can be stored for a number of years. Theoretically it is possible that, if Snowy Hydro wishes, it could store up to 12 years of above-target water without releasing it and, if it chooses to, release it all within one season, which would not necessarily be best for the environment. It is then going to be up to Don Blackmore, the chief executive officer of the Murray-Darling Basin Commission, and his staff to make sure we try to get the best environmental outcome of what could be a very limited time of release.

It cannot necessarily be stored further down the system, because the irrigators own it. It could potentially be stored in the Hume Weir, but if the Hume is full and the irrigators do not want to forgo some of their storage capacity, that water would then have to be pushed on down straightaway instead of being stored any longer. So the good intentions for the Murray River environmental flows are not such good intentions after all. They are about big dollars for the corporatised Snowy Hydro and not necessarily about environmental outcomes. We believe that in this case environmental outcomes have probably been traded off for the dollars generated by the power industry.

One of the things I commend the bill for is that it protects Victoria’s Murray River water entitlements in the event that New South Wales reneges on its commitment on environmental flows. This is no idle threat. If we compare the management of New South Wales water allocations with those of Victoria over the last five or six years, we can see a vast difference in the outcomes that have been generated for each state. On the New South Wales side this year the general security irrigators had only 10 per cent of their allocation, whereas our Murray irrigators had their full water entitlements. The outlook next year is even bleaker for the New South Wales irrigators.

For a further example of this people need only fly over the Murray River. South, towards Victoria, there is a large-scale horticultural development, creating jobs and wealth for all Victorians. Towards the north, very little is happening. We have the same climate, the same soils and the same Australian entrepreneurial skills; the major difference is the water management. Victorians should not forget that irrigation provides us with a year-round supply of top quality food in what is, as we all know, a variable and uncertain climate.

Victoria’s sound water management over the decades has been developed with strong bipartisan support. I would hope that this productive cooperation will not be hijacked by extremist green agendas. We would all agree that extremes in public policy are not good for anyone in this state.

One of the other benefits of the bill is that it sets up the capacity to trade water between river valleys and across state lines. From the Victorian point of view that will allow water to be traded from the Murrumbidgee Valley to the Murray Valley for use in Victoria. My understanding is that exchange rates have been set and are now in place to allow this to happen. Given the developments in Victoria, our capacity to manage our water and our permanent plans, this will help us go forward into the future.

The National Party would like to put on the public record its insistence that if through this process water is clawed back from consumptive users — for example, irrigators — to create environmental flows, the clawback must be compensated for in just terms. No other means of acquiring water would be acceptable to the National Party or to the rural communities of northern Victoria.

The National Party has a major concern that the government may intervene in the water market. For those who do not understand, the water market has operated successfully since the early 1990s. It has enabled the shifting of water from low-value agriculture to high-value crops, allowing the more efficient use of our resources and providing better value for all Victorians. In the last nine years 117 000 megalitres of water have been permanently traded in the Murray Valley, which has allowed large horticultural enterprises to develop on some excellent dryland prime development zones — after, I must add, some very stringent environmental guidelines have been met.

The effect of the Victorian government entering the water market would be catastrophic for all future development in the region. On average something like 20 000 megalitres have been traded permanently in the
Murray Valley. If the government entered the water market and purchased, say, 100 000 megalitres for environmental flows, that would effectively tie up all farmer-to-farmer trades for the next five years. It would have a devastating impact on the likes of the dairy industry, which has been able to purchase water from the water markets to secure its operations in these dry years. It would also ensure that there would be no new horticultural developments along the valley for that five years.

To give an example, Swan Hill has one of the lowest levels of unemployment in country Victoria because of its ability to trade water and the development that has resulted. We do not want to see that sort of development stifled in the future.

I would not like to let this opportunity go past without correcting some of the misinformation that is going around about the Murray River in South Australia. For quite a few months now we have heard the South Australian Premier, Mike Rann, and his Minister for Environment and Conservation, John Hill, highlighting the poor condition of the Murray River in South Australia and the fact that it has now reached a critical point. They recently released a joint public statement saying that the last 275 kilometres of the river was now so low and the salinity levels so high that the little water that remains is basically useless for drinking or for watering, and they put the blame for this on Victoria and New South Wales. This is simply not true.

Apart from the effects of a one-in-100-year drought, the real story is that South Australia receives an allocation of 1850 gigalitres from over the Victorian-South Australian border. Of that, 1100 gigalitres is for dilution flows and 750 gigalitres is for consumption. Because water supplies have been short this year, as we all know, South Australia — when it is within its capacity to do so — has decided to dip into its dilution flows to top up the water available for consumption. That is legitimate for it to do in its own state, but it should not be blaming us for that. This year South Australian irrigators have received their full water entitlements, and there are no water restrictions near the towns along the Murray River over there, so its decision to take its dilution flows to top up its consumption use is for it to address and not to blame New South Wales and Victoria for.

In conclusion I urge the minister to ensure that the accounting model and the verification arrangements are put in place and that we address the possibility of having different models for New South Wales and Victoria, because we have the New South Wales government managing one part of it and the Murray-Darling Basin managing another part. We would like to see that done under the existing structures. I do not think we need a new commissioner; we have put enough new commissioners in place in Victoria, given the work that is going on. We are asking the government to rule out its entering the water market, for the very good reasons I have spoken about.

From all our points of view the good management of our finite water resource is in the best interests of all Victorians. Both consumptive users and the environment will benefit from that, given the provisos I have mentioned, including my concern that the government might corrupt the water market. We would not like the government to enter the market and destroy the things I have spoken about. The National Party supports the passage of the bill.

Ms LINDELL (Carrum) — I have great pleasure in joining the debate on the Murray-Darling Basin (Amendment) Bill and following the member for Swan Hill. As this is the first of five key water bills to be introduced this session, I believe I will get to follow the member for Swan Hill on at least another four occasions as we go through the government’s election commitments to develop a sustainable water industry, as outlined in *Water for the Future*, our 10-year plan to change the way we all use water.

This bill will protect Victoria’s right to water from the Murray River, and it will require the Murray-Darling Basin Ministerial Council to develop a plan to increase the environmental flows to the River Murray. The bill obviously ratifies the Murray-Darling Basin amending agreement as approved by the Murray-Darling Basin Ministerial Council on 5 October 2001, which was signed by the Prime Minister and the premiers of New South Wales, Victoria and South Australia.

The Murray-Darling Basin amending agreement protects Victoria’s water rights and interests through a number of different mechanisms. It establishes Victoria’s right to the headwaters of the Snowy scheme, establishes the water accounting arrangements to protect Victoria’s rights and interests from unilateral action from New South Wales and ensures that the Murray-Darling Basin Commission independently manages and monitors the water-sharing arrangements. It establishes translation factors to protect the security of supply when water savings are transferred to the Snowy scheme for environmental purposes, and it codifies arrangements to provide greater certainty of the annual releases from the Snowy scheme which underpin irrigation commitments.
The passage of this bill is essential to protect Victoria’s interests under the newly established arrangements. Under the agreement the Murray-Darling Basin Ministerial Council will develop a strategy to maximise the environmental benefits of the 70 gigalitres of dedicated environmental allocation to the River Murray. The rights of irrigators have been protected by the heads of agreement, by the undertakings of Victoria, New South Wales and the commonwealth government that in increasing flows to the Murray River there would be no adverse impact upon existing irrigation entitlements. We have heard from both the member for Benambra and the member for Swan Hill of the obvious prosperity that is being brought to all Victorians through the use of irrigation over many years. That economic activity, that economic and social benefit that irrigation brings to rural Victoria, certainly cannot be jeopardised.

The increased flows would primarily be achieved through water savings from investment in water saving projects, and there is a commitment of $375 million for improvements to Victoria’s irrigation infrastructure over the next 10 years. All the governments — the federal, Victorian and New South Wales governments — have also made a commitment that increased flows to the Snowy River and the River Murray will not be implemented unless they are first offset by water savings. Under the heads of agreement governments have made a commitment that increased flows would only be achieved through the purchase of water entitlements and water rights if necessary. This would be done in a manner which promoted the water trading market. It is not in the interests of the governments to distort the development of a market that they are keen to see develop.

The $375 million investment in irrigation infrastructure includes such projects as the Normanville pipeline, the Caseys Weir pipeline and the domestic and stock metering projects, and all of these will be completed within the next few years, with 25,000 megalitres per annum resulting from those pipeline projects. Another 2000 megalitres will become available with the completion of the Woorinen pipeline project later this year.

In addition the Department of Sustainability and Environment has been working with Goulburn-Murray Water to initiate and undertake a number of studies to identify further opportunities for water saving in northern Victoria. Some of these studies are the study of water savings in irrigation distribution systems; the study of water savings in bulk water systems; the Lake Mokoan study, which the member for Benambra spoke of; and the pilot of the total channel control system.

These studies and investigations will assist the joint government enterprise to identify and commission water saving projects once it is established. The role of the joint government enterprise is to achieve the necessary water savings in Victoria and New South Wales to meet the agreed environmental targets for the Snowy River and the River Murray.

In ratifying the agreement the Victorian Parliament will be honouring the commitment made by the four governments through the historic amending agreement for the Murray-Darling Basin. Failure to ratify this agreement would seriously undermine the ongoing bipartisan and intergovernmental support of and confidence in the Murray-Darling Basin agreement and leave Victoria’s interests and share of the water from the Snowy scheme unprotected.

I am delighted that both the Liberal Party and the National Party will be supporting this bill, and I wish it a speedy passage.

TRANSPORT (MISCELLANEOUS AMENDMENTS) BILL

Second reading

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

Opposition amendments circulated by Mr MULDER (Polwarth) pursuant to sessional orders.

Mr MULDER (Polwarth) — The Transport (Miscellaneous Amendments) Bill seeks to do several things. Some of the provisions were part of legislation that lapsed prior to the last election but others are new provisions. The bill seeks to disqualify taxi, bus and hire car drivers who are convicted of a level 1 or level 2 criminal offence. However, the legislation is not retrospective; therefore, drivers charged or convicted prior to this bill receiving royal assent will not be affected. It is this particular clause in the legislation that is of concern to the Liberal Party and would be of grave concern to the Victorian community.

Having spoken to a number of people within the industries I know it is of grave concern to people who work within the taxi industry, the bussing industry and the hire car industry. They want to protect the image of the industries they operate in and the reputation of drivers who work within those industries. They do not want those drivers tarnished, as could be the case with the amendments circulated by the Liberal Party are taken up by the other parties and the Independents.
The legislation establishes a transport industry Ombudsman who may inquire into and investigate actions taken or not taken under the provisions of the Transport Act. The bill also establishes non-mandatory codes of practice for rail managers. It establishes a process for accreditation and mandatory codes of practice for tow-truck operators, and sets up the V/Line Corporation to run the National Express business which is now in the hands of the government and the Minister for Transport. Given the performance of the National Express business since it fell into the hands of the government and the Minister for Transport, I can understand that the minister may wish to expedite this legislation — under his management that performance continues to slip.

The real issues in relation to the legislation that concern the Liberal Party are that its provisions seek to disqualify taxi, bus or hire car drivers convicted of level 1 or level 2 criminal offences such as murder, rape and serious assault, sexual assault and offences against children. The problem the Liberal Party, the Victorian community and the industry has with that is that the bill is not retrospective; therefore, those charged or convicted prior to the day the bill receives royal assent will still be able to drive a bus, a hire car or a taxi and collect women, children, elderly people, people with disabilities and people in the community who are very vulnerable. As much as the Liberal Party has concerns in relation to retrospective legislation I believe there is always a point in time when judgment says it is right to do it that way to protect those members of the community.

The licensing authority responsible for the issuing of driver certificates still has the ability to make a decision or an informed call having been provided with the information that a driver has been convicted of a level 1 or level 2 criminal offence whether that is prior to or after this legislation goes through. This bill does not take away that ability or the ability of the person to appeal that decision.

The opposition is concerned that with this legislation in place unamended the Victorian community is not protected from predators who could infiltrate the taxi, bus or hire car industries. This new provision calls on a person convicted or charged with a level 1 or level 2 offence to come forward and notify the authority of that conviction or charge. Failure to do so will result in a $1000 fine. I ask members present to consider whether the fear of a $1000 fine will force the type of person we may be dealing with who has been convicted of a level 1 or level 2 offence — a rapist or someone involved in a serious assault or murder — to come forward. I do not believe it will.

There are still some significant problems with the licensing arrangements within the Victorian Taxi Directorate. I know the Minister for Transport put a review panel in place about 12 months ago to look at reforms within the industry. It is supposed to meet fortnightly. It has met about 10 times in a year and has not met since the 11th of last month. The people involved with that panel are becoming very frustrated by the progress they are making in relation to industry reforms. I am sure that matters that have been raised within that reform process could quite readily have been incorporated into and brought on board in conjunction with this legislation.

People within the industry have raised issues with me in relation to this legislation not being retrospective and not picking up people with criminal records, people who have been convicted of level 1 or level 2 offences. However, there are other ways and means to identify those people, and one of those is the process of renewing a drivers certificate. At this point in time renewal is pretty much an automatic process without further requirement for police checks into the backgrounds of those people. However, I believe it would not be too much to ask the Minister for Transport to look into that process of driver certificate renewals to see whether it is possible to use that mechanism as a way of sorting out predators or people who have level 1 or level 2 offence criminal histories.

There is great concern within the community, and even within the industry itself when you talk to drivers who are looking to improve the image of the taxi, hire car and bussing industries. These people have been working very hard at this, but the process is being dragged back by the fact that the government does not seem to have a genuine interest in it. These people are keen to make sure their industry remains attractive to people in the community.

There are issues within the taxi industry even as it exists at the moment. Apart from the matters raised in relation to level 1 and level 2 offences nothing has yet been done about the touting that takes place at Melbourne Airport. People who turn up there touting for business do not have a drivers certificate or a permit to be at the airport and they are driving unlicensed vehicles in the sense that their vehicles are not licensed to carry passengers. They pick people up and there is no ability to trace the trip they take or know the history or background of these drivers, but the minister has not done anything at all to try to deal with the issue of touting at the airport.

When these things start to take hold at locations like the airport it does not take all that long for those practices...
to spread. If these people believe they can get away with breaking the law they continue on into other parts of the community. Usually they are not stepped on until there is an issue raised in relation to a backpacker, a woman or a child who has disappeared without trace and someone says they think the missing person caught a vehicle from Melbourne Airport. Questions are then asked about whether it was a registered taxi and whether there is a record of the trip or whether it was a tout, a hire car or a limousine.

If the minister cannot deal with the touting issue and stop that level of illegal activity I wonder how on earth he hopes to clean up the industry. When you look at his attempt here today with this legislation, which is not retrospective, you see it does not even attempt to identify predators within the taxi, bus or hire car industries who may be out there driving a car today or to remove them from the industry.

I have had discussions with the taxi industry and individual drivers and concerns have been raised regarding the driver substitution that takes place not on a regular basis but among a small number of drivers within the industry who decide for one reason or another that they are prepared to hand over their identification, their drivers certificate and the cab to a friend to drive for the weekend or the night.

Once again there is an issue with people unknowingly climbing on board with a driver in charge who has not undertaken any of the training and testing procedures provided by the Victorian Taxi Directorate to try and ensure we have good drivers on the road. That is a simple little mechanism by which people are willing to risk, firstly, their drivers certificate, and secondly, their car and their ability to make a living. That takes us back to the point that if they are prepared to take those types of risk then why not risk getting caught driving while committing a level 1 or level 2 offence.

There is a huge amount of work to be done within the industry to get it back on track. The previous coalition government worked very hard with the taxi industry to get all the cars colour coded and all the drivers into uniforms, giving them back a sense of self-respect. That seems to have dropped right off the agenda of the government and the minister. The government should ensure that it continues along that path of growing the industry and making it one that drivers can be proud of.

I hope that the minister and the government will look seriously at these amendments, even though we are asking that they be retrospective. The retrospectivity relates to their giving the authority the ability not necessarily to suspend a driver or cancel a certificate but to at least have a look at the person committing a level 1 or level 2 offence. It could look at the history of the offence and how long ago it occurred. It might find it is looking at someone who at the age of 21 or 22 was convicted of a level 2 offence such as threatening injury to prevent arrest but who is now a 55-year-old living a very good and respectable life within the community. Someone like that may well be found to be suitable to continue on within the industry.

In the end, though, the proposed amendments also give the government and the directorate the opportunity, if they so wish, to decide that a person poses a genuine risk — that he is unsuitable to pick up a female child with a disability, for example — and is likely to cause all sorts of problems for the reputation of the industry.

The bill also provides for new codes of practice for accredited managers of rail infrastructure. Currently the various franchise operators, including the government, which runs the National Express business at the moment, have their own codes, but new codes are currently being prepared. No doubt the government will be having a hand in the preparation of those codes, and no doubt the union movement will also have a significant hand in their development.

We have been advised that the new codes will mirror the occupational health and safety legislation and that there will be additional codes directly related to safety inspections of both rolling stock and the day-to-day running of businesses.

The thing that really concerns the Liberal Party is that the codes are not mandatory. Given my background, particularly in quality assurance matters and in auditing procedures for codes of practice, it seems to me odd that we are going through a process of developing codes of practice for franchise operators and not making them mandatory. From my experience non-mandatory codes of practice usually gather dust on a shelf somewhere and are referred to only if and when a problem occurs. Where there are no mandatory codes and no compliance mechanisms, and where codes are not audited on regular basis, there is a tendency for businesses to become very relaxed and laid back about their implementation of and compliance with the codes, or at least the principles in them.

We believe these codes will be used mainly by the trade union movement as bargaining tools in negotiating enterprise bargaining agreements (EBAs).

Further on there are provisions relating to the tow-truck industry, which will be asked to take on mandatory codes of practice. We know there have been troubles in
the tow-truck industry over the years, but in recent years they seem to have a fairly good record in relation to the level of service they offer. So on the one hand the government is working with franchise operators in the rail industry on non-mandatory codes of practice, yet on the other hand we are to have mandatory codes of practice in the tow-truck industry.

Since the Bracks government came to power there have been five major accidents involving passenger trains in Victoria. The Department of Infrastructure has direct responsibility for rail safety, but clearly it has not lived up to its obligation to protect the train travelling public throughout the state.

The bill also provides for the accreditation of tow-truck operators. We understand this was brought about through a recommendation concerning national competition policy. It seems to be generally supported by the industry. I think the Victorian Automobile Chamber of Commerce has been involved in the process and will also be supporting the accreditation process.

When I had discussions with departmental officers on this part of the legislation, I always asked if the peak body was happy about it. I also said they might find they had a core group of very large operators who were happy about the process, so I asked them what consultation had taken place with smaller operators in the industry. I asked whether they really knew and understood about the accreditation process and the ongoing auditing that follows on after accreditation.

As I say, the codes of practice that are going to apply to the tow-truck industry are mandatory codes. That means that the accreditation process will be subject to full auditing, I would imagine; otherwise you would not know whether the mandatory provisions were being adhered to. That usually results in a registration fee for operators and ongoing annual registration fees. It usually ends up with an audit being conducted at regular intervals on the particular operators. It then usually results in follow-up audits being conducted on operators.

The issue of who pays for the accreditation does not seem to have been discussed. We know it will end up with the end operator, but there has been no discussion on what the original and ongoing costs are going to be to retain accreditation, what monitoring processes will be in place to judge the success of the accreditation process and what the outcome will be in terms of the end benefits to the community. We will follow this with great interest.

I have been through a number of these in the past, where a process is sold to various organisations with the idea that being an accredited organisation will improve their business, and it always seems to get back to dollars and price. ‘Accreditation’ and ‘quality assurance’ are great words that go down well, but unless there is a real benefit to the organisation or operation some people can be somewhat despondent as to the cost, the process they have been through and the outcome.

Another clause in the bill will see the establishment of a transport industry ombudsman. This process once again is another commitment by the government that has been very late in its delivery, but we may finally have a mechanism to look at the minister’s ability to control some of his officers who are roughing up passengers and to deal with some disputes in relation to ticketing officers. The ombudsman can only look into issues in relation to persons mentioned in the Transport Act, so the powers do not go beyond dealing with those issues. I dare say that he will have his hands full dealing with some of matters that have been brought up in the past relating to the behaviour of some officers. I believe their behaviour in dealing with the public on the public transport system in Victoria is due to a lack of hands-on management by the minister.

The legislation finally establishes V/Line Passenger Corporation to run the National Express business. I remarked before on what happened as soon as this business fell into the hands of the Minister for Transport. When you look at the various performance indicators for the franchise operators for each of their businesses, which one do you think was the only one to fall behind? It was the business that the Minister for Transport took over and decided to run himself, even though he put in place a multimillion-dollar structure above him, which regarding salaries was probably the equivalent of employing four or five ministers —

An Honourable Member — Peter Proprietary!

Mr MULDER — Peter Proprietary started to fall behind all the other franchise operators in his ability to run the business on time and to provide a satisfactory level of customer service. The Premier, the Treasurer and the Minister for Transport amaze me. They claimed they had just become aware that it would take over a billion dollars to run the public transport in the state and that it was all news to them. They declared that quite recently, just before announcing that they would now have to find a billion dollars to run public transport and that they would have to reverse the situation on the tolling of the Mitcham–Frankston freeway.
It is amazing that the government can say it only just became aware of the problem when in the early months of last year it was making additional base payments to the franchise operators — National Express, Connex and Yarra Trams — who held meetings with the Minister for Transport and the Treasurer. The cards were on the table and the books were open. They were telling the government about the difficulties they had had in running the public transport system, and they said they would need additional base payments to meet their service obligations. For the government to say it only became aware of this a couple of weeks ago when it had been making base payments based on information provided to it over a year ago is not acceptable. No-one believes it, and it is no wonder that the government is prepared to live with the title ‘liar’ in relation to its backflip on the tolling of the Scoresby freeway.

The Liberal Party does not oppose most of the provisions in the legislation, because it can live with them. I have indicated the problems we have with the level 1 and 2 offences, and I have circulated amendments regarding them. We trust that the government will give them due consideration and support what is a commonsense approach. We understand that matters dealing with retrospectivity are difficult, but in this instance we believe we should rise above those difficulties and look to the interests of the Victorian public. I wish the bill a speedy passage through this place.

Mr DELAHUNTY (Lowan) — I rise on behalf of the National Party to speak on the Transport (Miscellaneous Amendments) Bill. Our spokesman on transport is the Honourable Barry Bishop in the other place, who has had discussions on the bill with many organisations. Those discussions have helped us come to the conclusion that we will not oppose the legislation.

I commend the Liberal Party and the shadow minister for circulating the amendments today. We do not have any problem with them, because they are commonsense amendments. Retrospectivity is a concern, but when we are considering the safety of the travelling public it is important to get the legislation right and to do all we can to make sure the public gets the best protection possible.

The purpose of the bill is to improve taxidriver standards; to clarify the powers of the Victorian Ombudsman; to introduce codes of practice for rail and bus safety; and to require the accreditation of tow-truck licence-holders.

As the member for Polwarth said, a similar bill was debated in the last Parliament but not proclaimed. Changes have been made to that bill, one of them being the increase in the penalty for making a false statement under part 4 of the bill from 10 units to 60. That is a significant increase, but we support it because it is important to get it right.

Further measures will enable people convicted of serious offences to have their commercial passenger vehicle driver certificates revoked or suspended. Unfortunately that would not take effect until after the bill is proclaimed on 1 July 2004, which is why the commonsense amendments introduced by the Liberal Party should be supported by all members of this house.

Another new provision in the bill provides for a system of accreditation and a code of practice for the towing industry. As the member for Polwarth said, this issue has been spoken about for a long time, and it is good to see that the towing truck industry has been involved in the discussions. I believe there have been some difficulties in the industry, so it is important that the Victorian Tow Truck Directorate has come to the party, because we must get the industry right. Hopefully the code of practice will do that.

The bill will also enable the Victorian Ombudsman to investigate the activities of persons authorised to carry out certain public transport-related functions, even if the person is an employee of a private company. Again the National Party supports that provision, because as has been highlighted, there have been some problems in the last few years with public transport activities. It is important that the Ombudsman has the authority to investigate any matters that come to his attention.

The bill also amends the Rail Corporations Act 1996 to establish the V/Line Passenger Corporation, which will affect V/Line country passenger services. This has come about because National Rail has fallen over. The minister has frequently said that the government will tender out to the private sector work relating to the running of urban passenger rail services. We have seen examples of that with country rail services that are still operating and doing a good job. I do not have the opportunity to travel on them, but my colleagues who use the services to Warrnambool and Shepparton tell me they are providing a good service.

The National Party has consulted widely. It sent out copies of the bill and the second-reading speech to the Royal Automobile Club of Victoria, the Transport Workers Union, the Victorian Taxi Association, the Public Transport Users Association, the Victorian Tow Truck Directorate and also local taxi and tow-truck
The member for Polwarth highlighted the fact that the previous coalition government did a lot of work in improving the taxi industry. I know from the few times I have used taxis that there have been big improvements in the standard of the vehicles and the dress code of the drivers. That gives passengers more confidence when jumping into a vehicle that they will be looked after and will get from A to B safely. This government has made further changes to the industry, such as requiring taxis to have cameras to protect drivers and the like. Driver standards were improved dramatically by the coalition government, and I am pleased that this legislation will further improve them.

The legislation will enable the Secretary of the Department of Infrastructure to declare a person who is convicted of a serious offence to be disqualified from obtaining a driver certificate for a period of time. Those offences include violence, murder, armed robbery or serious assault, and sexual offences such as rape or the sexual assault of children. They also include drug offences and offences relating to theft, fraud and property damage.

As I said, the Liberal Party amendments kick into gear straight after the proclamation of this act. It is retrospective which gives some assurance to people who hop into taxis or hire cars that they are hopping in with a person who is of good character in relation to the driving of vehicles.

I refer to a letter from the Victorian Taxi Association (VTA) in response to the bill. I will read from some of the letter, which was received by the Honourable Barry Bishop, a member for North Western Province in the other place:

Thank you both for asking for comment on this bill.

…

The proposed amendment was first mooted some 18 to 24 months ago when there was a public outcry about a driver with a conviction being able to continue to drive a taxi.

If the Liberal Party amendments are not accepted that will continue until the proclamation of the bill. The retroactivity will pick up the concerns raised by the taxi industry. The letter continues:

At the time the VTA had input into what should be done about the situation. One of the points made then was that where a driver is charged with a serious offence (such as murder, rape, child molestation or violent assault) the DC should be suspended at that point in time and then revoked upon being found guilty — or found not guilty.

The VTA is disappointed that such circumstances have not been addressed in the bill, rather the provisions only relate to where the DC holder has been found guilty whether or not the conviction is recorded.

…

The VTA’s view is that the bill should clarify the circumstances and procedure related to suspension where the person is charged with a serious offence, and not rely on an unassisted decision of a magistrate upon appeal.

The issue here is one of public interest in that the public should have confidence that the driver of a taxi is trustworthy and safe. Taxis carry the whole spectrum of the public, including children, elderly and those with physical and mental disability.

That was sent by Neil Sach, the chief executive officer of the VTA, and we thank him for his input.

The legislation covers many things, including the Public Transport Industry Ombudsman. Before referring to that, I note that I am informed that on some nights of the week approximately 1200 taxis are vacant because we cannot get drivers for them. It is necessary not only to give them accreditation and work on codes of practice and those types of things, but it is also important that those drivers be given some kind of support.

I refer to that because a taxi company has highlighted to me that one of its drivers was spat on. It wrote to the Victorian Taxi Directorate more than two months ago, but it has had very little feedback or correspondence on this matter. The company wants to know if it can
legally bar that person from hopping into a taxi again, because it has to protect its drivers. The company has a legal responsibility to provide a safe workplace under occupational health and safety regulations. The ombudsman might have a say in this, but importantly the taxi directorate needs to be able to step in and give some direction to this company, because it is fearful that if this person is not barred from its taxis the drivers could take it up on occupational health and safety issues. I highlight that because we not only want good driver standards, we also want the government and the Department of Infrastructure to provide protection for drivers trying to do their jobs.

Another concern raised with me by a taxi company in my electorate is that the government is now charging $2500 for assigned licences. Some taxi companies are saying that they have spent a lot of money purchasing licences and they are very concerned that $2500 for assigned licences is a cheap way of getting into the taxi industry through the back door. There are major concerns in Hamilton, for instance, where there used to be six taxi companies but now there is only one. It believes that is because of the cheap buses, introduced sometimes by the federal government but also by this government. The taxi industry is under a lot of pressure because of the red tape and regulations and also because of the assistance given to bus companies and the like that are taking away their business.

The bill establishes the Public Transport Industry Ombudsman. As I said, that can only be good. Complaints about the misuse of statutory power by authorised public transport enforcement officers is one concern that has been raised. The National Party supports the Public Transport Industry Ombudsman having authority under this legislation to look at that.

Clause 9 of the bill deals with tow-truck driver accreditation. It provides for the licensing authority to determine that accident tow-truck licence-holders must hold accreditation under a specified industry accreditation scheme and must observe specific codes of practice. It has been a tough industry to work in and it is important that the industry works together with the government of the day to make sure that this code of practice is adopted, worked by and enforced. The legislation provides that existing licence-holders will have two years to comply with the accreditation requirement, but new people coming into the industry must comply as of day one. The National Party supports that.

I finish with the V/Line Passenger Corporation. Clause 14 establishes the V/Line Passenger Corporation as a rail corporation with the necessary functions and powers to operate country passenger rail services. I also highlight that it operates not only passenger rail services but also passenger bus services. Before I was elected to Parliament, under the previous coalition government there were major changes and unfortunately a lot of lines were lost and closed. But bus services were also put in place where there had never been services before. One of those went from Kaniva to Dimboola and Horsham and across to Bendigo, and it gave people the opportunity to cross the state.

As honourable members know, most rail services work on an axis basis into Melbourne. These bus services provide great access for young people, particularly those going to university in Bendigo, and also enable people to visit friends and relations in the north-east. As I said, V/Line runs not only rail services but also and importantly, bus services, too. Some private operators are doing a great job. I compliment those on the Warrnambool line and the Shepparton line for providing good rail service into those areas.

With the changes proposed by the government and the opening up of further lines — one that I wish to highlight is to Ararat — I know bus companies across Victoria are looking at these linkages to try to provide a better service into country Victoria. I only hope that the V/Line Passenger Corporation can work with the bus industry — they are all private operators — to make sure there are good linkages into country Victoria.

One issue that does worry me greatly — and I referred to this in a press release today — is the $17 a year increase in registration fees, which highlights that the Labor government has again run out of money. It has blown $1.8 billion, and now it has not only raised every hollow log but has found many are empty, so it is jacking up taxes to feed the appetite of the revenue it needs.

This tax will be a slug that will hurt mostly those in country Victoria. People ask why. The reality is that we have not got the public transport options available in the city, such as trains, buses and taxi services. Most country people rely on their own car or other vehicles to commute or move around. Therefore, a lot of families run a couple of cars and they have utilities and trucks to service their industries. People in country areas will have to pay a higher cost per person to meet the insatiable demand of this government for revenue.

We know the government has broken a promise on the Mitcham–Frankston freeway and has also shelved rail standardisation projects. I highlight the concern that members of the National Party have in that regard. The
government, as I said, has scrapped the $96 million rail project because it is seriously strapped for cash. Local councils and many people across Victoria are concerned that this project will not go ahead, and it will have a major impact on freight in country Victoria. The member for Mildura is in the chair. I particularly highlight the servicing of the fruit industry in Mildura and the local mineral sands industry, which is a big industry about to explode in relation to transport needs in rural Victoria.

The Minister for Agriculture is at the table. It is disappointing that he would not commit to a time frame for the rail standardisation program when he was asked that at the Victorian Farmers Federation grains conference in Mildura a couple of weeks ago.

Mr Cameron interjected.

Mr DELAHUNTY — The Minister for Agriculture has highlighted that. I will highlight again the fact that this government has been here for nearly four years and has had no problems negotiating with a private operator in relation to passenger rail services to Mildura, Bairnsdale, Ararat and South Gippsland. It has had no problems negotiating with a private operator on what it calls its fast rail link project; I think it should be called the slow rail link project. Again I emphasise that the government seems to be able to work with a private operator to make changes to a contract but when it comes to rail standardisation it has dropped the ball badly.

This is highlighted in a press release put out by Mr Ian Hastings, the president of the Victorian Farmers Federation (VFF) grains group. It states:

... the minister has described the $96 million pledge and key 1999 and 2000 election promise as ‘deferred’.

He says it is a promise that will be deferred. I bet that in three years time it will be another promise that will be deferred. The press release continues:

The VFF believes that standardisation of rail gauges is one of the key infrastructure projects planned for country Victoria and it can’t just be left to fall off the agenda.

There is a minister at the table and a parliamentary secretary in the chamber, and I highlight to them that I will make sure that this government does not let it drop off the agenda.

Mr Cameron interjected.

Mr DELAHUNTY — The minister said, ‘Who let it drop off the agenda?’ The reality is that the Labor government has blown $1.8 billion and this legislation will only help it to get a little bit of that back. Importantly, it should not let rail standardisation drop off its agenda as two ministers, particularly — —

An honourable member interjected.

Mr DELAHUNTY — He is the member for Bendigo East, a country area, and I hope that he can have some say in the cabinet, although I do not think he has. But Labor should get it back on the agenda for those agricultural people it is supposed to support.

Mr CARLI (Brunswick) — I rise to support the Transport (Miscellaneous Amendments) Bill. It is a very important bill which contains five fundamental changes to the Transport Act. They are major amendments and part of the reforms that the government is undertaking. In the case of the rail corporations it is really this government cleaning up the mess left by the previous government.

There has been some confusion by the honourable member for Lowan and the honourable member for Polwarth about the amendments that have been put forward. The government does not have a problem with the amendments, but they are not retrospective at all.

The first of the amendments deals with the use of level 1 and level 2 criminal offences as grounds for the refusal of a drivers certificate. The second amendment deals again with the use of level 1 and level 2 criminal offences as grounds for the revocation of a drivers certificate. The reality is that that has been happening. All that is happening at the moment is that the government is codifying the use of level 1 and level 2 crimes as reasons for either refusal or revocation of a licence, but in fact this has always been part of the fit-and-proper test. There are guides which the Victorian Taxi Directorate and the bus corporation already use that already include these level 1 and level 2 criteria, so the suggestion by the honourable member for Polwarth that somehow the government is allowing murderers and rapists to drive taxis is wrong. That is not happening.

The fit-and-proper test has been using precisely level 1 and level 2 criminal acts as reasons for the refusal and revocation of licenses. The fundamental change is that drivers must notify the licensing authority if they are convicted of a specified offence; if they do not that becomes an offence and there is a penalty for that. What has been asked and what has been amended here is not retrospective at all; it just follows current practices and for that reason the government has no problems with it at all. But the suggestion that somehow the government is allowing rapists and
murderers to drive people in cabs is nonsense, and it is nonsense that has been perpetuated in this house by the honourable member for Polwarth.

I also point out that the fit-and-proper test does include a police check. What is important is that it is being used and used effectively. Between 1994 and 2002, 625 drivers certificates were revoked; 376 drivers certificates were suspended; and 639 driver applications were refused. So there has been a process by which people have been refused a licence on a number of grounds, including level 1 and level 2 criminal offences. It is important not to create falsities and try to mystify what is happening. The government is essentially increasing its ability to weed out bad drivers. Bad drivers do come into the industry, and this amendment, in part, allows us to weed them out.

Another false accusation that has been levelled at the government is that it is allowing unlicensed vehicles to pick up passengers at the airport and take their money. That is not true. Both the government as a regulatory body and the airport authority authorise vehicles to go to the airport. What is happening is that hire car operators are being caught touting for business. The government has made efforts to stop that practice. It is a serious concern. It is not a practice that has emerged overnight; it has been around for a number of years, and it is an issue that the government will continue to monitor.

The honourable member for Polwarth is suggesting that the government should introduce some reforms in the taxi industry and that there is an implementation committee. The reason there is an Implementation Committee is because we are undertaking reforms in the taxi industry. The government announced last April major reforms in the taxi industry which are being implemented at the moment. They include new licences, upgrading training and a whole series of accreditations for various players in the industry. So changes are occurring, and it would probably be in the interests of the member for Polwarth and the member for Lowan to have a briefing on taxi reform.

Another issue raised by the honourable member for Polwarth is the safety code of practice for the rail industry.

He suggested that because it is not mandatory it is not strong enough and is therefore not worth anything. This is again a misunderstanding of the role of the safety code and the difference between it and the mandatory accreditation involved in the tow-truck industry. The safety code is in place to ensure increased consistency between the safety systems of the various rail providers. It is important to note that the providers will have to comply with safety accreditation standards, because they are mandatory. Rail providers in Victoria will have to comply with safety accreditation standards. The safety code sets a certain standard to ensure that the providers are able to comply with it and to allow them to measure their performance against it. This code and the safety standard will provide evidence of a safety management system which complies with the legislative requirements. It will be able to be used in court in cases where there are accidents or other problems.

The safety code, which I agree is not mandatory, is underpinned by an accreditation system which is compulsory for and enforceable on all rail providers. Again, I think there was a degree of misunderstanding about that among opposition members.

The fact that there will be a rail ombudsman has been generally well received. A series of issues have emerged in the transport industry which have reinforced the need for an ombudsman. In part those issues have been around the operations of ticket inspectors. It is significant that we will now have an office that can investigate and resolve complaints by members of the public, particularly about ticket inspectors. Most metropolitan members of Parliament would have received numerous complaints last year during the blitz by ticket inspectors. There were concerns about their role and about them being heavy handed. The government has introduced a number of changes to ensure better training and therefore better control.

The amendments clarify the powers of the ombudsman to investigate complaints about the exercise of the statutory powers and the powers of arrest available to authorised enforcement officers. It is an important change, and we have an opportunity to ensure that the ombudsman can act where there are genuine complaints from the public.

The other issue is the accreditation and code of practice provisions in the towing industry. That industry has been part of the reform process, improving standards and ensuring that the industry is more accountable. I have chaired the committee that has been involved in tow-truck industry reform, and it has been a positive process. The industry has been very supportive and over a period of time has cleaned itself up. The provisions of the bill further reinforce that reform.

The insurance industry was also involved, and it too has been very supportive of the accreditation process. That has been critical in getting together what have been hostile players, because historically there has been
enormous animosity between the insurance industry and the tow-truck industry. It has been an interesting exercise to have them work together on the codes and on the accreditation process over a period of time.

This is an important bill in as much as it is furthering a series of reforms within the transport portfolio. I wish it a speedy passage through Parliament.

Debate adjourned on motion of Mr BAILLIEU (Hawthorn).

Debate adjourned until later this day.

MELBOURNE (FLINDERS STREET LAND) BILL

Second reading

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

Mr BAILLIEU (Hawthorn) — The Melbourne (Flinders Street Land) Bill is a petite bill which collapsed last year because of the premature election. It is a bill which the Liberal Party will not oppose, but in many ways it is one of those trust-me bills. It is also a bill about which we do not have all the information, but in considering it we are making an act of trust in the government — a brave thing to do, as recent events remind us.

Essentially the bill involves the transfer of a package of land from the Melbourne City Council back to the state. It is about the return of land which was vested in the Melbourne City Council in 1958. The purpose is to assist in the facilitation of a project on the north bank of the Yarra River. That project, in whatever form it finally takes, has been part of the long-driven commitment to re-establish a relationship between the city and the Yarra River, and that process is one which the Liberal Party has supported. I think there has probably been bipartisan support for that process over a long period.

The land to be transferred with the passage of the bill is in two pieces — and I say that to the best of my knowledge, because we have not yet been provided with the detailed information. One piece is south of Flinders Street, between Spencer Street and Kings Way, including the railway viaducts.

To the east of Kingsway is the other piece of land, which the opposition assumes includes both arms of the railway viaducts. I am not precisely sure whether the south arm is included or not, but it is the land between Flinders Street and the Melbourne Aquarium. That more triangular-shaped piece of land is not huge but it is important, and I will come back to its importance in a moment.

The history of this relationship between the city and the Yarra River is an important one when considering the passage of this bill; it is a history closely associated with the origins of our city. This precinct was the heart of early Melbourne: it was the left ventricle of Bearbrass. It was the site of the falls. Above the falls the water was fresh, and below it the water was salty. When Matthew Flinders and his mates came paddling up the Yarra this is the point where they found fresh water and that is why the development at Southbank is called Freshwater Place. The falls were later removed. This was also the place where, after the development of Melbourne and before the bridge structures were all put in place — —

Mr Cameron — I like the history; it is propping the speech up very nicely.

Mr BAILLIEU — Thank you!

This was where the turning basin for ships was established. It is where shipping in Melbourne first arrived and where the markets were located. That is why this area became the fish market, as was mentioned in the second-reading speech. This land has always had a strategic position in Melbourne’s history but over the course of many years Melbourne began to turn its back on the Yarra. We found ourselves with other forms of transport and we found that shipping could not go under the established bridges; therefore the turning basin was lost, the focus was lost and Melbourne turned its back on this piece of land and turned its back on the Yarra as a whole.

Those of us who grew up in the inner city could not forget, although we would not wish them to be restored, the smells from the Allen’s factory on the south bank — that sickly sweet smell and the Steamroller juice that floated on top of the Yarra’s water for all those years. For those who had the privilege —

An Honourable Member — Steamroller juice!

Mr BAILLIEU — Allen’s steamrollers! If you had the good fortune to fall into or swim in the Yarra, as I did, you knew that you had hit the water when you went through that top layer. There were also car yards on the south bank. It was really not a place on which Melbourne had a focus, but in the late 1960s and early 1970s there was renewed interest and a renaissance began in the Yarra precinct and of the relationship between the city and the Yarra itself. That was begun under Sir Henry Bolte and Sir Rupert Hamer, and I
remember well the landmark competition that Sir Rupert initiated in the 1970s. The competition did not produce a result, perhaps being too farfetched at the time, but it was an important signal that there was renewed interest in the Yarra. I pay tribute to people like Evan Walker, a former planning minister, who picked up on many of those ideas and the development of Southbank flowed from that. The strategy has been pretty — —

Mr Cameron interjected.

Mr BAILLIEU — That landmark competition?

Honourable members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! I ask the honourable member for Hawthorn to come back to bill and to not respond to interjections across the table.

Mr BAILLIEU — It is relevant to the bill, Acting Speaker, in the sense that the second-reading speech refers to the Yarra precinct and the Yarra plan.

An early part of the Yarra plan was the contemplation of a landmark for the City of Melbourne east of Princes Bridge where Federation Square is. Arguably Federation Square could be the outcome of a long process to produce a landmark in that location. That competition attracted worldwide interest in the 1970s. Since then there has been a consistent strategy which has involved the development of the precinct and consistent with that we have seen the development of the Victorian Arts Centre, the National Gallery of Victoria and the World Trade Centre. I suspect some of those developments have not been all that successful in terms of their civic responsibilities by their overshadowing of other things.

When it was first conceived the Centra Hotel was probably a nice idea commercially, but it has not necessarily been a good thing for the Yarra. There has been a consistent line of projects dealing with the Yarra precinct, and that precinct has moved on. Under the previous government we saw the development of the Melbourne Exhibition and Convention Centre, the Polly Woodside exhibition, the development of the Crown Entertainment Centre, and the development of Batman Park, which is immediately south of the piece of land we are talking about. That is especially significant because it is probably the only green and soft piece of territory in the immediate part of the Yarra precinct.

We have seen the development of the Melbourne Aquarium. Despite problems in the early stages the company has conducted itself professionally, has set up a successful tourist venture and from time to time has looked at expanding that. We have seen the development of the wharfage around the turning basin, which is again a part of Melbourne’s tourist attractions. We also have seen the development of the night-time relationship, and that has been reflected very much in terms of Crown Entertainment Centre’s external demonstration and also in the lighting which glows in the railway viaducts.

In addition, more recently we have seen the development of Birrarung Marr, the park on the east side of Flinders Street station. I was amused to read in the second-reading speech the government claiming credit for Birrarung Marr. To tell you the truth I do not care too much who did it because it is a brilliant piece of landscape architecture and a great contribution to Melbourne, but I was amused on account of its being a Kennett government project that has now being claimed by the Bracks government; but so be it!

In that respect it is also interesting that the second-reading speech refers to the Hoddle vision. I have been banging on about the Hoddle-Russell vision in this place since I got here. I only hope the government is starting to talk about it and may reflect on it in some areas. Sadly the government has not adopted that position in Parkville.

Nevertheless there are some missing links in the Yarra precinct, including some areas which have not yet been developed, and they stand out for those with an eye to see. Most of the north bank in this precinct is predominantly occupied by a car park run by Melbourne City Council. There is the overpass in Flinders Street, which is not exactly a flash piece of civic construction, and work is still to be done internally at Flinders Street station. I know the previous government was actively involved in the consideration of the Flinders Street station redevelopment. Given that the station to the west of Melbourne is to be called Southern Cross, goodness knows what the station on the southern side of Melbourne will be called!

We have all agreed that the overpass in Flinders Street should go. The previous government made a commitment to do that when City Link was introduced, and I remember the then Labor opposition, which was then very opposed to City Link, taking the view that we should not do anything until we had tested all the traffic systems. Clearly the government’s acquiescence on the overpass in recent years is an acknowledgment that City Link has been very successful and that Labor was playing politics when it first made those suggestions. There is bipartisan support for the overpass coming
down in Flinders Street. That will enable the north side of Flinders Street to assume a new relationship with the south side and the Yarra, because this has been an obstacle in the past.

This key piece of land is part of a project which we are told will facilitate the removal of that overpass. It is important to understand that the essential quality of this precinct is that it is public, it is active, it is accessible to pedestrians and it is delightful and engaging for the Melbourne community. That is what the heart of a relationship with the Yarra should be in the urban environment, and as such we want to ensure that whatever goes there retains all those qualities. This piece of land is therefore literally and physically central to the Yarra precinct. It is central to the north bank; it is a stone’s throw from all the major facilities — the convention centre, the exhibition centre, the Crown entertainment centre, the aquarium and Southbank — and offers an extraordinary linkage between them; and obviously it is a stone’s throw from the north side of Flinders Street. The development there will have no doubt flow as a consequence of this release of land.

The government’s response to this was to initiate an expressions-of-interest (EOI) process in August last year. We understand that the EOI process has reduced the number of interested parties. We are told that this bill will introduce some certainty for whoever is the successful bidder.

I want to say one thing about the expressions-of-interest process, and I will come back to it in greater detail in a moment. It signalled a change of attitude on behalf of government authorities to this piece of land. It is an important signal, because it indicates that the government itself does not intend to do anything with the land.

I note that clause 2 suggests that the bill will sunset in June 2005 unless a development is arranged and the act is proclaimed, so obviously a measure of the success of this bill will be the outcome of the EOI process. That is why what is done there will be important.

We had a briefing from departmental officers, and I am grateful for that. At the briefing we raised a number of issues, and a number of issues were raised with us. I am sorry to say that our request for further information in a number of areas has not been met.

I do not want to assign any ill will in saying that. Perhaps this bill has come on a day earlier than it was otherwise going to, given the way we manage the house at the moment; and perhaps when the bill is between houses the information that we asked for may be presented. However, there was a fair shortfall in that briefing. I will run through the things which were raised with us and about which we asked for further information.

The transfer of this land involves a memorandum of understanding (MOU) with the Melbourne City Council as to a consideration of the income relinquished by the council. We asked for a copy of the MOU, but that has not been provided. We asked for a schedule for the expressions of interest, and that has not been provided. We asked for a copy of the reservation details, which has not been provided. We asked for a copy of the plan of the land in question and the titles; that has not been provided. In fact, if we had not brought our own map to the briefing I do not think anybody there would have known about it.

We asked for details of proposals for future excisions from the transfer of the Victrack infrastructure, but we have not been provided with that. We asked for information on the current zonings of the land and its surrounds; we have not been provided with that, but we have searched for it on our own account. We asked for a briefing for the major projects unit; that has not been provided. We asked for a copy of the broader piece of work apparently undertaken by the former Department of Infrastructure a couple of years ago on behalf of the Premier’s office on the strategic significance of the land, but that has not been provided. I asked specifically at the briefing about the government’s strategic position on this land, and the officers present were not able to say because they said they were not responsible for it. That is unfortunate.

The Liberal Party has a number of concerns about the outcomes here. One of those concerns, and perhaps the most important, is that the previous government had recognised the strategic value of the land. As I said the land is central to this precinct, and it was earmarked for a plenary facility, being a 5000 seat convention hall to be associated with and attached to the convention centre and, implicitly, the exhibition centre. The Melbourne Convention and Exhibition Trust developed a very keen interest in the future of its facilities. Obviously it is a very competitive market, and the convention and exhibition centres have been very well run and are in desperate need of a plenary facility. There has been a strong history of pursuing that facility, and I note that one of Melbourne’s closest competitors, Brisbane, is advancing its facilities at a great rate. Even last week it announced a further injection of funding for new facilities. If Melbourne’s convention and exhibition centres are to compete, they need to have that plenary facility at some stage.
The key to such a facility is to link it directly to the convention centre. To locate it elsewhere would make it difficult to use. But the government has gone quiet on a plenary facility, and we have to wonder why. The reality is that under the previous government the convention and exhibition trust went through a rigorous process where it looked at not just the obvious siting opportunity for a plenary facility but all the options in the precinct. It conducted a very detailed study and reported on the outcome. After that process was gone through over a long time the selected, preferred site was the piece of land we are talking about now, directly across the road from the convention centre, potentially linkable by a footbridge over Spencer Street bridge, and as such adding greatly to the great asset and attraction that Melbourne exhibition and convention centres are.

It seems, and I come back to the EOI process, that the government has now signalled that it does not have an interest in this piece of land. So be it, but what is missing is what the government will do strategically to find a piece of land that satisfies the long-term needs of the exhibition centre, which will need to grow of itself, and the convention centre, which needs to be coupled directly to a plenary facility. So there is an issue there that is strategically unresolved based on the information provided to us, and its resolution is important to the future of Melbourne.

In the same vein, there are other strategic interests around this site. Obviously Crown has an interest because it is directly across the water from its facility. The aquarium, which has wished to expand even before it was open, has had an interest in that, and the previous government accommodated the expansion of the aquarium. So there is a strategic gap in the public thinking. I trust that the government is doing some of that thinking, and there is no evidence of that.

Other issues members of the Liberal Party are concerned about in terms of the delivery of the outcome and whether we measure this as a success are whether any project will overshadow the water, whether we retain public access, the nature of any planning scheme amendment required and whether it will be tested in the usual way, the increase in the value of properties on the north side of Flinders Street and how that capital value increase will be reflected after the removal of the overpass in the development of this site.

The returns and costs in the budget are another issue. Looking at the budget update and the pre-election budget update, there seems to be some difficulty in assessing how much the government is going to spend on this project and what the returns are going to be. This seems to suggest that the government may be retaining an interest in the project long term. If that makes the government a partner, it would be nice to know that at this stage. The net on that seems to be about $20-odd million. We will have to wait and see whether that is the intrinsic value of the site as the best possible use for this land.

The opposition also has an interest in the timing of the removal of the overpass, as it does in access and the excision of the Victrack viaducts and the infrastructure that supports them. That remains an issue, as it was an issue for the previous government when it was considering the facilities on that site.

While there is certainly a bipartisan position on the renaissance of the Yarra and the regeneration of the relationship between the city and the water, members of the opposition are concerned that the outcomes here are not yet measurable and that there is a considerable amount of information not yet before us. As I said earlier, I trust that that information will be made available to us while the bill is between the houses. It is a concern that the government has not spelt out its strategic vision for some of its assets in the area, because the principal government asset is the Melbourne Exhibition and Convention Centre. How that vision will be fulfilled is as yet unexplained and is obviously a key to the consideration of the future of this piece of land.

Members of the Liberal Party will not be opposing the bill. We trust and hope on this trust-me bill that the expression of interest process delivers something which is good for Melbourne and retains those very special qualities in a precinct which is and should remain a public precinct and that this piece of land, so central to the future of the Yarra precinct, is developed in a way which all Melburnians can enjoy.

Mrs Powell (Shepparton) — I am pleased to speak on the Melbourne (Flinders Street Land) Bill on behalf of the National Party as the National Party spokesperson for planning, and also to put on record that the National Party does not oppose this bill. It is only a small bill, as the minister at the table earlier said — there are only five clauses and only one of them is a major clause.

The purpose of this bill is to divest land from the Melbourne City Council and to revoke the reservation of the land. It is also to amend the Melbourne (Flinders-street) Land Act 1958. That act will become redundant because sections 2 and 3 of that act are to be repealed by provisions of this bill. It also preserves certain rights under other acts, and I will talk about that later.
The main purpose of this bill is to rejuvenate the north bank of the Yarra River. There has been significant development on the south bank of the Yarra, but at this stage we are being told that while some development has gone ahead the north bank has been predominantly neglected. The shadow Minister for Planning detailed the early history of Melbourne and its relationship to the Yarra River.

This bill was introduced in this house last session; the only change is that its expiry date was 31 December 2004, while this bill will automatically be repealed on 30 June 2005 if it does not come into operation before that date. That date is the only difference between the bill introduced in the last session and this bill.

In May last year the Premier and the Melbourne City Council sought expressions of interest for the development of the two sites we are talking about here today. One is the former fish market site south of Flinders Street between Spencer and King streets, and the second is on the opposite side of King Street, to the north of the Melbourne Aquarium. As part of the development of both those sites, the Flinders Street overpass will be removed.

While members of the National Party were pleased, as was the member for Hawthorn, to have a briefing with the Department of Sustainability and Environment, answers were not able to be given on a number of issues we asked questions about. One of the questions we asked was whether the community had been consulted about the Flinders Street overpass being removed. I was made aware that the community was not consulted about the removal of the overpass, but the Melbourne City Council agrees with the overpass being removed. I hope that it has community support.

I also asked how many expressions of interest were received. I was not told of those expressions of interest — in fact, I do not think the department had those figures at hand. I was told that a number of developers have been short-listed and that they are asking them for extra detail. They are waiting for those extra details to be received, and I think that those developers will then be put under evaluation.

I was told at the briefing that the Melbourne City Council supports this proposal because I did ask whether it was supported. The second-reading speech says that the proposal is supported and, as I said, the Melbourne City Council has indicated that it supports the proposal.

The land we are talking about is currently Crown land permanently reserved under a committee of management by the City of Melbourne. As we have already heard, part of the site is used for storing impounded vehicles and another part of it is used as the City of Melbourne car park. Revenue to the council will be affected and a number of concerns have been raised about the revenue forgone under this development. I understand that a financial strategy will be negotiated between the City of Melbourne and the state government to compensate for any loss of revenue. I asked whether agreement had been reached on that financial strategy and was told that it has not yet but that a memorandum of understanding was signed by the Premier and the Lord Mayor of the City of Melbourne last year. As the member for Hawthorn said, this is virtually a trust-me bill — we do not know who the developers are or how many there are; we do not know about any compensation to Melbourne City Council and whether the council will be agreeable to that compensation. I asked for the land in question to be defined. I was not given any maps of that area but luckily I took my Melway in and was shown the area in question.

Clause 3 of the bill is the major part of the bill; the other clauses are more consequential. It divests the land vested in the Melbourne City Council and discharges it from all trusts, limitations, reservations, restrictions, encumbrances, estates and interests. At the briefing I asked whether there were any major restrictions on these parcels of land, but the officers did not think there were any. I also asked whether there were any encumbrances on any of the parcels of land. They were not sure about that, but the department was going to check whether there were any covenants on the land and get back to me. People feel strongly about covenants if there are any on the land. Covenants are a way of protecting the rights of people who live on and around the land. If there are any covenants on these parcels of land — I am not saying there are — we want to ensure that the process is dealt with fairly.

Clause 4 is a minor clause which preserves rights under the Melbourne Underground Rail Loop Act 1970, the Transport Act 1973, where the rights retained are those that apply to the Flinders Street viaduct railway, and the Melbourne Lands (Yarra River North Bank) Act 1997.

The planning arrangement for this parcel of land is not in Melbourne 2030, but there is a Yarra plan project. The proposal is to make the inner city of Melbourne a popular and accessible destination. The Yarra plan states that $4 billion of public and private investment has been identified, including investments that will enhance Northbank’s safety and aesthetics in the lead-up to the Commonwealth Games in 2006.
I would like to read out some of the Northbank projects identified in the Yarra plan. There is a substantial list so I will not go through all of the them. The first is the Northbank promenade and cycle trail, which involves upgrading the pedestrian and cycle trail between Federation Square and Docklands. Other projects include the World Trade Centre extensions at North Wharf; the Northbank viaducts enhancement — visual-aesthetic enhancements to improve the image of the viaducts; and the aquarium extensions, where the plans are being developed although the final site is yet to be confirmed.

We were talking earlier today about the fish market, and the Yarra plan talks about the redevelopment of this site. It says it has mixed use development potential; that a tender process is under way, as we already know; and that site redevelopment is dependent on the removal of Flinders Street overpass. The Yarra plan also talks about some integration of Flinders Street station; the refurbishment of the administration building, the provision of commercial tenancies on the ground and first floors, active frontages at street level and better links through to the river. Upgrading of the existing Flinders Street streetscape is listed along with the Flinders Street overpass and the enhancement to the Flinders Street West environment. The plan talks about removal of the overpass to provide an opportunity for the development of the former fish market site, that vehicle, tram and pedestrian mobility studies are already under way and that engineering reports have been completed.

According to the 2002–03 Budget Update, $12 million has been budgeted in the 2003–04 year for the Flinders Street West precinct urban development project. It states:

The project, to be delivered in cooperation with the Melbourne City Council, involves the removal of the Flinders Street overpass, construction of a new intersection, tram works and relocation of the council’s tow-away facility.

The redevelopment has been spoken about fairly extensively in the government’s forward planning.

As we all know and understand it will be very exciting when the north bank is fully developed, but the government must ensure that while it does the development it also supports any private developers as well as the residents and businesses in that area. Melbourne is a wonderful city, not just to live in but to visit. I think we all say Melbourne is one of the most livable cities in the world. I happen to agree with that even though I am a country person.

Mr Baillieu — Is it better than Shepparton?

Mrs Powell — It is not better than Shepparton, but it is my second home. I have a flat in Melbourne. I pay rates to the Melbourne City Council so I have some say in the way Melbourne develops.

Many people from country Victoria like to visit the city for the amenities it has and the events it is well known for. One of the major natural features of the city is the Yarra River. It is a focal point for many of the major events. It is not just a nice looking river, it is actually part of the culture of Melbourne. As a sporting facility it is very well known for its rowing and its waterskiing. In fact when we have the waterskiing down the Yarra we try to rival England’s Henley Royal Regatta on the Thames. I think we are competing very well in trying to get the crowds to the waterskiing, because it is a very well-attended event.

We see a lot of people around the Yarra area going to many cultural events. Some are festivals like the New Year’s Eve celebrations. Two years ago I came to the new year’s celebrations in Melbourne just so I could see masses, the crowds, because new year’s celebrations are a little more low key in country areas. In Melbourne they are on a grand scale, but I have to say that I was not really impressed with all the crowds. It is great to have them here but being a person who does not like crowds a lot I will probably stay in Shepparton from now on for my new year’s celebrations. Other cultural festivals include Moomba. The Yarra is one of the focal points of Moomba, so across the world stage it is getting quite well known.

People have always been fascinated by water and for many reasons. I have two rivers in my electorate — the Goulburn River and the Broken River. I have the very good fortune of having my home near the Broken River, so I know what it is to live near a river and have the wonderful luxury of being able to see it every day. We also live very close to the wonderful Murray River, and the irrigators in my area rely very heavily on the Murray and Goulburn rivers. Rivers play a large part in our lives and not just in the aesthetics of an area; they are important for many other reasons.

We also have a number of lakes in my area. We have Kialla Lakes, which is obviously in Kialla. It is a very popular residential area where the developer is constructing a third lake. We have the Craigmuir Lakes in Mooroolbark and the Victoria Park Lake in the centre of Shepparton, which the locals use extensively for picnics and festivals, similar to the way Melburnians use the Yarra. We also have Parkside Gardens, which has some wonderful water features. People can be in the country and still enjoy the peace and tranquility
that water brings. It is important that people have access to our river frontages and waterways.

The Yarra River may not be as well known to many people as the River Seine in Paris, the Danube River in Vienna or perhaps even the Thames River in London, but I think it is just as important. To get some more information on the Yarra River I looked at the Yarra River web site. It talks about it being the river that sculpted a city. I will briefly outline some of the things it says about Melbourne’s Yarra River. It states:

It runs for just 242 kilometres, from its source on the flanks of Mount Baw Baw to the head of Port Phillip Bay.

The Yarra has been dubbed ‘the river that runs upside down’, a jibe at its high turbidity, which means from the middle reaches the Yarra carries a lot of suspended silt downstream.

But this visually humble, sepia-coloured river has a very strong character and has had a disproportionate impact on shaping and serving the state capital that grew up on its banks.

We read that:

The river’s ancient delta that was defined by the sandy, swampy reaches stretching between St Kilda and Williamstown meant that the city of Melbourne was initially established on the higher northern bank. The low, flat land on the southern bank was largely left to light industrial development until late in the 20th century.

So as you can see, the Yarra was not just there for its looks, it played a vital role, providing water to the horticulture industry, including the Yarra Valley winegrowing region.

Just as the Olympic Games highlighted Australia as a great destination, I hope the Commonwealth Games 2006 will highlight Melbourne as a great destination and that the north bank of the Yarra will be developed in time so that people can relax, watch and enjoy Melbourne at its best.

Mr CARLI (Brunswick) — I am pleased to rise in support of the Melbourne (Flinders Street Land) Bill. This very small piece of legislation is largely to facilitate the development of the north bank of the Yarra. It takes in a piece of poorly utilised land that is currently used for car parking and allows it to become part of the major process of urban renewal that we have now seen right across the Yarra in the central city. The other thing that will happen as a result of the passage of this bill is the removal of the overpass in Flinders Street, which will be a great and good thing.

The legislation basically divests a piece of Crown land from Melbourne City Council, thereby providing the opportunity, as a result of expressions of interest requested by the government, for decisions to be made about the final construction.

I agree with previous speakers that this is a very strategic and important piece of land. As a city Melbourne has largely turned its back on the river for the greater part of its history. That has changed now, both in the industrial south, as the previous speaker indicated, and in the northern part, which was dominated by transport and transport-related industries. All of that is now part of a bygone age. The urban renewal has occurred over a period of time and has been bipartisan insofar as all parties have contributed to it. Not only parties but major planners have contributed to it, and what we have now is a renaissance, as the member for Hawthorn made very clear. I wholeheartedly agree.

The north bank will add another important development to all that. Clearly there are issues about what will actually be there, what will be agreed to and what the contractual arrangements will be. Those are all issues that need to be flagged, debated and discussed. The legislation itself really only facilitates one further step towards the realisation of the north bank and increasing the potential of the Yarra River. Having previously turned our backs on it, we are now really engaging and embracing our river. I support the bill and urge its swift passage through the Parliament.

Mr HONEYWOOD (Warrandyte) — With this piece of legislation we see again that the Bracks government has no vision for Melbourne and no vision for this key asset when it comes to providing major infrastructure improvements for the city of Melbourne and the state of Victoria.

I am proud to have been part of a government that had a major projects agenda, unlike the current government. The former government had a wonderful agenda, called Agenda 21. It was responsible for the historic City Circle tram route and the building of the museum. We all remember the former minister Jim Kennan in the Cain and Kirner governments who, desperate to make it look as though something was happening, paid for some concrete pylons to be put up by the Yarra River and said, ‘Look, we are building the museum’. It was not the right place for a museum, and that government never had the money to fulfil the dream anyway.

Agenda 21, whether it involved tram routes, museums or convention centres, was all about putting Melbourne on the international map, having vision and having an agenda. As the member for Hawthorn said in his contribution, the former government was providing a
blueprint for the future and following freedom of information procedures and other appropriate planning procedures to ensure that such valuable assets as this piece of Crown land were not lost to inappropriate development or, as in some cases, to potential speculation by a future government of the day rather than for provision of public infrastructure.

The current opposition has not carried on with the vision that was implicit in Agenda 21. To see that you only have to look at the difference between the two major policies the parties took to the 2002 election. The Liberal Party’s policy for this key area included the extension of the Melbourne Exhibition Centre and put aside $100 million over five years to make that extension a reality, quite separate from the plenary 5000-seat facility which the Liberal Party has been promoting since the member for Hawthorn was involved in a previous life in assisting with Agenda 21-type projects. What we find by contrast in the so-called ‘Steve Bracks. Listens. Acts.’ policy that the government took to the last election is a simple paragraph under the heading ‘Melbourne Convention and Exhibition Centre (feasibility study completed in April 2003’). We hear about a lot of these feasibility studies that never finish up being implemented. I quote from that election document:

The Bracks government has committed $2 million to conduct a detailed assessment of the feasibility of and market demand for a new convention centre including a 5000-seat plenary hall. Seven sites north of the Yarra and at Southbank have been assessed against detailed criteria. Options north of the Yarra have been rejected as a result of this analysis, with an integrated, co-located convention centre at Southbank the preferred option. Development of a business case is under way.

The government says that development of the business case was under way six months ago given the policy that it took to the election. Where is this business case? Where is the funding? Will there be funding in the forthcoming state budget to expand the convention centre or build a new one? Of course not, it is pie in the sky. One only had to go to the recent motor show at the convention centre, Jeff’s Shed, to find key organisations such as the Victorian Automobile Chamber of Commerce pointing out that the convention centre is already not big enough for world-class exhibitions such as the ones it holds. Whether it be a separate plenary hall on the north bank, so that we have a wonderful precinct that is appropriate for international tourism and international and national conventions, or whether it be an expansion of the existing exhibition centre, for which we provided $100 million in our well-considered policy, there is a clear distinction between the Liberal Party’s providing a genuine vision as a flow on from the Agenda 21, our successful major projects agenda when we were last in government, and this government’s approach of being hooked on doing feasibility studies and coming up with so-called business cases that never see the light of day.

At the end of the day it is not just Melbourne but the wider Victorian economy that is the loser, because we will miss out both internationally and nationally on being a key destination when it comes to any number of important conventions and exhibitions of the type that have fired up this state when it has come to having a different type of emphasis from tourism activities elsewhere.

 Debate adjourned on motion of Ms MARSHALL (Forest Hill).

 Debate adjourned until later this day.

### WATER LEGISLATION (ESSENTIAL SERVICES COMMISSION AND OTHER AMENDMENTS) BILL

#### Second reading

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

Mr PLOWMAN (Benambra) — It gives me pleasure to speak on the Water Legislation (Essential Services Commission and Other Amendments) Bill, because it is about the water industry. Water is still the most important issue which this government is facing and which successive governments will have to face up to over the next 20 to 30 years. Water is a finite resource that has been fiercely fought over, and it is essential that we get the maximum benefit for all Victorians through its good use, particularly the 80 per cent that ends up as agricultural usage.

I start my comments by referring to a quote from Engels about the condition of the working class in England in 1844:

> Competition is the completest expression of the battle of all against all which rules in modern civil society. The battle, a battle for life, for existence, for everything, in case of need a battle of life and death, is fought not between the different classes of society only but also between the individual members of these classes. Each is in the way of the other, and each seeks to crowd out all who are in his way and to put himself in their place.

It is a fascinating quotation that one really needs to read twice to fully appreciate. What it is really saying is that a Labor government in power believes that its own interests preside over all other interests. A full
evaluation of this statement, which was about the working class people of England in 1844 and which I found most interesting, shows that there are more ways of doing things and evaluating things than the current means of establishing the Essential Services Commission through this bill.

Over the past three or more years I have learnt that this government inherently makes the same mistakes that past Labor governments have made. It cannot help itself in expanding the bureaucracy when quite clearly in this case there is no need for any expansion given that the industry has sufficient regulation to make it work properly and work well.

Equally, Labor centralises bureaucracy despite the fact that in this case the water industry is clearly decentralised. It also provides for further regulation and red tape despite the fact that every Victorian accepts that additional red tape stands in the way of progress, efficiency and the best way of managing and regulating an industry like the water industry.

The reason I am most concerned is that I have a close involvement with the water industry and with water authorities in my area of country Victoria. I know that the boards of those water authorities are doing their level best to make sure that the services for which they are responsible are delivered in a way that maximises the productivity of the water they are responsible for while charging the people who have to use the water the lowest prices possible. Frankly introducing the Essential Services Commission into the financial regulation of the water industry is the means by which this government can jack up water prices while avoiding being seen to be doing so by giving its dirty work to the commission. It will be seen to be at arms-length from the commission when it has to make these decisions on behalf of the government.

The other reason I am really concerned about this is that the water industry is a decentralised industry, and introducing an overarching regulatory body will work to the disadvantage of the industry. I will come back to that later, because the Victorian Farmers Federation has strong views about this, and it is important that we note and give due consideration to their concerns, as their members are the major users of water in Victoria.

The purpose of the bill is to establish the role of the Essential Services Commission; to regulate the water industry; and, in the second part of the bill, to reinstate the Central Gippsland Region Water Authority as an organisation able to accept certain types of waste material for treatment or disposal at Dutson Downs.

The first part of the bill will establish the Essential Services Commission as the economic regulator of the water industry and give a level of independence to the pricing mechanism for water and wastewater services. On the face of it you could not argue with that being the correct thing to do, except that we already have that level of independence through the water authorities that are operating on behalf of the industry. They are part of the government as corporatised organisations, but they have a level of independence and are at arms-length from the government of the day in making their price determinations on the treatment and provision of water to their communities or rural industries or the treatment or reuse of wastewater.

I am concerned about another provision in the bill that will remove immunity for officers and members of the regional urban and rural water authorities.

I cannot help asking myself why. When we have an authority that is acting on behalf of government and it is essentially a corporatised arm of government, I do not know why those people who are acting in good faith and who are not shown to be negligent should not receive the immunity as almost all other bodies of this capacity have. Why should they not continue to have that immunity which is usually prescribed under statute for members of boards and officers in the same capacity? I hope the minister or a future speaker for the government will be able to answer that question.

The price determination by the Essential Services Commission will take effect on 1 July 2005. It is of interest to note that the government or the minister responsible for the water industry will have that role until that time.

The bill also provides for the introduction of regulatory orders, codes of practice and statements of obligations of all water authorities, and includes the auditing, monitoring and performance reporting of both urban and rural water authorities across Victoria. The bill provides that the minister will assume the role of the Essential Services Commission in relation to the metropolitan water retailers licence for the provision of water and sewage treatment.

I will go through the clauses of the bill to highlight the issues I see of importance and then conclude with comment on the more general aspects of the bill. Clause 2 deals with the introduction of section 12(1), which authorises that licence conditions may be varied for a licence for water and sewerage, drainage, sewage treatment or headworks and its operation is made retrospective to 4 April 2002. Again I cannot see why this retrospectivity has been applied to this section of
the bill. I ask the minister or any other member speaking on behalf of the government on this issue to explain why this retrospectivity is introduced for a licensee for water and sewerage, drainage, sewage treatment or headworks.

The act comes into operation for Dutson Downs, which is in the second part of the bill, on the day after royal assent is given, but the act effectively comes into operation on 1 July 2005 when the Essential Services Commission takes on the responsibilities that come under this bill.

Clause 3 inserts part 1A, which covers the regulation of the regulated water industry. I repeat: the regulation of the regulated water industry. Under part 1A proposed subsection 4B(1)(b) provides:

the regulated water industry is a regulated industry.

In case there is any doubt about the aim of the government, it is to make this a regulated industry. It is an extraordinary use of words to say that this is a regulation of a regulated water industry, or the regulated water industry is a regulated industry. It indicates that it is taking away from those water authorities spread around the state their initiative, independence and autonomy to look after their own communities and water responsibilities. It is regulation for regulation’s sake.

This government falls into the trap of doing what past Labor governments have done before: in order to try to ensure that it has control of an industry that it does not understand, it resorts to total regulation. In this case the regulation will be at a cost to the industry. I cannot for the life of me see what improvement that regulation will bring to the industry.

Proposed subsection 4C(a) provides that the objectives of the commission are:

wherever possible, to ensure that the costs of regulation do not exceed the benefits.

I repeat:

… wherever possible, to ensure that the costs of regulation do not exceed the benefits.

Why would you introduce regulation if the benefits do not exceed the costs of introducing that regulation? It disturbs me. I even find it impossible to see how that increased regulation will bring a benefit, but the government says in the legislation that it ascribes to trying to introduce regulation where the benefits will be in excess of the cost but is clearly unable to say that this is the case and indicates that this will be a cost to the industry and to the users — both urban and rural water users.

Proposed section 4D is the nub of the legislation. It is the introduction of water industry regulatory orders, or what are commonly called WIROs. No other legislation in Australia matches the equivalent of these WIROs in the water industry. There is no equivalent in the gas or the electricity industries. The effect of these water industry regulatory orders will be true socialisation of the water industry.

I hark back to the 1989 Water Act. When the legislation came in it had something in excess of 300 amendments to it.

Mr Walsh — It had 700.

Mr PLOWMAN — I stand corrected — 700 amendments, which denied the Labor government of the day the opportunity to completely socialise the water industry or to completely regulate and control the water industry. Since that time the water industry has done an incredible job in improving the standard of water to all communities, in introducing an increase in the number of townships that are sewerised, and in providing water to the rural industry to provide an extraordinary increase in the value of rural export industries directly related to the irrigation districts in which that water is productively used. To suggest now that the industry needs to be totally regulated and that it needs to have these water industry regulatory orders makes me most concerned that this bill will achieve what was not achieved in the 1989 Water Act.

As I said, there is no parallel to the WIROs in state legislation. New South Wales has the Independent Pricing and Regulatory Review Tribunal but even that pales into insignificance when compared with the extent of the regulation that the legislation will introduce into the water industry.

The water industry regulatory orders go directly to the Essential Services Commission with any goods or services, including things such as audit functions that will have regulated pricing. The commission, through these orders, has the power to regulate prices, standards, conditions of service, and market conduct. Again I question what that means. I would like the minister in concluding this debate to explain exactly what that regulated market conduct requires of those water authorities.

The bill also indicates that the commission has the power to regulate any other functions that the minister deems necessary. The orders may fix regulatory asset values. Again this is an interesting point. What are
regulatory asset values? If they are only the value of the assets controlled by the Essential Services Commission that is fine, but if they are actually the assets of the water authorities then we are starting to get a level of control that I have never seen in statutory authorities or in corporatised arms of government before.

The orders can also fix performance standards on health and environment. Again there is already plenty of legislation to cover those issues in respect of the water industry, so why do we need the water industry regulation orders under the Essential Services Commission to do that. This is just another indication that this government is hell-bent on totally controlling and regulating this industry — at a cost. It will be at a cost to all users of water but most importantly it will introduce costs to rural industries, to irrigators of this state who achieve so much with water and contribute so much to the export earnings of this state.

Section 4D(3)(d) of proposed part 1A, which is inserted by clause 3, tells us that a water industry regulation order may specify how efficiency gains will be shared. Efficiency gains should be determined by the contributing financial body, whether it be the government, the authority or individuals. For the commission to have an overarching role in determining that takes away the incentive for those individuals who wish to see those efficiency gains achieved to be there and to do it. It also specifies how identified costs will be passed through to the customers. These could include asset replacements or asset maintenance.

If, as has occurred in the past, it has been necessary to introduce an international standard into the industry — for example, the $90 million of works carried out on the Hume reservoir to ensure that the bank safety was up to international standards — under this bill and under the control of the commission through a water industry regulation order, all of those costs could be passed through to customers — in other words, the irrigators of this state. This is despite the fact that the main reason for the works being done on that dam wall were aimed at increasing the safety of both the Albury and Wodonga communities directly below the Hume Reservoir.

The bill states that the water industry regulation order may confer on the Essential Services Commission the responsibility for auditing performance, compliance with codes, monitoring and performance reporting, and the resolution of disputes between authorities and between individuals and authorities. In a way this is a good thing because we have always had situations where the authorities have been judge and jury and we do need some independence in determining who would resolve those disputes, not only between authorities but more importantly between an individual and an authority.

Proposed section 4F deals with the codes. These are similar to gas and electricity codes. I must say that in the main they are as suitable for the water industry as they are for the gas and electricity industries. Proposed subsection (6) says that a regulated entity must comply with any provisions of a code. Interestingly there is no penalty if an entity fails to do so.

Under proposed section 4G the commission may require a regulated entity to provide information. If that information is not provided there is a penalty of 120 penalty units, which makes nonsense of the fact that if a regulated entity does not comply with the provisions of the code there is no penalty for not doing so but there is a penalty when a regulated entity fails to provide information to the commission. It strikes me that that is a very strange way of getting what the commission needs from that regulated entity.

Under proposed section 4H the regulated entities are to be told by the commission how much they are to pay for the privilege of having their industry regulated. I touched on that subject before. They will also be told when they have to pay that amount. What this means is that the commission comes into the regulation of all the water authorities. The commission determines how much it will charge those water authorities right across the state for the privilege of having a centralist, overarching authority determining their role and price structure. I must say that this takes away any incentive from all of those individual water authorities. This is of real concern to me, because it runs foul of the competition policy and runs foul of a competitive spirit which makes those water authorities try to achieve a better level of service at a rate that is competitive with all other water authorities across the state.

Under new section 4I the minister may issue a statement of obligations to a water authority relating to quality and performance standards and specifying the maximum charge for sewerage service and how payments may be made. Again this duplicates the role of the commission. Why would you have the minister doing this when under the provisions of the bill there is a commission to do it? I do not understand the reason for the minister overriding the role the commission would normally have.

The minister will also determine community service obligations. Again I can see there is a need for the minister of the day to determine community service obligations, and therefore I can see that that is a
relevant use of the minister’s role, but I cannot see why the minister should override the role of the commission in those other two roles.

I will touch briefly on the statement of obligations, which overrides any code that the commission makes. It applies to licensees and can prevent a licensee from conducting a business. It overrides the Essential Services Commission and gives the minister the power to deal with licensees that are involved in the delivery of services including water and sewerage, drainage, sewerage treatment and headworks. Again, this strikes me as a strange interference in the role of the commission. If you have the commission there, I cannot see why the independence of that role can be overridden by the minister.

Acting Speaker, I will now go to the second part of the bill, which will be of interest to you because it deals with the Central Gippsland Water Authority and validates the actions of the authority in relation to waste. I will read the pertinent points of the bill into Hansard:

Anything done or purported to have been done under this Act by the Central Gippsland Water Authority before the commencement of section 8 of the Water Legislation (Essential Services Commission and Other Amendments) Act 2003 that would have been validly done had that section been in operation has, and is deemed always to have had, the same force and effect as it would have had if that section had been in operation.

This virtually validates the use of Dutson Downs as a waste treatment area, which is of real concern to the opposition. I have inspected the facility at Dutson Downs, and I have to say it is well managed. However, the opposition is totally opposed to this. Why would you have a toxic waste dump right alongside one of the iconic tourism destinations in the state — the Gippsland Lakes? I am sure, Acting Speaker, leaving out your parochial interests, that this would apply to almost every Gippslander.

The Gippsland Lakes have a significant role in the tourism values of the state. I have sailed down there on many occasions, and the lakes are one of the loveliest stretches of water in the state. I have to say that anything that might diminish that opportunity in the future would be extraordinarily detrimental to future generations of Victorians. New schedule 8 inserts all that is required to allow the treatment of waste material at Dutson Downs to continue. As I said, having inspected it I recognise that the treatment of waste is being done in a very sound and efficient manner, but the threat is in where it will stop. What is the next waste material that will be treated down there; and could any of it get into the lakes and so prevent them from remaining the iconic feature they are at the moment?

Mr WALSH (Swan Hill) — The Water Legislation (Essential Services Commission and Other Amendments) Bill establishes the Essential Services Commission (ESC) as the economic regulator — or some would say dictator — of the water industry. The bill requires the regulated entities that it will control to contribute to the costs of the ESC; removes the current statutory immunity for officers and members of the regional urban and rural water authorities after the expiry date of their current terms; removes the need for water authorities to include financial statements in their corporate plans once the ESC has determined their first price; and retrospectively amends the 1989 Water Act to reinstate the capacity for the Central Gippsland Water Authority to accept certain waste materials.

The National Party opposes the bill on behalf of irrigators and country Victorians. As the minister told us in his second-reading speech, the bill transfers the economic regulation of the water industry from government to the Essential Services Commission. Those who favour this approach obviously were not around in the water industry in 1980 or before, when the then State Rivers and Water Supply Commission, later to become the Rural Water Commission, managed the rural water industry in Victoria. The National Party believes we have come full circle in water management — or gone back to the future, as people have said on other matters — and we are vehemently opposed to this course of action by the government.

After the Cain Labor government corporatised the Rural Water Commission the then minister, David White, to his enormous credit, recognised there were very serious problems in the water industry in Victoria. For those who do not remember, conservative irrigators had taken the radical action of refusing to pay their bills. There were large meetings across the state and even a blockade of the head office of the State Rivers and Water Supply Commission at Orrong Road, Armadale.

The system broke down under its own weight. There was too little accountability, no transparency and water costs were continuing to rise. David White appointed Stewart McDonald to hold a landmark inquiry which proposed big changes to the water industry. When Stewart McDonald delivered his final report in January 1992 its recommendations were accepted and implemented immediately and in full by the then Labor minister, Steve Crabb. It was interesting that after Stewart had presented his report and the minister had implemented it, the minister asked Stewart to go away.
and come up with recommendations for the appointments to the first board.

Stewart’s committee interviewed all the candidates and submitted a final list to the minister at the time that included Peter Ross-Edwards, Goff Letts and one of the Baillieu family — three conservatives. One of the things Steve Crabb said to Stewart McDonald was, ‘Christ, Stewart, you are worse than the … New South Wales right for looking after your mates!’ But to Steve Crabb’s credit he appointed all those people, because they had unquestionable ability in the industry and they delivered very good outcomes for the water industry. I give the Kirner government full credit for going forward and making these changes.

Unfortunately the good work of those governments makes what the Bracks government is proposing to do even harder to understand. They are delivering the management of the water industry back into the hands of the public service. As a result of the McDonald inquiry the Rural Water Corporation was split into five large rural water authorities with boards of management appointed by the minister. Local representation was encouraged. The boards had a high degree of autonomy and for the first time ever water users actually had considerable input to the conditions they operated under and the price they paid for water.

At the time the McDonald report was criticised for not recommending a mechanism to involve irrigators in its decision making. As it evolved customer groups were set up and now we have what are known as water service committees. These water services committees have done a magnificent job in bringing irrigators to a better understanding of the complexity of managing our irrigation systems in Victoria. They have now been in place for nine years, and each area within those water authorities has its own committee with up to 12 representatives who are elected by the local irrigators for a three-year term.

In my electorate we have the Torrumbarry and the Pyramid-Boort water services committees. I had the privilege of being a member of the Pyramid-Boort water services committee for the first three years of its life. These committees have worked extremely hard to give irrigators a real say in what is going on. They have a tremendous standing amongst the community and amongst the rural water authority boards, and they liaise with management on behalf of customers. They advise on the management of the local area budgets and recommend the prices that irrigators will pay; and more importantly, they have a very powerful educative process by putting out regular newsletters, holding regular meetings and keeping irrigators informed of what the issues of the time are.

Even in these troubled times of drought and the shortage of water, the water services committees have taken a fiscally responsible line and have recommended price increases for farmers. Surprisingly in these tough times these price increases have been agreed to and supported. Members might ask why. It is because those committees have gone out and provided good information to the customers, and the irrigators trust them and what they say. Committee members are locals who are held in high esteem.

Until now we have had peace on the pricing front. All the service and pricing standards that the government has set have been met with the consent and the participation of the users in the system. We have had success until this recent drought in meeting the full cost of services and reaching any of the government targets. That has all been done with the support of the industry because of the structure we have and the fact that irrigators feel involved in it. Now we have the Essential Services Commission (ESC) entering to muddy the waters and distort the whole process.

The politics of water will only be achieved when there is cooperation not confrontation, and the government removes the links between the water users and the price setters at its own peril. The Essential Services Commission evolved out of the Office of the Regulator-General in 2002 and controlled electricity, gas distribution, some ports and grain-handling services, rail and freight access, the Melbourne metropolitan water supply and the sewerage services. With the additional work the ESC is being given by a number of bills this house has been dealing with, it is starting to be horribly like one of the mega-bureaucracies that this government seems to be so good at creating.

While the National Party has no problem with the ESC regulating privatised utilities like electricity and gas utilities, the rural water industry is another issue altogether. It is actually not a privatised entity; it never was and it never will be unless there is some form of secret agenda that we do not yet know about. There is a fundamental difference between the utilities and the rural water authorities which the final Essential Services Commission report should have acknowledged, but that report is now 12 months overdue. It has never been released and we all wonder why. Perhaps it suggests that rural water authorities should not be brought under the Essential Services Commission structure.
The former Minister for Environment and Conservation, Sherryl Garbutt, was of the belief that rural water authorities should have been left out of this bill. There is a very good reason for that. When the ordinary household gas and electricity consumer does not have a mechanism to negotiate and consult on pricing issues I believe the ESC has a role to play in the interests of fair price determination. However, as I have just shown, the rural water authorities have their water service committee structures.

The ESC will marginalise these committees. I do not believe they will have any involvement in the future. What was a clear and understandable structure with a line direct from the irrigator to our service committees, to the rural officers and directors, and then on to the department and the minister now will be overlaid by a more costly and complex structure with a lot less accountability. As a result of this bill we will now fail to get good people to stand on what very likely could be meaningless and marginalised committees. Our argument would be that if it is not broken, why do we need to fix it?

We are now returning to the perilous situation of the early 1980s. Until the Water Act of 1989 was changed, all the power to make decisions lay in the hands of the State Rivers and Water Supply Commission and its bureaucrats. It was supremely powerful; it had the final say on all decisions on water; and it released information rarely and reluctantly and at its own discretion. If a local member of Parliament went into bat for a constituent who believed he had been unfairly done by, that member ran into a brick wall, because the commissioners did not have to respond. The commission was unassailable and all powerful. What it said went, and ordinary people had no redress through Parliament. Members of Parliament could not take a grievance to the minister, because the minister’s hands were tied by the commission. The independent commissioners had the final say. Instead of being the final authority the minister could neatly pass the ministerial buck.

In the Westminster system it is always the minister who should have the final say. Now we are going back to where we were before, where the minister will not have the final say. I would like to quote from a ministerial statement on water reform made by the then responsible minister, the Honourable David White, in December 1983. It states:

The government inherited a water industry, the basic structure of which dates from early this century. To bring about a responsive and adaptive water sector, changes must be made now. The government proposes to bring about change through a far-reaching restructuring program, which will involve:

1. further defining the responsibility of the minister in directing and managing the portfolio …

Further on he says:

A first priority of the department will be the resolution of the problem identified by the Public Bodies Review Committee when it stated that:

the water industry … is operating outside the effective management supervision of government and the Parliament.

Later he speaks about the act that is to be changed:

The powers of the minister are not specified in terms appropriate to the responsibility he bears to Parliament and to the electorate. Generally the minister is not provided with an authority to direct or effectively monitor the industry. The legislation involves the minister in excessive low-order administrative detail.

Is it not strange that we are moving back to the same thing that David White changed after his ministerial statement in December of 1983?

It gets worse than that. The regulation of the rural water industry will no longer be the responsibility of the Minister for Water. It is now going to sit with the Treasurer, and even he will not be at the coalface but will be masked by the faceless bureaucrats of the Essential Services Commission. The management of rural water will be further removed from the person who should be directly responsible to this Parliament. It will not be with the Minister for Water, it will be with the Treasurer.

Imagine the confusion that will be created when rural water codes and standards will be set by this government but managed by the Treasurer. I repeat that the Water Act should be administered by the Minister for Water, who is accountable to this Parliament on water, and not by the Treasurer. The situation will be one of continual buck-passing between two ministers and a faceless commission, and no-one will know what goes on.

The bill has arisen partly because of Goulburn-Murray Water’s failure to increase water charges in the central Goulburn and Shepparton water districts. As we all know, water prices are set with a renewal basis built in to maintain the infrastructure. That is based on a 30 to 40-year time frame calculation of the income that is needed to refurbish the assets. The Shepparton and central Goulburn districts are the oldest irrigation districts, and when they were split into smaller areas no allowance was made for the age and condition of the
Before we blame the water service committees or Goulburn-Murray Water, we must realise that the minister had the power under the Water Act to fix the problem. As I understand it, that was continually raised with the then minister, but she did not have the courage to act.

Now we are going to end up with some faceless bureaucrats who are being brought in using the heavy hand of economic regulation to supposedly fix things, potentially without the involvement of the customer groups. Apart from our profound philosophical objection to this, we have a belief that the Minister for Water should be responsible for water pricing, not the Treasurer.

The National Party has some other specific concerns about this bill, because it will further increase the size of the public service bureaucracy. The bill tells us that the rural water authorities will be required to contribute their share of the costs to run the Essential Services Commission (ESC), and I have no doubt that they will have to throw a fair bit of money into the pot to achieve this. There are no prizes for guessing what effect this will have on the price of water in the future. I would love to be in a business on a cost-plus basis where all I have to do is send out the bills, pass on all my costs and have the water authorities pay whatever the ESC deems is needed.

We in the National Party have major concerns with clause 7, which amends section 90 of the Water Act. During consultations on the bill the directors and officers of some of the water authorities also expressed major concerns about removing statutory immunity from future board members and officers after the end of their current terms. This will add more costs to the authorities as they have to upgrade their insurance policies to cover that risk.

Clause 9 provides for the repeal of sections 247(2)(c) and 247(9) of the Water Act. It will remove the need for rural water authorities to provide financial statements to the minister once the ESC has determined its first price under this legislation. We believe this is yet another abdication of the responsibility to provide good governance.

The National Party is concerned about the pricing models that the ESC will develop. The commission will put in place pricing models that will take into account health, safety and environmental sustainability, which are all good things; but this mythical issue of social obligation has unknown repercussions. How is it that social obligations are a legitimate part of a pricing for rural water? We do not believe they are. We are concerned that if rural water authorities are required to undertake major environmental works as part of their social obligations and the irrigators are expected to pay, it may not be in the best interests of the water industry for them to do these works. It may be in the best interests of the whole community to do them, but why should the irrigators be the ones who pay?

Mr Helper interjected.

Mr WALSH — I am talking about the rural water authorities (RWAs) at the moment. So if it is in the interests of the whole community, the community should make some contribution towards it. We do not want the ESC insisting that the irrigators pay for all this.

In a similar vein, there is a blurring of the roles of the catchment management authorities (CMAs) and the RWAs as to who undertakes additional works in the catchments. Given that the CMAs are underfunded and the RWAs have income streams through their customers, there is a risk of that line being blurred even further. I believe the statement of obligations will further push the responsibility for additional works onto the RWAs, because they have a funding source — their customers. It is about blatant cost shifting by government.

The other issue is that the ESC has the power to set regulatory asset values which do not necessarily have to bear any resemblance to depreciated values or book values. As we currently know, urban rural water authorities pay a rate of 4 per cent on the bulk water supplied to them by rural water authorities, which then use that to carry out certain community service obligations. The urban water authorities are not happy with that. If it is stopped we might find that the customers of the rural water authorities again pick up the cost of doing that work.

It is very easy to inflate the calculations depending upon how you set that regulatory asset value into the future. Rural water authorities currently operate as not-for-profit organisations, and we believe they should stay so. But all those details pale into insignificance when we remember that this bill takes away the responsibility for rural water pricing, water standards and targets from the Minister for Water. The Minister for Water will no longer be responsible for water; the
The bill provides the necessary framework for economic regulation of the water industry by including water-specific objectives that the ESC must have regard to in carrying out its functions under the legislation. It must ensure, as the member for Benambra said in his contribution, that the costs of regulation do not exceed the benefits. The member for Benambra seemed to have a problem with that, but I think it is very much commonsense that that should be included in the legislation. Also the ESC would be required to take account of the different operating environment of the regulated entities because one size does not fit all. Acknowledging that in the legislation also seems quite sensible to me. The ESC must ensure that regulatory decision making will have regard to health, safety, environmental sustainability and social obligations.

The bill also provides for the making of the following instruments to establish special arrangements for the Essential Services Commission’s regulation of the water industry. The water industry regulatory order will set out detailed arrangements for how the commission will undertake its economic regulatory role in the water industry. Codes are to be developed by the commission and may relate to specified matters such as consumer-related standards and conditions of service and supply; specifying principles for the negotiation of agreements between water businesses and for accounting records held by these businesses; and statements of obligation for water businesses that will set out obligations on matters including governance, quality and performance standards and community service obligations.

Both the speakers before me talked mainly of rural water and why the rural water sector is being included in the overview of the Essential Services Commission. They both made mention of the fact that 80 per cent of all of Victoria’s water is used in rural Victoria. It is important that the prices that are being paid for irrigation water reflect the cost of its sustainable delivery and are subject to independent and public scrutiny. If we look at the investments that are currently going into irrigation infrastructure in rural Victoria and question where the sustainable pricing has been in the past we will see that it has not been there. There is an enormous bill now confronting Victoria to channel and pipe irrigation water, to provide new infrastructure, yet none of these costs have ever been included in the price of water in the past. It is unsustainable and it must be changed.

Exclusion of the rural water sector from economic regulation would represent a major gap in the regulation of water services pricing and service quality. The Essential Services Commission regulation of the
rural water sector will ensure that this sector is more accountable with respect to the sustainable delivery of water service and other obligations set by the government. It should be noted that the current rural water customer committees will continue to play a key role in providing irrigators with input into the price and level of service they receive from rural water authorities.

This bill makes other changes to the Water Act. One will bring about better practice for corporate governance in the water industry. The Water Act currently provides members of regional urban water authorities and rural water authorities with immunity from any civil liability for acts done in good faith during the course of their appointment. This bill provides for the removal of that immunity. This is seen as being consistent with the Bracks government’s policy on statutory immunities. The current immunity is not consistent with the conditions facing members of the Melbourne Water Corporation and the equivalent metropolitan licensees as they have no similar statutory immunity.

I would like to briefly comment on Dutson Downs. The amendment in this legislation will affirm the power of Gippsland Water to accept waste material at the Dutson Downs waste treatment plant. The amendment reinstates powers inadvertently removed from the Water Act in 1989. This amendment does not mean that Gippsland Water’s Dutson Downs treatment facility will be accepted as a soil recycling and treatment facility, as the process for registration of that is quite different and requires separate assessments, including an environmental assessment. I wish the bill a speedy passage through the house.

Mr HONEYWOOD (Warrandyte) — Only two weeks ago this Labor state government came into the house and — built totally as it is on window-dressing, as we on this side know only too well — set, through a ministerial statement, so-called water industry reform as its new no. 1 priority. By the way, the government seems to have ditched education from its up-until-now no. 1 priority status. Despite that, how many Labor MPs have been sitting here in this chamber throughout the entire debate on this key piece of water legislation this afternoon? You would appreciate this, Acting Speaker, as a rural member. How many Labor MPs have been sitting here? Almost the entire time just one Labor MP out of the 62 Labor members of Parliament in this house has been here, not including the minister at the table. That minister — the Minister for Agriculture — has nothing to do with this legislation. Where is the Minister for Water who only two weeks ago did his media grandstanding on water? He has disappeared when it comes to any involvement the Parliament might have in determining water industry reform.

As a number of speakers on this side of the house who are concerned about this legislation have put forward, including my learned friend the honourable member for Benambra, this bill is nothing more than an excuse to establish a new taxing mechanism, utilising the very cute argument — —

Mr Nardella — So you are going to oppose it.

Mr HONEYWOOD — I take up the interjection from my very unlearned colleague opposite, the member for Melton, that we are going to oppose it. Yes, we are going to oppose this legislation because we know when the people of Victoria are being sold a pup. We know that members on the other side of the house are trying to use the cute argument that under the camouflage of water conservation you can bring in any number of structures, devices and levers to increase your revenue and tax base. That is what it is all about — jacking up prices directly to the consumer, and what is even more deliberate and conniving, as we have come to expect from this government, is having hidden taxes. This ensures that any number of taxes are applied to water authorities and through so-called environment levies.

Not only is the consumer being hit directly but the different structures have to pay dividends to the government. This ensures that the government’s taxation base is consolidated and increased for one purpose only — that is, to keep jacking up the number of public servants and increasing the number of head office personnel to keep all those Labor mates happy and content on their very large wage increases. That is what will bring the government unstuck, as it does every Labor government.

The government was not just content to bring in any number of new taxation levers and indirect taxation regimes surreptitiously in this legislation, we also have new layers of bureaucracy. Hooked as this government is on ensuring that, in typical ALP-comfort-zone fashion, it has control of everything that happens within the mechanisms of government, it is not content with just one layer of bureaucracy but wants layer upon layer. When we were in government we were content to ensure that we trusted the local communities, that we promoted on merit leading community activists who had genuine expertise in water industry reform and who were part of the local community, not separate from it. We did not promote some social justice ALP branch member who wants a paid guernsey as part of this
government’s manna from heaven. The Japanese have a great term for that called ama kudari — ascent into heaven. In Labor Party style, all you have to do is belong to a branch and wait your turn.

**The ACTING SPEAKER (Mr Ingram)** — Order! The honourable member will return to the bill.

**Mr HONEYWOOD** — You take your ticket and take your place in the queue and you will get the ascent into heaven that you joined the party for all those years ago.

**Mr Helper** — Somewhere near the bill — mention water.

**The ACTING SPEAKER (Mr Ingram)** — Order! The member for Ripon will get his turn.

**Mr HONEYWOOD** — Totally on the bill, as you, Acting Speaker, are only too aware. Page after page of the Water Legislation (Essential Services Commission and Other Amendments) Bill is about providing new layers of bureaucracy, new layers of jobs for mates.

At least when we were in government we ensured that the separate regional water authorities had the clear responsibility and if not the final say then the major say when it came to ensuring that the needs and aspirations of the communities they were part of and the particular difficulties and challenges facing them in their regions of Victoria were provided for, were understood and were taken up to government. We know that at the end of the day the Essential Services Commission as part of this legislation is just a toothless tiger — the commissioner is yet another window-dressing authority, another person with a title. He may well mean well and may be there for the right reasons, but at the end of the day the minister will have the real power. At the end of the day the minister will be the puppet master.

I would like to particularly mention Dutson Downs in relation to this bill. As we so often find with this government, it has used a window-dressing opportunity to bring in legislation which, on the face of it, is very difficult for people to criticise. But then, tucked away at the back of the bill, they bring in the really difficult one they did not want to have separate legislation on. They have tacked on the Dutson Downs issue to this bill. Like the member for Benambra, I have met with the management of Dutson Downs, and I agree entirely with the member who in his contribution today said there is no question of the integrity and management skills of the team currently managing that facility.

Having said that, however, I would have thought that members opposite would have a recollection of situations that occurred in the past such as the Four Mile Island nuclear power station. What was the problem there? The problem was that it was built on unstable land surrounded by a body of water. It was found from that nuclear station disaster that when you build anything relating to toxicity, in that case nuclear toxicity, substances can leach very easily through a water body.

We know that at Dutson Downs there is a high concentration of clay under the surface that can retain various types of waste. When it comes to toxic waste, however, the government has dithered around for three years trying to come up with a short list of potential sites. And what has it come down to? It has come down to a short list of one. It has bypassed a whole range of what we normally deem to be appropriate community consultation mechanisms and appropriate environmental impact statements, and after three years it has come down to a short list of one.

What that means is that if you live anywhere within cooee of the Gippsland region you are going to be stuck with the prime toxic waste dump for the state of Victoria. Let no-one be left in blissful ignorance of the implications of that. We are going to have trucks full of contaminated material from Melbourne, and much of it from the western and northern suburbs, going through the city.

**Mr Nardella** interjected.

**Mr HONEYWOOD** — The member opposite will remember the so-called nuclear-free zone he supported as a socialist member of Parliament. Those trucks will be carrying toxic waste over 100 kilometres down to a site at Dutson Downs. That is not world-class environmental activity; it is a sham.

**The ACTING SPEAKER (Mr Ingram)** — Order! The honourable member’s time has expired.

**Mr HELPER** (Ripon) — It gives me a great deal of pleasure to rise in support of the Water Legislation (Essential Services Commission and Other Amendments) Bill. As other speakers have mentioned, the bill establishes the Essential Services Commission (ESC) as the economic regulator of the water industry. That is fundamental to the economic stream of the enormous effort the government is putting into reform of the water sector.

Why is it essential for the government to reform the water sector? To find the answer we need look no further than our current climatic circumstances —
although we ought not to believe in any way, shape or form that when those circumstances change and we come back to more normal seasons the issues of water, its pricing, its wise use and its conservation will not remain as fundamental issues for our communities and for the state’s economic potential and environmental sustainability.

The role of the ESC as economic regulator recognises the reality that any concept of competition is much more abstract when applied to the water sector. For a transparent pricing regime the ESC is essential in the water sector, as it is for the electricity and gas sectors, where economic models are a bit — —

Mr Walsh — Do you really believe that?

Mr HELPER — Yes, indeed I do. For example, with rural water authorities and regional urban water authorities the present pricing regimes are not transparent, as they clearly ought to be.

The bill establishes the ESC as a truly independent regulator, a reform welcomed by many — for instance, by regional urban water authorities, which will welcome a transparent economic regulation between themselves and rural water authorities. At the moment there is a considerable differential between the operating clout of rural water authority customers and the customers of regional urban water authorities. Regional urban water authorities will, I know, welcome the establishment of this transparent pricing and economic regulator for the sector.

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The bill includes water industry-specific objectives, and the Essential Services Commission must have regard to the carrying out of its function under the legislation, including ensuring that the cost of the regulation does not exceed the benefits of the legislation. So much for the argument used by the opposition in opposing the bill, that the legislation is about creating red tape; it clearly is not. The bill ensures that the regulatory costs are less than the benefits derived from such regulation.

Further, the regime requires the Essential Services Commission to take account of the different operating environments of the regulated entities. That should clearly put paid to the argument for one size fits all legislation. It clearly is not appropriate. I acknowledge that members opposite, particularly those from rural and regional electorates, recognise that in a matter of a few kilometres apart the water industry is significantly different, whether it is in an urban environment where the regional urban authority provides something similar to what Melbourne Water provides — a reticulation system to a town — or an irrigation authority providing irrigation water and services to farming communities. In small geographic spaces we have vastly different manifestations of the water industry. In establishing the Essential Services Commission as the regulating authority it is clearly necessary that the commission has the charge to differentiate between the many manifestations the water industry takes throughout the state.

Furthermore, the bill establishes the Essential Services Commission to ensure regulatory decision-making will have regard to the health, safety, environmental sustainability, water conservation and social obligations of the regulated entities. If my memory is correct, but I stand to be corrected, the member for Benambra lamented the bill’s intent for the Essential Services Commission to take account of such issues as community value — —

Mr Plowman interjected.

Mr HELPER — The member for Benambra says that he did not say that. I withdraw that; I do not want to misquote the member. However, an opposition member made that inference, which is clearly incorrect because the Essential Services Commission is charged with taking account of a range of factors, not just economic but also others I have mentioned, such as health and safety, environmental sustainability and so on. They are clearly part of the regulatory regime that must be part of our water industry if we want to have a sustainable water sector, not just for agricultural use but for urban and recreational use. All of those components are part of the water sector and as such ought to be taken account of by the Essential Services Commission and under this legislation they are taken account of.

The bill also provides for the making of instruments to establish specific arrangements for the regulation of the water industry by the Essential Services Commission. The regulatory order will set out detailed arrangements as to how the commission will undertake its regulatory role in the industry. The water industry regulatory order will be developed by government, and so it should be. The water industry regulatory order ought to be developed by government and ought to set out the framework for a transparent pricing regime under which the commission establishes its economic regulation of the sector.

Many codes that will be developed by the Essential Services Commission relate to specific matters including customer-related standards. As many members from rural and regional areas would acutely recognise, there are some enormous issues of contention concerning customer-related standards. Such
codes ought to be part of the charge given to the commission as it sets out the economic regulation of the water sector. That is provided for in the legislation and I commend it on that basis.

I commend the bill to the house and wish it a speedy passage. I condemn the opposition for not being on the path of water industry reform, which is so critical to this state in terms of its sustainable development into the future.

Debate adjourned on motion of Ms ASHER (Brighton).

Debate adjourned until later this day.

UNIVERSITY ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Council.

Read first time on motion of Ms KOSKY (Minister for Education and Training).

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

PORT SERVICES (PORT OF MELBOURNE REFORM) BILL

Second reading

Debate resumed from 29 April; motion of Mr BATCHELOR (Minister for Transport).

Mr CLARK (Box Hill) — This is largely a mechanical bill. It has two principal purposes. The first is to abolish the Victorian Channels Authority and divide its responsibilities between the new land-based entity in the port of Melbourne which is to be called the Port of Melbourne Corporation and other bodies yet to be determined. The second main function of the bill is to broaden the role and duties of the new Port of Melbourne Corporation. Given that this is largely a mechanical bill that gives effect to the government’s preferred administrative arrangements the opposition is not opposing it. However, I express a number of concerns about the general direction the government appears to be taking of which this bill forms a part.

I also express some concern about what has been going on down at the port over the past few months where it appears from the limited information provided to the opposition during its briefing that there has been a spill of the directors and the chief executive officer of the Melbourne Port Corporation, a gentleman by the name of Chris Whitaker, who has been doing an excellent job with the corporation over recent years and whose future, so far as I am aware, must at the moment be considered to be under a cloud. This sort of administrative turmoil and dysfunction being created at our port corporation is a cause of concern.

The other main fear I have about this legislation and of the general government direction of which the bill forms a part is that it is taking us backwards towards the bad old days of the Port of Melbourne Authority, but hopefully not in the sense of a return to the appalling work practices that dogged the port in previous years, because the bulk of that problem lay with the work force working with the stevedoring companies. I hope that is a matter of the past, as indeed the parliamentary secretary was assuring the house it was just the other evening when he spoke.

The concern is that we will end up with a port corporation that will be being tugged in all directions and called on to be all things to all people within the port industry, that will lose its direction and its focus and become increasingly susceptible to lobbying, political interference and being called on to do favours to particular interest groups. When one speaks to port experts around the world the one clear message that comes through is that political direction and interference in the day-to-day operations of a port is intensely demoralising and destabilising and detracts from the entity operating in an effective commercial manner.

The broadening of the functions that are given to the Port of Melbourne Corporation under this legislation include the powers to provide certain services or to enable and control the provision by others of those services. The worry is not so much in the formal wording of these functions, because I do not believe there is anything significant, if indeed anything at all, given to the new entity that the old entity was not empowered to do in terms of the land-based management of the port. The issue of whether or not
you have channels managed by a separate entity to the land-based port operator is a vexed question, and there are arguments on either side of it. The argument in favour is of course the one the government advocates — that you get a more integrated management of the port environs and a more integrated making of decisions in terms of dredging and the establishment of new berths if you have both waterside and land-side decisions being made by the same entity.

However, there have been two arguments to the contrary. The first is that the proper management of water-based functions tends to get lost if it is in a large, amorphous body that has multiple responsibilities. The quality of the management of the channel functions has been dramatically enhanced by the Victorian Channels Authority over recent years. You may say those gains have now been obtained so therefore that reason for having a separate channels authority is less strong than it was in the past. Nonetheless there is the fear of relapse even on that front.

The other issue and problem with the channel functions being handled by the Port of Melbourne Corporation is what happens with the port of Geelong, which of course has to share the channels along which vessels enter the bay through the heads? Do you put Geelong’s future port access in the potential control of a competitor — namely, the Port of Melbourne Corporation? For all its fine words the government has not solved that problem. For all its announcements that it will abolish the Victorian Channels Authority it has to keep the authority to run the approaches to Geelong, and it still has not solved the dilemma that the Melbourne port entity is going to control the ability of ships to enter through the heads into Geelong.

Until it comes up with a satisfactory resolution of that problem, users of the port in Geelong are entitled to be fearful about their future. The parliamentary secretary argued that there was no genuine competition between the port of Melbourne and other ports such as Geelong. On many aspects of port operations that is true, but there is very fierce competition between those two ports in the grain trade and a number of others.

The government has criticised the landlord model of the Melbourne Port Corporation that has operated to date. The irony is that this model operates in a similar way to Melbourne Airport, the main difference being that one is in public ownership and the other is in private ownership. We have heard the Minister for State and Regional Development in recent days waxing lyrical about how effective Melbourne Airport has been since it moved into private ownership.

It is difficult to see how an entity such as a free-standing commercial airport can be so successful, which the minister says it has been, when on the other hand the government is arguing that the Melbourne Port Corporation, which is based on a similar model, albeit in public ownership, cannot work successfully. There has also been an absurd contradiction of arguments: on the one hand it is claimed that the Melbourne Port Corporation has been starved of capital for public investment, but on the other hand rental rates within the port have allegedly gone up too much.

When the government talks about what is being created by the new port entity — namely, a strategic planning role — it should be acknowledged that this is a function that was being exercised by the previous government but is now being abrogated by the present government, in particular by the Department of Infrastructure and the Minister for Transport. We have had all the big picture studies, such as the Linking Victoria strategy and the Melbourne 2030 strategy, as well as all these glossy brochures, but between them they have not come up with a strategic vision for the port, for the transport system and for a land planning use around Melbourne within which the Port of Melbourne Corporation and port users can operate. If that has not been achieved, it is an enormous failing of the present government.

The government is not going to solve the problem by trying to give responsibility for part of this strategic vision to the Melbourne Port Corporation, which cannot exercise it fully because so many of the planning decisions remain in the hands of the government. It is not going to achieve the objectives that the government is trying to achieve. The only solution is for the government itself to get moving and exercise its role to create the strategic framework within which the Port of Melbourne Corporation and all the private operators in the port can succeed and flourish.

Ms BUCHANAN (Hastings) — It gives me great pleasure to speak in support of the Port Services (Port of Melbourne Reform) Bill. I strongly support this bill, because I appreciate its intent, which is twofold. Firstly, it is aimed at increasing the efficiency, productivity and investment potential of the port; and secondly, it will enhance the sustainability and competitiveness of the port of Melbourne.

As Professor Bill Russell set out in the 22 recommendations in his independent report to the Minister for Ports — —

An honourable member interjected.
Ms BUCHANAN — Truly independent! He has outlined quite a few recommendations, which the government has adopted and will be implementing as part of phase 1. It is truly timely for this bill to be going through, given that in the last financial year there was an 11 per cent increase in container traffic through the port of Melbourne, and the infrastructure needs to keep pace with this.

The rail, road and ship access issues need to be comprehensively addressed. This bill achieves that through the reformation of the multiple authorities currently looking at these integral infrastructure and efficiency issues across the port of Melbourne, and the port of Geelong to a certain degree, into one corporation that can and will address them.

It is important at this stage to reflect on the history of the port of Melbourne. Back in the mid-1990s under the previous government the reformation of the ports around the region was driven by competitive policy and market forces. Consequently the corporatisation of the port authorities, along with the sale of the ports of Geelong and Portland, saw the splitting of the land and waterside responsibilities between the Melbourne Port Corporation and the Victorian Channels Authority.

The Russell review, which came along after 1999, noted that the Kennett restructures delivered limited benefits and major problems. He identified a lack of leadership, strategic planning and investment capability within the structure that was abounding at that stage. The port of Melbourne was unable to compete effectively with ports in other capital cities, which was a major issue. The split decreased the integrated planning and financial capacity of the ports, and that is what this bill intends to address.

There were safety, environmental and community management problems with the structure that existed at that time, and the relationship between the ports and the local communities caused great contention. I would at this time relate that to the issues at the port of Hastings, which is up for the next round of amendments that are coming through. The conflict that was caused in the local community at the time was a key issue.

The government looked at the recommendations in the Russell review and agreed with the thrust of its findings. It committed to implementing 22 initiatives across the board, which will be introduced as time goes by. The one with the highest profile is the first amendment, which is the creation of the newly integrated corporation to manage the port of Melbourne. The first stage of this process is happening now in establishing the Port of Melbourne Corporation to replace the Melbourne Ports Corporation from 1 July this year.

It is important to point out one of the issues that Professor Russell raised in his report, which I want to read out:

Victoria requires in the port of Melbourne a port that can compete vigorously on the national and international stage. This requires a capable and integrated manager and facilitator of both land-side and waterside aspects of the port, with an appropriate vision and charter and the capacity to ensure that the necessary investments in channels, waterside and land-side infrastructure occur when needed.

The amalgamation or reformation of the respective authorities around the port gives the capacity for the broadening of that focus and for the necessary enactments of the infrastructure issues that need to be addressed to go ahead. By giving it a broader charter, the port can compete within the state ports to maximise benefits to the Victorian community. Instead of the limited, landlord-type role given to the current authority, the new port authority will be vested with broader objectives, functions and powers designed to further integrate the port into Victoria’s freight and logistic network, which is very important for the economic future of Victoria. The new port authority will be expected to plan for the sustainable development of the port, manage the port safety and security, coordinate port activities and generate more trade.

When you have two different authorities, one looking after the land aspects of the port issues and one looking after the water aspects of the port issues, there is always going to be a degree of conflict and adversity in terms of their thrust. The integrated management of the port lands, waters and channels reverses the Kennett government’s division of land and water between the different authorities and will enable the new authority to take a more strategic approach to planning and investment. That is what the Bracks Labor government is all about.

This bill is about securing Victoria’s ports to retain this state’s status as the principal container port of Australia. In order to retain it and remain competitive, these reforms must be enacted. Only with attention to infrastructure and efficiencies and upgrades of the infrastructure that is there can Victoria retain this vital business.

Mr COOPER (Mornington) — There is no doubt that the port of Melbourne plays a very important role in the future of Victoria, as it has done in the past. The economic activity and economic health of Victoria revolve around the port of Melbourne. This bill
addresses a number of issues, and it is designed to improve the various aspects of the port, improve its capacity to remain pre-eminent and improve its capacity to remain the biggest container port in Australia.

The member for Hastings mentioned that there has been an 11 per cent increase in throughput at the port of Melbourne over the past 12 months. That is good news for us all, of course, but we must remember that there is no God-given right attached to that and no God-given certainty that this will continue. We have to work to ensure that the port of Melbourne retains its role. There are competing ports, or ports that want to compete and are working hard to compete.

I mention in particular the port of Adelaide. The port of Adelaide, which was recently privatised and which is now being run by the ex-head of the port of Geelong, is very keen to grab business from Victoria and the port of Melbourne. It is in the process of improving its port with a view towards taking business away from Melbourne — taking the conference business away from Melbourne. Honourable members who take an interest in this kind of thing will be aware that the biggest users of the port are in fact the conference ships. The negotiation for the conference ships to continue to come to Melbourne was successfully completed last year, despite the fact that the port of Adelaide worked very hard to take the conference business away from Melbourne.

One of the reasons that the conference business was retained was that an assurance was given that at the next round of negotiations — which is now only two and a half years away — the port of Melbourne would be able to handle the new generation of container ships, the much larger ships that by that stage will be in greater numbers around the world.

Certainly many of the conference shipping lines will have those ships on the freight routes throughout the world, and if Melbourne is not able to handle those ships we run a significant risk of losing that conference world, and if Melbourne is not able to handle those ships on the freight routes throughout the world, of course, but we must remember that there is no God-given right attached to that and no God-given certainty that this will continue. We have to work to ensure that the port of Melbourne retains its role. There are competing ports, or ports that want to compete and are working hard to compete.

The policy goes on to say:

The port of Melbourne is Australia’s pre-eminent container port.

The policy goes on to say:

Labor is committed to ensuring we continue to grow this significant asset by ensuring modern vessels can easily access our port.

The Labor Party policy addressed the issue of modern vessels — the new generation container ships. The policy goes on:

Channel deepening works in Port Phillip Bay to allow improved access to the port of Melbourne will boost Victoria’s economic growth. Labor will ensure that the project, once environmental, technical and economic assessments are approved, will be undertaken in an environmentally sensitive and sustainable manner.

This goes to the nub of the issue of the future of the port of Melbourne in regard to conference shipping and in particular new-age container ships, and that is whether there will be the deepening of channels in Port Phillip Bay.

In January this year, at a cost of between $12 million and $14 million, we saw maintenance dredging carried out in the southern part of the bay. It created enormous turbidity and effectively closed down the diving industry in the Sorrento-Portsea area for some weeks. That is just an indication of some of the problems the government will have to face in the channel deepening project because deepening the channels will make maintenance dredging look like a drop in the ocean. Significantly greater works will have to be carried out at significantly greater costs and one might ask, as no doubt the environmental movement will ask: how much turbidity will be created?

I was interested in the comments by the member for Mordialloc during her inaugural speech on 27 February when she said, and I paraphrase her words, ‘Let me make it quite clear: I will not support the deepening of the channels’. She said, though I notice with some interest that the words do not appear in Hansard, that channel deepening would occur over her dead body. I will be interested to see whether the member for Mordialloc contributes to the debate on a bill which centres very much around the future of the port of Melbourne and the future deepening of the channels in both the southern part and the northern part of the bay and into the Yarra River in particular.

Although the government states in its policy that it is committed to channel deepening in the bay we have no answer on whether it is truly committed. To find out whether the government is really committed one needs to go to pages 18 and 19 of the Labor Party policy which details funding commitments, both recurrent initiatives and capital investments. You do not find a single solitary mention of any money being allocated between now and the year 2006–07 for channel
deepening works in Port Phillip Bay. One might say that this falls into the category of a promise that is never going to be kept or one to which there is no real or genuine commitment.

Let me say this to the house: if this business is lost to Victoria a lot of industries will lose out and move to wherever the container boxes go — wherever the container boxes go so does industry go. If it goes to Adelaide then that is where a lot of businesses will relocate, and we will see suburbs of Melbourne like those in the City of Casey, for example, turn into ghost towns. Many of the houses there are occupied by people who work in industries dependent upon the container industry and they will either be out of work or have to relocate to Adelaide as well. Do we really want to have a situation develop in this state where we could see the City of Casey be turning into a ghost town?

Mr Nardella interjected.

Mr COOPER — The member for Melton might see this as a joke and want to have a big laugh about it, but the reality is that there is a heck of a lot hanging on these decisions by this government — and time is not on the side of the government. The time lines that have been set by the government and are being depended upon by the industry mean that by the end of this year all the information necessary for the start of an environment effects statement public consultation period will be available. That is one commitment the government has to meet.

A further commitment is that the entire project of deepening the channels in Port Phillip Bay has to be completed by the end of 2005. To achieve that timetable the government must be in a position to consider a final decision by mid 2004.

Mr Nardella — We’ve got two and a half years yet.

Mr COOPER — The member for Melton says the government has two and a half years. If you talk to the industry you will find you need two and a half to three years just to do the work.

The question has to be asked: where is the money coming from? There is no commitment in the Labor Party policy; there is no commitment given by any minister such as the Minister for Transport, the Premier or the Treasurer that the work will be done. The industry now says it has a view that the government does not have a genuine commitment to the future of the port in regard to new generation container ships.

All the yelling and screaming that is going on at the moment by Labor Party members will not solve the problem. What we need from the government is not a lot of yelling and screaming from members like the member for Melton. What we need is action, we need genuine commitment, we need funds being made available, we need the work being done and we certainly need the shipping industry and those industries that depend upon the container industry being assured that the government will do what it said it would do. At present that is not the case and this government needs to get its act together very quickly or we will see this business, the new generation container business, lost to the port of Adelaide. That would be a disaster for Victoria.

Mr CRUTCHFIELD (South Barwon) — It is my pleasure to respond and to talk on the Port Services (Port of Melbourne Reform) Bill. It is more than the administrative bill that the member for Box Hill claims it is; it is about efficiency. I agree with the member for Mornington that it is about improving the long-term future of the port of Melbourne. It is also about ensuring that the negative impacts of the privatisation of the Kennett era do not impact on ports such as Geelong. That is what occurred. I name the four major commercial trading ports — Melbourne, Geelong, Portland and Hastings — and ask members to nominate one that was not negatively affected by the Kennett era of privatisation.

There is not one and there still will not be one. This bill is about improving the efficiencies of the port of Melbourne. The second tranche of bills in the spring sitting will be about improving the arrangements in Geelong and other commercial ports in Victoria. The member for Mornington has talked about channel deepening, but not once did I hear him articulate his view. My understanding about the member for Mornington is that he campaigned against channel deepening in a scaremongering campaign at the recent state election.

Mr Cooper — You’re wrong!

Mr CRUTCHFIELD — That is certainly my understanding.

The ACTING SPEAKER (Mr Smith) — Order! The member for Mornington is out of his seat!

Mr CRUTCHFIELD — Thank you, Acting Speaker — he is out of his seat!

Before we actually work out whether channel deepening is possible because of environmental and other issues I would certainly like to hear what the views are of the member for Mornington and whether he supports it.
Mr Nardella — And the Liberal Party!

Mr CRUTCHFIELD — And the Liberal Party indeed!

I want to touch on privatisation, and particularly privatisation of the assets of Geelong and Portland. It is a pity the member for South-West Coast is not here because he has certainly been carping about the effects of privatisation in respect of Portland. I certainly was not aware of the issues regarding — —

Mr Nardella interjected.

Mr CRUTCHFIELD — He has been carping and whingeing. He might have been the Messiah of Portland before the election but the electors now think he is a rather naughty boy because he stood back and watched the privatisation of that port where the private operators concentrated entirely on its profitable aspects and ignored the other less profitable areas to the detriment of the Portland community.

The member for Box Hill talked about Geelong, and I want to talk for the rest of this time about the port of Geelong. This government is not about negatively affecting other commercial ports. What happened with the privatisation of the port of Geelong was that some tens of millions of dollars went down the road to Melbourne — it was privatised to the toll operator. There was no channel deepening for a number of years in Geelong, and it negatively affected our port. The toll could not operate efficiently or effectively because the Victorian Channels Authority did not have the funds that were there prior to the privatisation of the port of Geelong. Those funds went to Melbourne and there was no channel deepening. We were negatively affected in Geelong by that privatisation. They did raid the bank and did not spend the money in Geelong until years later.

Certainly we feel the impact of that, and this government is not about negatively impacting on Geelong. Why would a public authority such as the Victorian Channels Authority or the new Port of Melbourne Corporation negatively impact on the port of Geelong? They will not; we have six members of Parliament in Geelong who will ensure they will not. We will be very hardworking members, and we will have a degree of diligence this time — probably about 360 degrees — that the previous members did not have. We were negatively impacted on by the privatisation in Geelong.

The operators of the port of Melbourne do not want to control the Geelong channel at all. Under this bill, and certainly under the bill to be introduced in the spring settings, the government will ensure that the operators and users of the port of Geelong will not be unfairly disadvantaged by the users and operators of the port of Melbourne. The Geelong channel will remain in public ownership so there will be no unfair discrimination on the basis of pricing and no unfair discrimination in terms of access, particularly in respect of the shared channels at the entrance to Port Phillip Bay.

The residents, users and operators of the port of Geelong are just as concerned about channel deepening at Port Phillip Bay as other users of the port. The Essential Services Commission is currently finalising a review of the access regime and pricing principles. That will be done in consultation with the operators and users. I repeat that it will be done in consultation with the operators and users of the port of Geelong.

Importantly the six members of Parliament in Geelong will be very diligent in ensuring that the Geelong operators and users are not negatively impacted upon.

I am sure the member for Box Hill was not about scaremongering, but you could interpret it that way. I am sure he did not mean that, and I am certain that he will ensure and support the Geelong members in ensuring that the Geelong operators are not disadvantaged in the future.

Ms ASHER (Brighton) — The Liberal Party does not oppose the bill before the house. On the face of it, it is just a bureaucratic restructure; however, in the context of this government’s and the previous government’s port reforms it is a quite substantial piece of legislation because of its economic significance to industry and to employment in the state of Victoria.

According to the second-reading speech commercial ports in Victoria contribute to the economy 28 per cent of Australia’s trade. The port of Melbourne itself has a $68 billion per annum turnover. There is no doubt in terms of manufacturing that the efficient and successful operation of the port of Melbourne is integral to employment prospects in the state of Victoria.

Indeed if you look at the government’s own Manufacturing Industry Consultative Council, the body the government set up to advise it on the future for manufacturing in Victoria, the solution put forward by that group, which is broadly representative of industry, the trade union movement and government, is that in order for manufacturing to survive this state must export. Domestic demand may well increase in certain areas of manufacturing, but in order for that industry to survive and to contribute the number of jobs it has previously contributed to Victoria, it must export.
I also note that the current government’s targets parallel those of the federal government exactly — that is, to double the number of exporters by 2010, in this state for this government and in Australia for the federal government. In order for the government to meet that objective it must have a highly efficient and functioning port of Melbourne. Ports are critical in this area, Melbourne most of all but also Geelong, Portland and Hastings. The members from those electorates have all had a thing or two to say about those ports in the debates on this bill and others. We also have 13 other smaller ports which have a regional impact and play an important role in regional economies, particularly in the areas of tourism and recreation, which are often linked. However, it is the big picture, the port of Melbourne, on which I want to comment.

The manufacturing industry in Victoria is subject to global competition, which means that this sector more than any other cannot absorb costs, and costs must be kept down, otherwise these industries cannot compete and jobs will not stay in Victoria unless these industries can compete. Therefore port costs and availability of ports close by, as the member for Mornington said, are absolutely critical. The time it takes to access a port and port costs will have a direct relationship with the number of manufacturing jobs Victoria is able to keep over times ahead.

I might add that obviously labour costs are a critical part of that, but that is not the subject of the bill before the house so I will confine my comments to ports.

The bill provides for a number of structural changes. Its history is that under the previous government the Ports Services Act 1995 established the Melbourne Port Corporation and the Victorian Channels Authority. Briefly, as other speakers have articulated, the port corporation looked after land and the channels authority looked after the water bit, if I can put it particularly crudely. In 2001 the Labor government announced a review of the port reform that had so far taken place and appointed Bill Russell as chair of that review. Bill Russell has performed a number of tasks for Labor governments over a number of years, including — —

Mr Nardella interjected.

Ms ASHER — I am not going to barrel him today because I note that some of his findings in his audit of government contracts have been quite independent findings, which the opposition has welcomed. Therefore, unless I am enticed to do otherwise, I simply make the observation that Bill Russell has performed a number of tasks for the Labor Party in its various guises over the last decade and a half.

The terms of reference for Bill Russell were to look at port reform in the 1990s, to look at the objectives and functions of various bodies running the ports and to look at the role of the Essential Services Commission, which the government had previously announced it wanted involved this area.

I have to say consultation was particularly wide. Seven discussion papers were issued — general background, institutional arrangements, the role and functions of port corporations, reporting and accountability, port safety, port environmental management and industry and community relationships. Not surprisingly, the Russell report went on to recommend further change. I do not think Bill Russell particularly trashed, if I can use a favourite word of mine, the previous institutional arrangements of the previous government, but he certainly, even in the title of the report, The Next Wave of Port Reform, recommended a series of changes. The government has responded with this bill. The second-reading speech indicates that there will be another bill in the spring sitting which will probably embrace much more substantial reform.

The Russell report had a particular central thrust, and I especially want to refer to it because of its importance for industry in Victoria. I quote from page 2 of that report:

An efficient port system is of great importance to the Victorian economy. Globalisation means that there are few industries or groups in society that are not affected by the extent to which our ports are cost effective in their task.

The port of Melbourne in particular is one of the key competitive strengths of the state economy. The largest container port in Australia supported by good road links and a rail system reasserting its potential, it continues to be a focus for imports and exports to many other parts of south-east Australia and to compete with other container ports.

That statement from Bill Russell is indisputable. I also note his key recommendations, and I refer to page 3 of the Russell report. His first recommendation was for the next wave of port reform, as he termed it, to have cost effectiveness and cost competitiveness. He believed that should remain the focus, and there is no argument at all from the opposition on that. He also, oddly enough, noted that:

…the role of the private sector in the port is critical and should be supported and encouraged by state actions …

Which is not something the speakers on the other side have touched on. He did, however, move on to refer to the need for additional public and private investments.

The brief of the new corporation is clearly outlined in the bill and is particularly broad. I note with some
interest its functions, which are outlined in clause 13. I wish the new body well in trying to achieve all those functions simultaneously. However, it is entrenched in legislation that this authority is required to have a keen eye on the cost competitiveness of the port of Melbourne.

As I said, the key issues for government are the broad competitive capacity of this port under the new regime that the Labor government has every right to bring before this Parliament. There is real concern that Adelaide will become a more competitive port. There is particular concern about the aggression of not only the Labor government in Brisbane but of the port of Brisbane, which many of us would have seen in a spate of advertising. There is an absolute necessity for the port of Melbourne to remain competitive in order to achieve the export target that both the commonwealth and the state have embraced — a doubling of the number of exporters by 2010.

It is one thing for this government to set up a $27 million agenda for a new manufacturing program, having a range of all sorts of grants to encourage people to become exporters. It is quite another thing for this government to preside over an administration where a port must be viable. The government response to the Russell report has been particularly clear. In its official response on page 2, the government has said all the right things. But of course, saying the right things and doing the right things are often quite different.

The government has acknowledged its role and its responsibility to ensure the ports are what it calls structured and empowered, and it has also made much of the issue of the competitiveness of the port of Melbourne. However, the test for the government is not simply its response to the Russell report. The test for this government is not simply this bill and the next bill that will come up in the spring sitting. The test for this government is whether these reforms will allow the government to meet the objectives it has stated in its legislation that this authority is required to have a keen eye on the cost competitiveness of the port of Melbourne.

This legislation is based on that review and on making sure that the port remains competitive, not only with South Australia, which honourable members on the other side seem to champion and seem to want to give our business to, but with the other ports around Australia and, because of globalisation, among ports internationally. So it is not a case of Melbourne port versus Geelong port versus Hastings port versus Portland port, which was privatised under the previous Kennett government. That government stands condemned for putting in place artificial competitive structures, which is what it was all about, and for not supporting in a real sense the competitive and structural advantages the ports in Victoria had throughout the eastern seaboard of Australia.

A prime example of how the Kennett government created disadvantages in the port system in Victoria is Webb Dock. The great privatiser, the Kennett government, went out of its way to rip up the railway tracks for Webb Dock. It was one of the great container ports in Melbourne, and what did it do? It ripped up the rail lines. The other one was Swanson Dock West. What did it do, this great supporter of the port of Melbourne? The Kennett Liberal government went out of its way and again ripped the rail system out of Swanson Dock West.

Compare that to the record of the Bracks Labor government. We have duplicated the line to Geelong — we have put in the dual track — to make it more efficient so that users can get into and use that port. We put the rail back in. With regard to Swanson Dock West, we have put that rail back in; and with regard to Webb Dock, we are looking at putting that rail back in. As to the question of how we do it in regards to the City Link bridge, who put in the tolls on City Link? It was the Kennett Liberal government — it put them in. The great tollsters were the Kennett Liberal government. Opposition members come in here and talk about tolls in the eastern suburbs, but the two times tolls have come in have been in the western suburbs. The first time was the West Gate Bridge, and now we have City Link. Thank you, Kennett Liberal government! Liberal Party members come in here as hypocrites and talk to us about tolls! But we are not here to talk about tolls — I thought I would put that in in passing.

Mr NARDELLA (Melton) — I rise to support this bill. It needs to be understood that an independent review was conducted by Professor Bill Russell, who does not have any vested interest in the port or its functions or in the corporations or companies that use the port.
members for Geelong province in the other place and
the member for Lara — all six of them are committed
to making sure that the port of Geelong is competitive
on the global scene.

The great furphy from the member for Mornington was
that the Labor government would not look after
Geelong. We have been the only government in the last
10 years that has ever looked after Geelong. We have
not gone out of our way to rip out its rail lines; we are
putting the rail lines back. As far as the channels go, we
are the ones who will look after the port of Geelong; we
are the only ones to look after the community of
Geelong, making sure that people have jobs. I support
the bill before the house.

Mr THOMPSON (Sandringham) — Victoria’s
ports play a very important part in Victoria’s
manufactured exports and its primary production
exports, and they are also an important base for
imports. It might be added that the port of Melbourne
operates in both a nationally and internationally
competitive environment.

It is interesting that in statistical terms the container
movement per hour in the port of Melbourne was one
of the worst trade figures in the world among the major
ports. It took the federal government’s port reforms to
achieve a better throughput that made it more economic
to provide cheaper transportation costs for Victorian
exporters who were trying to compete in international
markets and also for the supply of imports through the
port of Melbourne, reducing the on-costs and purchase
prices for Victorian consumers ultimately.

According to the annual report of the Melbourne Port
Corporation, there are a number of key figures. There
was a record container throughput of $1.42 million
TEU — 20-foot equivalent units — achieved in the last
financial period, an increase in 7.5 per cent over the
previous period. There are a number of key exports:
paper and fibreboard exports increased by 71 per cent,
fruit and vegetable exports increased by 24 per cent,
cotton exports increased by 20 per cent and wine
exports increased by 17 per cent, representing an
important part of Australian trade.

The port of Melbourne does not have a fixed place in
Victoria’s exports in the sense that there are other
options for the supply and delivery of goods to
Australia and export from Australia through the port of
Adelaide and also in strategic terms later on through the
development of other links. Professor Lance Endersby
has done a lot of work on the strategic development of a
national rail infrastructure in Australia and the
development of the port of Darwin in the medium term.

If, for example, there is a less efficient level of delivery
through the port of Portland or port of Melbourne, then
Victoria’s competitive advantage as a major
international hub of transport for the east coast of
Australia may not be managed in the medium term and
Victoria might lose out to other transport hubs.

It is interesting to note too that the number of ship visits
to the port of Melbourne rose by 5.3 per cent to 3019,
and the port of Geelong also has an important role in
the dispatch and delivery of goods to the people of
Victoria, including eastern and western Victoria. In
terms of the ports, it is imperative that they be efficient
and well managed and have a vital role to play in the
future of Victoria’s manufactured goods and primary
products.

An interesting issue that the present government
confronts in the medium term is what it will do in
relation to the dredging of Port Phillip Heads in order to
handle post-Panamax shipping. The review is currently
under way, and I have attended a number of briefings
on it. The environment and economic impacts are yet to
be fully determined.

The port of Melbourne must maintain a vital role.
However, it is important that the environmental impact
of any dredging or other works is not detrimental to the
magnificence of Victoria’s natural features and
qualities. The Port Phillip Bay catchment covers some
9790 square kilometres. Its economic contribution to
Victoria is worth some $7.5 billion, and it involves a
careful balancing of the environmental, tourist,
recreational and trade investment issues. That is
important in ensuring that the bay continues to play a
viable and vital role in Victoria’s development future.

As a matter of statistical interest, the bay has a volume
of 25 cubic kilometres. It is 41 kilometres wide from
Portarlington to Seaford. In length it is 58 kilometres
from Altona to Rye, and its greatest depth is 24 metres.
As part of the shipping and dredging review that is
under way at the present time, I understand that they
need to find an extra 2 metres in certain areas just
outside the heads and in the bay to handle the
post-Panamax shipping. This raises vital environmental
issues in terms of where the dredged spoil could be
relocated and what impact this would have on the
magnificent underwater flora and fauna the bay
possesses. It is worth noting that Port Phillip Bay has a
greater level of biodiversity than the Great Barrier Reef.
The government faces important challenges in terms of
how it responds to the review.
The port of Melbourne services a population of more than 3.3 million people. There again it has a vital role to play in terms of the health of the city.

The bay is one of the more dangerous waterways in the world at the Rip at the heads. This has resulted in a number of ships foundering along Victoria’s coastline. The continental shelf running between Victoria and Tasmania has an average depth of some 200 metres, but beyond the continental shelf the water falls to a depth of some 4000 metres. As the water moves across the south of Australia it hits the continental shelf, and that causes great turbulence, which has historically been a great hazard to shipping. As I said, many ships have foundered along the Victorian coastline. That is why the safe harbours at Portland, Port Phillip and Hastings have played such an important role, initially in the transporting of people. Most of Victoria’s immigrant population arrived at the port of Melbourne between 1835 and the late 1960s, prior to air travel occurring on a major scale. Those ships had to make their way through the heads, down past Mud Island and the South Channel Fort, missing the Pope’s Eye. The south channel was an important shipping channel, but even in those days it had to be dredged to a certain depth to enable a safe level of clearance.

There have been a number of industry responses to the port reform outlined in the Port Services (Port of Melbourne Reform) Bill, which the opposition is not opposing. There is a view on the part of some shipping interests that it makes sense to consolidate land-side and waterside management. The Boating Industry Association is broadly supportive of the reform, subject to its not limiting or diminishing the access the industry has to government.

Toll Holdings and the port of Geelong want to ensure that the Port of Melbourne Corporation’s control over the channels into Geelong will not disadvantage Geelong commercially. The Australian Shippers Association does not have a dominant concern about reverting to the pre-1995 management structure. It believes it is important that in the longer term there is an opportunity to derive some revenue to contribute to the cost of deepening the channels in order to ensure they are preserved. Other stakeholders such as the trucking interests that use the port are broadly supportive of the fundamental features of the bill.

In summary I would like to emphasise the importance of the port of Melbourne continuing to be competitive in international terms. Victoria is one of the main manufacturing precincts south of the Equator, and manufactured goods destined for international export markets depart from the port of Melbourne. I reiterate the importance of the port to the transport and carriage of primary produce and other goods that are important to Victoria’s economic future. The port of Melbourne and Port Phillip Bay are worth, in aggregate terms, some $8 billion or more annually to the state of Victoria. It is important that the port continues to be viable in international terms.

Mr MILDENHALL (Footscray) — This legislation is a breath of fresh air for the electorate of Footscray and the neighbouring residential areas. The financial success and growth of the port of Melbourne has come at a price for its neighbours and others who may be affected by its operations. It is of some longstanding significance in my community that the legislation include new objectives, such those contained in new section 12, the first of which is:

… to manage and develop the port of Melbourne in an economically, socially and environmentally sustainable manner;

That is a far cry from the previous objectives, which mainly focused on making money for the Treasurer of the day. As desirable as some parts of government may consider that objective to be, the port exists in a community context. There have been many downsides to the expansion of the port’s activities. Some of those have come about because of very limited objectives. For instance the landlord role has meant that the rents on port land have been very high. That has meant that it has been very expensive to store shipping containers, particularly empty shipping containers, on port land. Where do container park operators go? They look for the nearest empty blocks of land or old industrial sites to use for storage in order to be able to bring runs of shipping containers into the port of Melbourne at all hours of the day and night and at very short notice.

Often those shipping containers have been located in an ad hoc way throughout residential areas, particularly in my community. It has meant that the residential amenity has been dramatically and adversely impacted by container traffic. I have been chairing a working party of government agencies trying to address the issue of container traffic, much of it associated with port activities. We have looked at the sorts of strategies contained in the objectives of the port legislation. We have looked at the environmental impacts and how to reduce them, and we have also looked at the statutory planning impacts. We now have a new set of guidelines and statutory rules for the location and regulation of container parks as a result of the work we have done.

We have also had to make the very sorts of investments that the member for Melton was talking about. As a government we have invested heavily in rail to replace
the rail lines that were pulled out by the Kennett government and to hook up again the container parks and storage areas to the port using heavy rail, to considerable environmental benefit. We have also had to look at relocating container parks through a series of carrot-and-stick strategies.

It could also be that the Docklands project may have taken too big a footprint. There has certainly been an expansionary pressure on the port of Melbourne to come into residential areas in the western suburbs. That conflict of additional traffic and the incursions into residential areas, on top of the traditional issues we have had in our area relating to the location and activities of Coode Island, have meant that the activities of the port and its proximity have become quite a sensitive environmental issue for the community of Footscray. We are working in an integrated way locally to ameliorate those impacts.

This legislation now enables the port to have a mandate, and indeed an obligation, to participate in those sorts of exercises in a far more legitimate way. I certainly, and the Footscray community too, look forward to working with the port of Melbourne in its redesigned and reconfigured guise. We look forward to its increasing prosperity and the jobs it will bring to our community, and also to being able to work with it to reduce some of the adverse impacts and produce a long-term strategic future for the port that will be to the benefit of everyone.

The community in my area will certainly warmly welcome this legislation.

Debate adjourned on motion of Mr DIXON (Nepean).

Debate adjourned until later this day.

WATER LEGISLATION (ESSENTIAL SERVICES COMMISSION AND OTHER AMENDMENTS) BILL

Second reading

Debate resumed from earlier this day; motion of Mr THWAITES (Minister for Water).

Ms ASHER (Brighton) — The opposition opposes the Water Legislation (Essential Services Commission and Other Amendments) Bill — and what a tale of deception it is!

I wish to address in particular my concerns about clause 10, which will effectively establish a toxic waste dump at Dutson Downs. The history of this — and I am very pleased that the member for Footscray is in the chamber — starts with the establishment in 2001 of the hazardous waste siting advisory committee. There was meant to be a three-stage process, the first stage being a soil recycling facility, which is 35 per cent hazardous waste, going through to stage 3, which is the fully fledged toxic waste dump with long-term contaminants.

I might add that a couple of days after the federal election in 2001, 11 sites were announced by the member for Footscray. The chairman of the committee, however, said at a public meeting that the state government did not particularly want to make a decision on where the toxic waste dump would go until after the state election. The government now, in this bill before the house, has flagged where it is going — to Dutson Downs.

I draw the attention of honourable members to clause 10 of the bill. This clause provides that the Central Gippsland Regional Water Authority is to be given the capacity to receive waste. ‘Waste’ is defined in clause 10 as:

(a) trade waste or any sewage, whether that waste or sewage is untreated, treated or partially treated; and

(b) any matter that is offensive or injurious to human life or health; and

(c) any ash, coal dust or matter that may discolour or impart discolouration to water; and

(d) any other matter that the authority by by-law declares to be waste.

So the sting in the tail of this bill, and I will leave it to my colleagues to speak on the increased price of water through the arrangements for the Essential Services Commission, is that we now know where the government is going to place its toxic waste dump — at Dutson Downs, of course.

The Liberal Party has a number of concerns in relation to this as, I am advised, does the National Party. Indeed, the Leader of the National Party, in whose electorate it is to be placed, will be more concerned than anyone else. The first concern is that this site is very close to the Gippsland Lakes, which are a tourist icon. A shocked public meeting held during this whole fiasco of public consultation heard the head of Gippsland Water have the audacity to say that this toxic waste dump could be in itself a tourist attraction. What an extraordinary claim from the head of Gippsland Water! And this is the guy we are going to give the power to accept waste. But leave that point aside.
I note also that the definition of the word ‘waste’ includes:

(c) any ash, coal dust or matter that may discolour or impart discoloration to water —

which I imagine will cause some concern.

However, the greatest concerns have been outlined by a group called Wellington Residents Against Toxic Hazards Association (WRATH). That group has said, and I quote:

The central issue at Dutson is water pollution; pollution that will end up in the Gippsland Lakes and in the wetlands on either side of the site. The case that Dutson is a suitable site for a waste facility relies on a groundwater study done back in the 1980s using a methodology now known to be flawed.

WRATH has shown a video to members of the hazardous waste siting advisory committee, of which the chairman, the member for Footscray, is in the chamber. It goes on:

This video shows that after rain there is black polluted water coming out of the ground on adjacent land, pollution which is clearly coming from existing waste dumping at Dutson.

This letter goes on to say:

Gippsland Water, who put the Dutson proposal forward, is itself a government agency. Gippsland Water’s environmental track record so far has been abysmal. Their previous practices have virtually destroyed Lake Coleman; they still have more than 40 kilometres of stinking open trench sewer with no plans to do anything about it. The government policy is supposed to require waste organisations to adopt world’s best practice. Far from being a world’s best practice organisation, Gippsland Water processes have been described by one expert who WRATH has talked to as ‘Third World technology’.

That is one reason the Liberal Party opposes clause 10. Another reason is the fact that the Dutson Downs site is right next to a bombing range. While I respect the Royal Australian Air Force, I do not think that is an ideal location for a toxic waste dump.

Another reason why we oppose this siting is the travel distances. Industry will have to transport its waste to Dutson Downs. I refer the house to an article in the Pakenham Gazette of Wednesday, 20 March 2002, outlining Gippsland Water’s proposal for transportation. Do not think it is only the Leader of the National Party’s seat that is affected by this one. I think the member for Gembrook may be interested in this proposal as well. The article states:

A contaminated soil transfer station could be built near Pakenham if Gippsland Water wins a government contract to build a soil recycling facility in East Gippsland.

The article goes on to quote Gippsland Water’s spokesperson, Grantley Switzer, who said:

In our EOI (expression of interest), we have identified that it may be appropriate to establish transfer stations on the west and east sides of Melbourne …

One of the reasons we oppose it is the level of transportation that will be required.

The next reason the Liberal Party opposes the dumping of the toxic waste in Dutson Downs is that this government does not exercise sufficient control. Members on the other side will be aware of a Deer Park bid, where the parent company of one of the proponents of the bid, a firm of the same name, was convicted of environmental offences in the United Kingdom. It was not the government that terminated the bid, even though the then Minister for Major Projects had access to this information, it was the company that terminated the bid in relation to financial viability. The government’s track record and choice of whom it deals with — in this case a company convicted of environmental offences in the United Kingdom — is not something I want to see in this state.

The other concern about the toxic waste dump is the plan outlined by the member for Footscray as quoted in the Brimbank Leader of 16 October 2001. Clearly the government’s plan is to have not one but three toxic waste dumps in Melbourne. I quote the member for Footscray as reported in this article:

Mr Mildenhall said it would be a ‘perfect’ solution to have sites in the north and south-east of Melbourne as well as the west.

That would be the perfect solution … Mr Mildenhall said.

Three toxic waste dumps in the city, and one at Dutson Downs in this bill.

Let us look at prescribed waste. I urge honourable members to look at the Environment Protection (Prescribed Waste) Regulations 1998, which list four pages of waste. This is what Dutson Downs will get in my view as a consequence of its being the waste dump — acids, arsenic, asbestos, contaminated soils, highly odorous organic chemicals, highly reactive chemicals, lead, waste chemical substances, waste from the production, preparation and use of pharmaceutical products and waste of an explosive nature not subject to other legislation. That is what goes into a toxic waste dump. Unfortunately the bill before the house allows any matter that is offensive or injurious to human life or health to go into Dutson Downs.
I understand what the government is trying to do with water, and as I have said, I have focused on clause 10. It is interesting that, given the public concern about water, the government would choose to barrel through a toxic waste dump. It is actually mentioned in the purposes of the bill, and it is there very clearly in clause 10, where a new schedule 8 will be inserted into the Water Act. This is a disgraceful way to introduce a toxic waste dump to Dutson Downs.

Ms GREEN (Yan Yean) — It gives me great pleasure to join the debate on the Water Legislation (Essential Services Commission and Other Amendments) Bill. Water is the issue of the 21st century, and I know from my own constituents that they welcome the government’s commitment to this important area of public policy, as demonstrated by the minister’s statement in this place recently.

The electorate I represent takes its name from Melbourne’s first water supply, the Yan Yean Reservoir, which was constructed 150 years ago this year. My electorate has within its boundaries two other reservoirs — Sugarloaf and Toorourrong. Consequently water is a top priority within my electorate, both in the suburbs and the small towns and importantly on the farms.

This bill will provide long-term benefits to all Victorians as it will play an important role in ensuring that future economic regulatory decision making for the water industry will reflect the government’s health, safety, environmental and social commitments.

I applaud the bill’s recognition that a one-size-fits-all approach is not an appropriate model for the water industry. Importantly the objectives of the bill recognise the diversity that exists between the metropolitan, regional and rural sectors. The bill establishes a structure for the transfer of the economic regulation of water from the government to the Essential Services Commission. This will allow the commission to perform regulatory functions in relation to service quality regulation as well as provide the necessary monitoring, auditing, reporting and dispute resolution functions.

Importantly, the bill provides for the Essential Services Commission to develop and implement codes with which the regulated water entities will have to comply. These codes will provide protection for consumers with regard to water quality issues.

Further, the bill provides for the minister to issue statements of obligation for water entities. These specific obligations could include community consultation, obligations in relation to governance, asset management, emergency management, risk management, environmental sustainability and community service obligations. Water businesses will need to report on any breach or failure to comply with any obligations. To ensure any new financial impact is considered, the minister must consult with the Treasurer and the Essential Services Commission.

Let us look at the opposition’s views on this important bill. The Liberal Party, by its opposition to this bill, demonstrates that it still has not learnt its lesson. It says that it has rediscovered the environment, but we are yet to see it and yet to see that it is interested in this important public policy issue. If it were true it would support this pro-water legislation. We know what it did with Victoria’s important public assets when it was in government. It flogged off our gas and electricity, and it would have done the same with our water, given the chance.

What did the National Party do? Did it stand up for rural Victoria and keep gas and electricity in public hands? No, it was in Kennett’s car; it went all the way with JGK. Did it get the Liberals to act to deal with the enormous water loss from irrigation channels? Did it fund the Wimmera–Mallee pipeline? The answer is no! Is the federal government going to cough up the money? No, it is not. I urge the opposition to reconsider its opposition to this important bill. I ask this because Victorians, wherever they live, want their political leaders to act on this important policy issue.

Victorians want the government to act to protect this precious finite resource. They want a safe and sustainable water supply and safe and sustainable wastewater processes, because they are essential to our quality of life. I wish the Water Legislation (Essential Services Commission and Other Amendments) Bill safe passage through this Parliament.

Mr Ryan (Leader of the National Party) — Isn’t it an education to hear these apparatchiks of the Labor Party stand up and read out the same old parroting lines when they have absolutely no idea what they are talking about! The whole thing is a fiction from their perspective. It is interesting to trace some of their own party’s involvement in the magnificent water industry. Earlier this evening the member for Swan Hill did a great job when he traced the history of the water industry insofar as its general administration is concerned. He was very pertinent to one of the two points I want to speak to in this debate, bearing in mind I have only 10 minutes to contribute under the sessional orders punched through by this government.
The first issue that the member for Swan Hill touched on was the history of the administration of water. I move to the bottom line by saying that the National Party will never support the control of pricing and administration of water going into the hands of the Essential Services Commission. It should not be there; it was never intended to be there by the former Labor government going back a few years, and it should not be there now. That, among other reasons, is why this legislation is a complete abomination and why we will oppose it.

As the member for Swan Hill said in the history he gave to the Parliament tonight, it was at the behest of a former Labor government back in 1992 that the McDonald report was adopted. Steve Crabb, a former Labor minister, had the courage of his convictions and knew what he was doing. As the responsible minister of the day, on behalf of a Labor government he implemented changes which brought about the structure of the administration of the water industry which we still have to this very day — to this day at least, tomorrow perhaps not.

We are seeing a move backwards, or Brackswards should I say, by this government. This is, as the member for Swan Hill said, a Back to the Future move, and it is happening for all the wrong reasons. One of the great virtues of the water industry in Victoria is that the minister of the day is responsible for its administration, and the government of the day ultimately has to be responsible to this Parliament for the way in which this great industry functions. Into the mix it is important to put the fact that about 75 per cent of Victoria’s water is used for agriculture; those great agricultural enterprises are fundamentally dependent on it. This nexus, which a former Labor government readily recognised and endorsed in the course of the legislation it introduced, is the antithesis of what this bill now contains. That is why the National Party will never agree to the administration of water going over to the Essential Services Commission.

There is no issue to do with privatisation here. The member who just spoke, who was not elected in the Parliament until recently, would know if she knew anything about the history of the industry that there was never the slightest prospect of the water industry being privatised. It is another one of those great urban myths of the Labor Party, another one of those fictions on which it thrives, another one of those great Labor lies for which Labor is increasingly becoming famous, and above all it is a commentary best judged by the activities of the former Labor government which established the very structure which this Labor government is now going to dismantle. What better commentary or benchmark would you ever want than that judgment.

The Essential Services Commission is about to be in charge of this critical area in circumstances where our water services committees have functioned so very well over the years and where even under the national competition policy (NCC) it was recognised that the water services committees, in concert with the authorities, were doing the job and satisfying the NCC criteria. There was no problem about that so there is no need to do this from the perspective of national competition policy. Among the reasons this change is not necessary is the fact — and this is the fact — that a deal was done or an agreement was made with the Labor government when the then minister, Sherryl Garbutt, agreed that agricultural water would not be included under the control of the Essential Services Commission. That is an absolute fact!

Of course there has now been a change in the numbers in this place — and as I have said many times since the last election, I congratulate the Labor Party on the political outcome it achieved — and the government is reneging on an arrangement which had been struck, and it knows it. Insofar as that element of the bill is concerned we are utterly, trenchantly and bitterly opposed to it, and we will never support it.

At page 4 of the second-reading speech the minister used the term ‘most’ very advisedly when he said that most areas of the water industry agreed with these changes. He used the word ‘most’ all right because he knows that the water industry per se had had a job done on it by this government. History will tell the story of this as we go back in time to what we had before. A former Labor government established the whole structure which is now in place as of tonight and which is about to be dismantled and destroyed by the current government.

The second issue I want to talk about is Dutson Downs, which is located within my electorate of Gippsland South. This is an issue of extreme concern to me personally and to those who live within my electorate, because this government has picked the wrong site. I say it has picked the wrong site because it is beyond any doubt that the government is now hell-bent on establishing this facility at Dutson Downs. It will do it basically in three stages. The first stage will be the soil recycling facility, and there will be a second stage and a third stage. How do I know that to be so? Because you only have to look at the web site of Gippsland Water, which was the last organisation to have its hand in the air by way of applying to host this site, to see that there are three stages proposed for this — and it will occur.
As I said today, and as I have said on many other occasions in this place, this government should at least have the courage of its convictions. It should at least have the political guts to tell the people of Gippsland what it is going to do. I see the member for Morwell sitting up there as I speak. Of all people why would he not get up as a mayor of the former La Trobe shire, say something about this very issue and talk about the fact that the responsibility lies with — and I use the expression ‘lies with’ advisedly — Gippsland Water to tell the world what it is intending to do here in concert with this government?

There are a couple of other classic aspects of the second-reading speech. There is a lovely little provision that says that because of changes in the Environment Protection Authority (EPA) licensing system the government will no longer include the ministerial consent with regard to the waste that is to be deposited at Dutson Downs. This is a critical issue. The explanation in the second-reading speech runs on the basis that there was a bit of a slip back in 1997 and that the government will put back the section that unfortunately was accidentally deleted.

When you get out the original schedule, which I have done, it has this all-important component in it under the heading of ‘Functions of the Authority’. Paragraph (c) reads:

The functions of receiving —

(i) waste from any person in the Latrobe Valley; and

(ii) with the approval of the Minister, waste from any person outside the Latrobe Valley —

for treatment or disposal by the Authority.

What is to happen now? When you look at this bill you see that provision has gone. Under the functions of the authority the bill states:

The Authority has the function of receiving waste from any person, whether inside or outside the sewerage districts managed or controlled by the Authority, for treatment or disposal by the Authority.

That necessity for ministerial consent has been taken out. Why has it been taken out? Because this government knows that if it were put to the true test of the minister of the day having to have the responsibility, as that minister should, of making the final determination on what gets dumped into Dutson Downs, we would quite properly have a public debate about those issues in this place and would deal with it in a proper fashion and as it should be dealt with. That was the case until today.

Time is against me so I will go to this final point. Why are we having this discussion now? Why now, after three and a half years of Labor government, is this amendment suddenly brought in and tucked away in the back of this bill? The answer is because this government is actively pursuing what is necessary to establish a toxic waste dump at Dutson Downs. Why has it now fallen on this error that occurred in 1997? Why is it that — surprise, surprise! — at this moment in time it has come upon this error that it is now so anxious to fix? Because somewhere along the line the sleuths out there in the department have been set upon the task of smoothing the path to enable the licensing provisions to be altered both within this legislation and, I am willing to bet, eventually in the EPA to enable this work to be done in the way this government intends it to be done.

It is a dirty deed by this government, the effects of which are being foisted upon the people of Gippsland. Whatever might come of this, the people of Gippsland will not forget. When you add this to the other things that have happened, they will certainly not forget.

Ms NEVILLE (Bellarine) — I am pleased to speak in support of the Water Legislation (Essential Services Commission and Other Amendments) Bill. The bill provides for the first time the capacity to comprehensively and consistently regulate our most important resource — water. At no other time have we as a community been so aware that water is a finite resource that plays an important part in determining the quality of life of our community. It is a resource that underpins the future economic growth of all Victoria.

The bill will ensure that we will have an independent economic regulation of our water industry. This was a key commitment of this government which we talked to the community about and which it supported. It is a commitment that this government is now delivering on.

The bill will produce a number of positive outcomes. It will mean that we will be better able to meet the interests of the community in ensuring the quality, safety and appropriate pricing of our water supplies now and into the future. It will also ensure that we have a financially viable water industry. It will mean that community concerns about the environment and public health and safety are formally part of the decision-making process. It will generate community confidence in decisions about water prices, as they will be more transparent and accountable. The regulation of prices by the Essential Services Commission will guarantee that there is fairness across the state and that communities will be involved in future price-setting arrangements that are accountable and reasonable.
Perhaps the most important potential outcome is that the bill will provide the framework to monitor and ensure the compliance of all our water authorities with the government’s water resource, environmental and social obligations. This compliance is essential to ensure that we are able to achieve sustainable water management equally across the state.

The bill forms an essential part of this government’s agenda of valuing Victoria’s most important and scarce natural resource. All of us who live in rural and regional communities understand and witness on a daily basis the pressures that our water supplies are under. A large percentage of Victorians are subject to water restrictions. Those of us in Geelong who have suffered under water restrictions for a number of years—thankfully we no longer have to deal with them—have in response and in understanding the value of this finite resource as a community put in place the initiative of instituting permanent water restrictions. I congratulate Barwon Water on its foresight on this issue.

I know the local water authority and the community of Geelong are pleased that as part of the overall water package proposed by this government an independent economic regulator is being put in place. I know that the community is also pleased that this bill will ensure a more transparent process in price setting.

It is pleasing that this bill ensures the inclusion of not only the metropolitan but also the regional and rural sectors. To have failed to include the rural and regional water sectors in any independent economic regulation process would have left a major gap in the regulation of the quality and pricing of our water supplies. It would have created inequities across the state and jeopardised our capacity to more sustainably manage our water supplies.

I was also pleased to see that the bill ensures that the successful rural water customer committees will continue to play a role in giving irrigators a voice on pricing and service levels. Rural communities can feel confident that their voices will still be heard. They should also have confidence that the whole community is serious about protecting this valuable resource and managing it in a sustainable and affordable way.

Mr Ryan — On a point of order, I am not normally one to take these issues up, but the honourable member is patently reading her speech. I would ask you to request her to cease doing so.

The ACTING SPEAKER (Mr Smith) — Order! Is the member reading her speech?

Ms NEVILLE — No, Acting Speaker, I am referring to notes.

Communities can be confident that in undertaking this regulatory function the Essential Services Commission will appropriately balance issues of sustainability, health and public safety and ensure the meeting of social obligations.

For the first time, via the establishment of the Essential Services Commission, we will see a transparent, accountable and open price review process which will ensure that prices are neither too high nor too low. Given that water businesses are monopolies, we currently risk seeing prices set on the basis of monopoly profits. Currently we have no guarantee that prices will be set at a level that will ensure long-term sustainability. Also for the first time we will have the capacity across the state to set prices that will ensure our water authorities have sufficient financial resources to deliver sustainable water services while meeting the sustainability objectives of the government.

As I said before, this is one part of the government’s 10-year plan to ensure the better management of this finite resource. It is one of a number of key initiatives proposed by the Bracks government to ensure that Victorians change the way they use water. The establishment of the Essential Services Commission complements the other reforms and ensures that we are on the right path to sustainable water management. This matters to Victorians. Community members contact my office in Bellarine weekly and talk to me about the need for the government to provide leadership on this important issue, and that is what the Bracks government is doing.

This bill has been part of extensive consultations with stakeholders across Victoria, who are interested in having a say on the bill. Victorians know that we cannot sit back and do nothing about this issue. They are looking for leadership. They are trying to do what they can to protect our water supplies. What they know is that our governments need to provide leadership. They know that if we are to sustain our high quality of life and guarantee our future prosperity we must protect this valuable resource.

We have listened to Victorians and taken note of their views, so it is disappointing but not surprising that the Liberal and National parties are opposing this bill. They have failed to listen to Victorians once again.

This initiative forms part of our package of reforms and will ensure that we value and protect our most precious resource. I am not willing to risk the quality of life that...
we have in Victoria, and I am pleased to support the bill to ensure that the Victorian water industry delivers services that meet the social, economic and environmental needs of current and future generations. I look forward to the house endorsing the bill and giving it a speedy passage.

The ACTING SPEAKER (Mr Smith) — Order! I say to the member for Bellarine and to other members that it is a tradition in this house, as it is in the other place, that members do not read a prepared speech. Members may read from notes but may not bring in a speech and read every word. That goes for all members on all sides of the house.

Mr COOPER (Mornington) — This is an interesting bill, and it is no wonder that both parties on this side of the house are opposed to it. If you had no other reason to oppose it, you would need only to have listened to the speech of the Leader of the National Party to understand that the Dutson Downs clause is one of the most pernicious and disgraceful pieces of work one could ever see put into a piece of legislation. It is sneaky, vulpine and all sorts of other nasty things that we have become used to from this government.

Mr Jasper — You’re not reading that, are you?

Mr COOPER — No, I am not reading it, but I would be happy to if I were given the opportunity.

I want to refer to the question of what the job of the Essential Services Commission will be. My understanding from reading the bill is that the Essential Services Commission has been set up as the economic regulator of the water industry in Victoria.

Mr Jasper — Who is paying for it?

Mr COOPER — The member for Murray Valley asks who is paying for it. We all know who is paying for it: like everything else, the taxpayers and the users will pay for this extra level of bureaucracy dumped on the water industry — as they have in the past they will in the future but they will pay more in the future.

One of the questions that interests me is about the economic regulator of the water industry. Where does this begin and finish? It is particularly important for people in Melbourne to understand all about the economics and the economic regulation of the water industry. Where and how far do we go with this Essential Services Commission? For example, what part will the Essential Services Commission have in looking after Melbourne’s very important water catchments and the future of those catchments not only in regard to the level of supply but also the quality of supply that will come into Melbourne households in future years?

A week or so ago I received a report by John Lawson, of Lawson Consultancy Pty Ltd, called Managing Melbourne’s Water Resources. Many parts of the report took my attention but one part in particular, headed, ‘Vulnerability of water supply’. I quote one paragraph from that section of the report:

Melbourne’s closed water catchments were last extensively damaged by fire in 1939 — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Smith) — Order! There is too much audible conversation in the chamber. Will members, particularly those at the table, desist!

Mr COOPER — For the benefit of the member for Polwarth, I will read this again:

Melbourne’s closed water catchments were last extensively damaged by fire in 1939 and they are again at risk. Should they be extensively damaged, the existing dams, which are presently at less than 50 per cent capacity, would suffer major deterioration in water quality and face diminished water yield for many years as burnt catchments recovered.

At the moment throughout country Victoria — in the north-east and in Gippsland — that is exactly what farmers are coming up against. The results of bushfires in those areas have damaged the water supplies and streams to a point where they will take many months, and in some cases years, to recover.

Members in this house who represent metropolitan electorates probably do not know what the results of bushfires are and what the land is left like, but I can tell members one thing — the point made by Mr Lawson in his report about Melbourne’s catchment areas being last extensively damaged by fire in 1939 needs to be borne in mind by this government and by this house.

We all know that ground fuel is the reason severe fires occur, and over the years in Melbourne’s water catchment areas the ground fuel build-up has been enormous. We can thank God and good luck that since 1939 we have not had serious bushfires in Melbourne’s catchment areas; but the good luck will not continue, particularly when you do not have those areas properly managed.

I want to know from the government about the economic role of the Essential Services Commission. If its economic role does not include the management of catchment areas so that they do not catch fire and damage the water supply, then what on earth is the point of creating it in the first place? What is the point?
Mr Jasper — To raise money.

Mr COOPER — The member for Murray Valley says, very unkindly, that it is there to raise money. He may be accurate. However, that does not give any solace to the 4 million people who depend on the water that flows from the catchment areas of Melbourne.

On two counts the parties on this side of the house query the bill and say it is not good enough. The first point is that there does not appear to be any concentration of effort by this government to giving solace and support to the communities around Melbourne. The second point is in regard to the future of Melbourne’s catchment areas — whether the government will be able to supply clean water for years to come or in fact whether it will be able to supply water for years to come.

I have said on many occasions that this government’s water policy really comes down to a few words: ‘Let’s hope it rains’. The government does not even need one A4 sheet of paper. Government members do not seem to have too much of an idea. A bill like this is just grist to the mill for a Labor government — bring in a bill that puts another layer of bureaucracy here and another layer of bureaucracy there, raise costs for everybody and then try to spin it and sell it as something that is going to solve the problems with water in Victoria.

There are some big problems that have not been addressed by this government as yet, and one of them is wildfire in Melbourne’s catchment areas. What is the government going to do about that? What are the government’s plans? Have government members even thought about it? I think the answer is that they have not. They have not thought about it, because they do not think fires are ever going to happen there.

The people of Melbourne need to have some action from this government. They need to have a government that is going to stand up and do things rather than just talk about them. This government has been in power for four years, but it is only starting to say, ‘We must do something about water’. If this piece of legislation, the Water Legislation (Essential Services Commission and Other Amendments) Bill, is this government’s answer to the water crisis in Victoria, then God help Victoria!

Ms DUNCAN (Macedon) — I want to comment on the remarks made by the member for Mornington. It is always interesting to listen to his views on natural resources. We have heard him talk time and again about the opposition’s views on natural resources, which are, ‘If it falls from the sky, basically it is free; and if it falls on my land, it is mine’. I refer him to and advise him to read the ministerial statement made by the Minister for Environment in the last sitting week. If he reads that ministerial statement — which would be a little bit like ‘Watch this space!’ — he will learn about all the actions this government is taking to answer some of the questions he posed in his speech.

Mr Cooper — When? When? When?

Ms DUNCAN — The member continuously cries out ‘When? When? When?’, like a parrot. I advise him to refer to Hansard and read the ministerial statement, where everything is outlined — that is, all the legislation this government intends to introduce and the frameworks this government is developing.

Unlike the National and Liberal parties this government sees water as a valuable resource that has to be managed. To go to the terms of the bill — —

Honourable members interjecting.

Ms DUNCAN — I am not surprised at the level of antagonism towards this bill and at the anger that is being expressed by the National Party and the Liberal Party, because essentially this bill changes the way things have always been done, and that is always a problem. Any changes to the status quo tend to cause people concern. That is not to be critical of them. There are often genuine concerns when things are going to change, but for them simply to object to changes for the sake of it is irresponsible on their part.

As I said, anything that changes the status quo is going to cause some angst, and government members appreciate that. That is why the government has worked with and consulted communities to make sure people accept these changes. If people are concerned about changes being made to the way things have been done in the old days, I draw their attention to the fact that the water services committees that have worked well in the past will still be involved in water pricing. There is a problem when we ask, ‘How have water prices been determined in the past?’, because the answer is, ‘By the irrigators and by the users of the water’. How many other situations do you know of where the users of the resource determine the price? I cannot think of any other resource where the price is determined by the users.

Honourable members interjecting.

Ms DUNCAN — Just sit back, relax and calm yourselves! I refer to an article in the Weekly Times of 16 April entitled ‘Water switch’. In the article the member for Swan Hill is quoted as saying that he knows what the Essential Services Commission has
done to electricity prices. I think he is suggesting that the same thing is going to happen with water prices.

Let us look at what the Essential Services Commission has done to the price of electricity. The commission has kept the price down since the coalition government — the Liberal Party and the National Party — sat back and privatised the electricity utilities. That occurred in such a way as to divide the electricity utilities, and we now have companies like TXU, which are predominantly rural electricity suppliers. What did we see happen with the price of electricity once it was privatised? We saw the end of cross-subsidisation as well as electricity prices going up in rural areas at a much greater rate than they were in urban Melbourne.

The opposition in government sat back and allowed that to occur. We have seen the electricity companies putting in — —

Honourable members interjecting.

Ms DUNCAN — If opposition members would just sit back and relax a little they would be able to hear what I am saying. The role the Essential Services Commission plays in electricity pricing applies when the electricity companies come to it and say, ‘We would like to increase prices by 117 per cent for off-peak electricity in rural areas’, something the National Party clearly has no problem with. The Essential Services Commission then says, ‘Get off the grass! You are not increasing prices like that!’ I am quite pleased that the member for Swan Hill sees the value of the role of the Essential Services Commission. I will be very pleased if the commission plays the same role in water pricing as it has played in the pricing of electricity.

I am pleased that the member for Swan Hill has even seen the benefits of what this bill does, which brings me back to the bill. As I and a number of other members have said, we understand very clearly the value of water — I think I have said this before when we have discussed water — in a way that the conservative parties just do not understand it. Their view is, ‘We have set prices for water in the past. We see no reason at all for that not to continue’. The fact that there are enormous discrepancies in the pricing of water around the state has just not connected. They do not get it. It is apparently quite acceptable to get differences of between 600 per cent and 700 per cent in the price of water — —

An honourable member interjected.

Ms DUNCAN — And the quality. Thank you for reminding me. That is of course what this bill also seeks to do. When the member for Mornington refers to Hansard and rereads the ministerial statement on water he will clearly understand what this government is doing to ensure that there is consistency and transparency not only in pricing but also in water quality. I am sure the Leader of the National Party would support that.

As has been said, the bill transfers economic regulation of the water industry from government to the Essential Services Commission. What a dreadful thing for us to do, to take the pricing of water out of the hands of politicians and put it in the hands not of another level of bureaucracy but an existing bureaucracy, the Essential Services Commission. It is here already; it already operates! We are not introducing a new level of bureaucracy, we are using an independent body to look at the pricing of essential services. That is exactly what this bill does.

The bill also establishes a framework within which the Essential Services Commission will operate with regard to the pricing of water. The Essential Services Commission will make pricing determinations, provide regulatory functions in relation to service and quality regulation — I am sure the National Party will support that — and provide necessary monitoring, auditing, reporting and dispute resolution functions. Heaven forbid that we should ever require anything like that! Clearly the conservative parties do not believe we do.

The bill provides for an orderly transition, with the first price determination to take effect on 1 July 2005. It also recognises the difference between the metropolitan, regional and rural sectors.

The Essential Services Commission will be responsible for setting benchmark customer performance obligations — something the opposition parties seem not to have referred to at all. All the other benefits of this bill seem to have escaped the opposition’s notice.

The various water entities must then develop customer charters that comply with these benchmarks, so we will get transparency, consistency and pricing that is at arm’s length from government. We will not have politicians determining pricing, nor will we have the users of the water determining the pricing; we will have an independent, transparent water pricing regime. I commend the bill to the house.

Dr SYKES (Benalla) — I oppose the Water Legislation (Essential Services Commission and Other Amendments) Bill because it is yet another example of putting in place another bureaucracy to solve a bureaucratic problem and because it shifts
accountability from the Minister for Water to a senior bureaucrat and through him to the Treasurer.

There is no doubt that water and water management will undergo a major transformation in the next decade. The challenge will be to manage this transformation equitably, to share the costs and the benefits among the environment, the irrigators, the community and other users such as the tourism industry.

This bill establishes the Essential Services Commission as the economic regulator of the water industry. It also establishes an overarching long-term regulatory framework within which the ESC will operate. An alternative approach would be to ensure quality inputs and accountability by the existing organisations, which in the electorate of Benalla, for example, include the Goulburn Murray Rural Water Authority, the Goulburn Valley Region Water Authority and the North East Region Water Authority.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The ACTING SPEAKER (Mr Nardella) — Order! The time appointed by sessional orders for me to interrupt business has now arrived. The honourable member may continue his speech when the matter is once again before the Chair.

Coroner: undertaker services

Mr COOPER (Mornington) — I draw a matter to the attention of the Attorney-General and seek his action to provide a significantly improved service for the collection of deceased individuals who die in public places.

I raise this because on Tuesday, 8 April, at about 6.45 a.m. a Mornington resident collapsed and died in Main Street, Mornington. Calls were made to the ambulance service and Victoria Police, and both attended the scene promptly. After the ambulance officers worked on the gentleman they said he had died — his life could not be recovered. Because the person had died the ambulance officers were unable to assist further.

The police, following normal procedures, then called the coroner’s office to request that the body be collected. I understand the coroner’s office has only one contracted undertaker in the greater Melbourne metropolitan area, and that undertaker is located in the northern suburbs. It took the undertaker 2½ hours to arrive at the scene. Such a delay is simply not good enough, and I ask the government to appoint more undertakers and to make it a requirement of appointment that they must not take any longer than 45 minutes to arrive.

The circumstances of immediate death in a public place are always tragic and should require that the dignity of the deceased and the feelings of the family and others who are close to the deceased be paramount. That is clearly not the situation at present, and I am sure that no member of this house would be satisfied if the circumstances I have just described that occurred on 8 April in Mornington occurred to a member of their family or a close friend.

This is the second such case that has come to my attention over the past couple of years. The first was an elderly lady who collapsed and died on the steps of the Frankston post office on a weekday at about 9.30 a.m. and whose body was not removed until nearly 3 hours later.

Having one contracted undertaker to deal with these situations for the whole of the Melbourne area plus the Mornington Peninsula is just not good enough, and I call on the Attorney-General to appoint more undertakers so that from now on circumstances such as I have just described can no longer occur.

Country Fire Authority: Narbethong brigade

Mr HARDMAN (Seymour) — I raise a matter for the Minister for Police and Emergency Services. Last year I wrote to the minister on behalf of the Narbethong Rural Fire Brigade concerning its attempts to complete its fire shed. The brigade looks after a small community, and it requested $10 000 to add to its fundraising efforts so it could build a facility that the volunteer members of the Narbethong brigade deserve and need to carry out their duties for that community.

Jenny Pullen, who is the Treasurer of the local brigade, wrote to me at that time and was very concerned that, because the community is small, it was unable to raise the full amount of money to do the work required.

The history is that late in 1999 the brigade received the latest firefighting appliance, but the appliance was far too large for the existing facility, which meant that major structural alterations had to be made to the existing building, mostly for the relocation of radios, equipment and the emergency response centre administration room, as well as providing a room for changing and getting ready to go out and fight fires. In this day and age the Country Fire Authority (CFA) also does a great deal of training, and brigade members need
a place to meet and do the work that is required of them.

The Narbethong fire brigade was formed in 1962, and its members have devoted a lot of time to firefighting efforts. It is situated in a rural area surrounded by beautiful mountain ash forests. To date the brigade has raised a great amount of money through donations from many residents. Also, the Marysville Lions Club, which I spoke about yesterday, donated $3500 to the brigade, which has helped. The amounts raised totalled $7500 — an outstanding amount for a small community.

Most members will probably have been through Narbethong; it is a very small community. The Country Fire Authority also matched the funding, giving the brigade a total of $15 000. Unfortunately, the brigade has been unable to get to the lock-up stage — it needs $10 000 more. I ask the minister to recognise the brigade’s needs and assist it with the funds it requires. The members of the brigade are a committed group of people, as are all CFA members. I commend this request to the minister.

Lake Mokoan: management

Dr SYKES (Benalla) — My question is addressed to the Minister for Water, and it relates to the process of the review of the future of Lake Mokoan.

The interim report has been released, and whilst it reflects a lot of good work there are still some issues of concern to local residents. These include the accuracy of some of the base data, the selective use of local inputs without transparent justification, the failure to consider a range of broader issues relating to water management in the Goulburn-Murray Basin and an inadequate consideration of the cost and environmental implications.

Apparantly the planned process is to proceed with the report, make it available for comment and include those comments as an addendum to the final report. If that is so then I am concerned that the final report could be incomplete and contain factual inaccuracies and not be owned by the local community. It would be quite a challenge to make a balanced, well-informed decision on such a significant and potentially sensitive political issue on the basis of such a report.

I therefore recommend to the minister that he require that there be a draft final report which is submitted for public consultation and that those comments then be incorporated in the body of the final report as appropriate and the report passed on to the minister for his decision.

In support of that recommendation I will give a little bit of further background information. In relation to the accuracy of information the current report uses unrealistically low values of livestock to calculate the value of the produce generated from the use of the water. It also has some inconsistencies in the costing of accessing water and selectively uses local inputs. For example, it fails to include the option known as 2B1, the option much favoured by the local community. It fails to consider broader issues such as the local plans to mitigate and manage floods. It fails to include the catchment management authority’s vision to produce twice as much from half as much, which implies setting aside half of the country and planting hundreds of thousands of trees, which will impact on catchment yield. It fails to include the impact of global warming on catchment yield.

We also have additional concerns in relation to insufficient recognition of the environmental impact of proposals such as running the lake as a shallow lake — the inherent risks of blue-green algae and the decimation of the fish population.

The interim report also fails to demonstrate the capture of water savings and the use of those or to quantify the environmental benefits. Finally, it is also perceived to include an unfair assessment and rating of option 4.

Racing: Anzac Day observance

Mr ROBINSON (Mitcham) — The issue I raise this evening is for the attention of the Minister for Racing, and in his absence the Minister for Education Services, who is at the table.

An honourable member interjected.

Mr ROBINSON — No, I don’t back losers. I gave a very good tip today at the Warrnambool track; I am just sorry that the email system did not work and you did not get it in time, but I tried.

An honourable member interjected.

Mr ROBINSON — It did win, yes. It paid $9.30; it paid all right.

The issue I want to raise this evening involves the way in which Anzac Day is properly acknowledged on Victorian racecourses. I am seeking the minister’s agreement to raise the issue with his interstate colleagues for the purpose of getting a better outcome next year than was the case this year.
This issue came to my attention last Friday, when I had the good fortune of being invited along to the Flemington Races for the St Leger Handicap meeting. The Victoria Racing Club quite properly staged a ceremony to commemorate Anzac Day during the afternoon. It involved a few minutes of silence and the playing of the last post. Unfortunately the poignancy of that moment was devalued somewhat by the broadcasting across the course of an interstate race description with a very exciting finish. It makes it a bit hard to pay the appropriate respect as the horses get closer to the post when a large number of members of the crowd might have backed something.

It should be possible for race clubs across Australia to agree to a set 10-minute interval in the middle of the Anzac Day meeting which would be free of races for the purpose of properly acknowledging at all Australian racecourses the significance of Anzac Day. That would allow all racegoers to participate equally in that ceremony. Anzac Day has grown in significance across the country in recent years. A good example of that is the state government’s very successful free bus transport program to the Shrine of Remembrance, which I have been involved in.

Mr Dixon — Whose idea was that?

Mr ROBINSON — It was a very good idea. I will not take all the credit; I will take some of it.

We had 1200 people using the service across Melbourne last Friday — an excellent turnout. It was also an excellent turnout at the shrine for the dawn service, I think we saw about 20 000. It was a record crowd.

It is not too much to ask that the minister take up this matter with his interstate colleagues — perhaps at the next ministerial council — to ensure that we get an appropriate recognition for this most important day on our racetracks across the state and across the country.

Mornington Peninsula: abalone poaching

Mr DIXON (Nepean) — I wish to raise a matter for the Minister for Resources in the other place through the Minister for Education Services, who is at the table. It is regarding abalone poaching on the Mornington Peninsula. I am asking the minister to increase funding to tackle this problem, which is very prevalent there.

There is wholesale poaching going on on the Mornington Peninsula over a range of levels. It ranges from the low level with individuals to carloads of poachers and right through to what we could almost say was professional poaching.

Mr Cooper — Almost a commercial operation.

Mr DIXON — It is almost a commercial operation, as the member for Mornington says. It is very visible and right in front of everybody’s eyes. I think this is what irks everybody. It can be an individual coming up from the beach with a bucket of abalone which is way above their limit, or somebody bringing the bag limit up and then going back and bringing another bag limit up. Alternatively there might be six people in a car, only one of whom is capable of diving for the abalone. There can be a couple of small kids and a couple of grandparents, but 60 or 30 abalone depending on the bag limit come up into the car. The law is being stretched to the very limit.

At the other end of the range we have the professional abalone poachers, who have high-powered boats, expensive diving equipment, radar and radio surveillance equipment. Some of them even leave their equipment stashed in little caves in the cliffs so they can make a hit-and-run dive. I have been with fisheries officers and walked down these cliffs and seen some of the caches.

This irks the residents living down there. They see this happening in front of them every day of the week. They see the people walking up from the tracks, they see the boats out there and they know they are regulars. They know the boats and the cars, they know the registrations of the cars and boats. They see it happening, they try to do something about it, but nothing is done. We have actually had some vigilante groups of residents — in some ways I do not blame them — who have reacted angrily to some of these poachers. They have damaged cars; they have let down tyres or scratched the paintwork. At times there have been quite violent confrontations and threats with knives. It is going to escalate out of control one day.

There is a hotline to ring, and the residents have rung it. In some cases there has been no answer or the fisheries officers have said they will do something about it, but there has been no response. Now the response residents are getting when they ring the hotline is that the fisheries officers are being quite honest and saying, ‘Sorry, we do not have the money. We do not have resources. We cannot help you. Bad luck’. The visibility of these fisheries officers is important. They need to be there. They need to respond and to protect this valuable resource.
Access for All Abilities program: Coburg playground

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the attention of the Minister for Sport and Recreation in another place. I ask for his positive consideration of an Access for All Abilities playground in Gaffney Street, Coburg. The Minister for Sport and Recreation is the lead minister in a partnership between Sport and Recreation Victoria and the Department of Human Services to provide Access for All Abilities playgrounds.

I am conscious that in next week’s budget there will already have been a significant call on this important community facility funding program for the forthcoming financial year. If that funding has already been committed and we cannot get this into the 2003–04 budget, I am putting in a bid for the following financial year.

The Access for All Abilities playgrounds program is fantastic. It enables children with a range of abilities to play with their siblings, parents, grandparents and other children at their local community playground. It also enables parents who might have a disability to play in a playground with their children who may not be labelled as having a disability. This initiative was raised last night at one of the most enthusiastic community meetings I have ever attended. Seventy residents in my electorate got together to plan what they believe should occur at the old Coburg Technical School-Kangan Batman TAFE site that Moreland City Council, in its wisdom, has purchased from the state government. I place on record my congratulations to Moreland City Council for purchasing this site.

The 70 residents came up with a number of very interesting ideas for the site. We are conscious that initially it may need to be just a fairly plain grassed area, but as funding and opportunities present themselves we will be working to make this a site that allows recreation for children with disabilities, adults with disabilities and passive recreation, with barbecue facilities and the opportunity for an indigenous garden as well.

I want to place on record my congratulations to many of the residents, but particularly to Cherry and Mike Horan, who are really the driving force behind what could well become the One Community Park or Harmony Park. Not only do these people think of good ideas, but the 70 people at that meeting last night said they would actively work to achieve this wonderful community park with an Access for All Abilities playground.

Kew Residential Services: site development

Mr McINTOSH (Kew) — I wish to raise a matter for the attention of the Premier. The matter I wish to raise concerns the redevelopment of the Kew Residential Services site, or perhaps I should say if the City of Boroondara gets its way the overdevelopment or inappropriate development of the Kew Residential Services site. I do not for one moment resilient from my concerns about that development or the loss of public open space. However, the action I seek from the Premier is a guarantee that if the Kew Residential Services redevelopment proceeds it will not be inconsistent with or unsympathetic to the local amenity or what the community would expect to be built there.

The City of Boroondara recently released for public comment a draft urban design framework. Included in that framework are building zones that would probably account for some 75 per cent of the total 27 hectares proposed to be redeveloped. As I said, the open space is fairly limited, but when you look at the design framework you see that it essentially consists of roads or privately owned land or perhaps even areas between rather large apartment blocks.

It is these apartment blocks that cause the most community concern. There are nearly 30 building zones, but some of them include three 4-storey buildings, seven 5-storey buildings and several 6 and 7-storey buildings. At a recent public meeting one of the council representatives suggested that those apartment blocks may even be 10 floors in height. There may be as many as 1500 people accommodated there, with garaging of almost 1000 cars. It may not be the Clapham omnibus, but if the Premier were to travel on the 109 tram I am sure there would be almost unanimous agreement among the people on the tram that such a development would be totally inconsistent with what the community expects and the local amenity. You only have to look at areas around the site — Studley Park, Kew Gardens and Kew itself — to see that.

I have previously spoken in this house about the pressure that would be placed on the local infrastructure — roads, schools and such things. As it is currently proposed this development is a complete overdevelopment and is inconsistent with what the community would expect. The government will be the final arbiter, through acceptance of the urban design guide, and I ask the Premier to immediately guarantee that when the plan comes to the government it will not accept any overdevelopment on that site.
Glen Eira and Kingston: home and community care program

Mr HUDSON (Bentleigh) — I seek action from the Minister for Aged Care, the Honourable Gavin Jennings in another place, in relation to home and community care funding in the cities of Glen Eira and Kingston. Both municipalities are within my electorate and in both municipalities a significant section of the population is getting older — there are around 25,000 people over the age of 60 in the City of Glen Eira and 15,000 who are over the age of 70. There are similar numbers in the City of Kingston. The number of people who require home and community care in these two areas is growing.

We know that programs like home and community care are central to maintaining the independence and dignity of older people. They allow them to live in their own homes and prevent them from being inappropriately placed in nursing homes. These people could not be placed in nursing homes anyway, because there is a shortage of about 474 nursing beds against the commonwealth’s own benchmarks for the number of beds required in the City of Glen Eira. There is an increasing backlog in that area.

The Bracks government has recognised that with an ageing population there is a need for increased funding, and over the last four years we have seen a significant increase in home and community care funding in the City of Glen Eira, from $2.3 million in 1999 to $3.1 million in 2003. That is an increase of $800,000, or about 35 per cent, in just four years.

Within the City of Kingston we have seen a similar increase of about $750,000 over that period. The Bracks government has provided far in excess of the matching funds required under its funding agreement with the commonwealth. Indeed a lot of the crisis in home and community care is due to the fact that the commonwealth is unwilling to provide increased funding to match the state government’s efforts. In fact over the last year — —

Mrs Shardey interjected.

Mr HUDSON — Over the last year, and the member for Caulfield will be very interested to know this, there has been about a $27 million shortfall in funding provided by the commonwealth compared to state funds, including $3.7 million in the southern region.

I ask the state government to take this issue up with the commonwealth government. I think it is a disgrace that the commonwealth is not maintaining its effort. I am also asking the minister to see what he can do to provide additional state government funding for home and community care in the cities of Glen Eira and Kingston in the coming year.

Forests: firewood collection

Mr MAUGHAN (Rodney) — I wish to raise a matter for the attention of the Minister for Environment that concerns the provision of firewood for the people of Rushworth and Heathcote. Both of these communities are heavily dependent on firewood for their heating, cooking and hot water requirements. Both towns would be classified as amongst the lower socioeconomic groupings in Victoria. These are genuine, hardworking people — timber-cutters, sawmillers and manual workers — who should be traditional Labor supporters. At least they have been, but they are not anymore. They have been let down, deceived and sold a pup.

Both communities have a high number of people over 60 years of age. They do not have natural gas, and there is no indication from the government as to when that might be provided. The suggestion is that it is many years away. Wood for these communities is a traditional form of fuel, not a luxury but a basic necessity.

What has this government done? It has ignored the advice of the locals, who know and understand the bush, and gone ahead and locked up 121,000 hectares in the Heathcote-Graytown National Park. It has ignored over 1200 letters from the Rushworth community alone, and given endless assurances, both verbally and in writing, that there would be no shortage of firewood. What a cruel hoax that was!

The minister now admits that there is a shortage of firewood, something local communities have been telling him all along. Residents are limited to 6 cubic metres per household each year, or about half of what they were promised in 2002 and half of what the average household requires during the year.

The times when you can obtain a permit are limited to 3½ hours a week. There is also a limited time during which you can collect the wood, being April, May and June. There are virtually no timber-cutters left to help those who are aged and disabled — none in Rushworth and only two in Heathcote, which is 60 kilometres away. Residents must pay for a minimum of 6 cubic metres, in advance. With cutting and delivery, the total cost amounts to about $600.
I express my concern for elderly people and people with health problems. I spoke to a gentleman in Heathcote last week who is just recovering from a heart by-pass operation and cannot collect his own firewood, as well as a family from Rushworth which includes a child who has asthma and which has problems with heating the home.

I ask the minister to double the annual allowance from 6 cubic metres to 12 cubic metres, to extend the collection period from three months to six months, to immediately begin ecological thinning and to extend the natural gas supply to Rushworth and Heathcote as a matter of urgency.

This government has sold out the people of Rushworth and Heathcote. It does not care. It has deserted its traditional supporters in another example of dishonesty, double standards and hypocrisy.

**Millgrove: Vicroads car park**

Ms LOBATO (Gembrook) — I raise a matter for the Minister for Transport that concerns the Vicroads-owned section of the Millgrove car park, which is utilised by Millgrove traders and their customers. The shops are located on the Warburton Highway between Yarra Junction and Warburton. They are situated next to the old sawmill. The car park is surfaced in gravel, which is a constant concern to all motorists as well as pedestrians and traders, because the gravel is continually washed all over the footpaths and into the shops.

Mr Robinson interjected.

Ms LOBATO — It does, Tony. That rail trail is very famous.

The ACTING SPEAKER (Mr Nardella) — Order! The honourable member will refer to other members by their proper titles.

Ms LOBATO — The gravel is washed into the shops, obviously posing a health and safety risk. A week and a half ago the footpaths that are affected were used by the people taking part in the Oxfam-Community Aid Abroad trail walker fundraiser. Fortunately it did not rain on that weekend, and they had a safe journey along the footpath.

I call on the minister to urgently provide a remedy for the people of Millgrove. The shops affected include the Millgrove licensed grocer, the newsagent, the pizza place, the fruit barn, the milk bar and the take-away food shop. In the winter months the car park, in addition to being surfaced with the run-away gravel, also possesses many potholes, so the customers might choose to shop elsewhere.

I am truly amazed that this problem has inconvenienced the Millgrove community for over 14 years due to past members ignoring the significance of this issue. Ian Dellarue has perhaps been the main lobbyist for this issue, which dates back to 1989, as the gravel regularly flows into his store, the Millgrove licensed grocer.

I understand the frustration of the Millgrove community and how it feels about this issue. The state of the car park disadvantages the previously neglected township in terms of health and safety and economically. The people of Millgrove — —

Mr HAERMeyer (Minister for Police and Emergency Services) — The member for Seymour raised for my attention the requirement of the Narbethong Rural Fire Brigade to have additional funding for an extension to its fire station. Despite the efforts of the brigade and the local community, which raised $7500 towards the extension, and the matching of that $7500 by the Country Fire Authority, they have found themselves still $10 000 short. The member for Seymour has been a very assiduous voice for the Narbethong fire brigade on this matter and the brigade has a distinguished record over many years, not the least of which was this year when it, like many other brigades, did some very valuable work in what has been arguably our worst fire season for 60 or 70 years.

The government provided substantial support for the Country Fire Authority in its first term of office. It provided $120 million in additional expenditure, including the strategic resource initiative. One of the programs that has flowed from the strategic resource initiative is the rural fire station enhancement program. We have asked the Country Fire Authority to look at whether the station meets the requirements of that program. The extension works proposal has been assessed and supported by the authority’s area manager in the north-east, and consequently the government is in a position to provide that additional $10 000, which will enable this extension to be completed and will enable the Narbethong fire brigade to house an additional vehicle.

The member for Seymour has once again delivered substantially to his community and particularly to the Country Fire Authority brigades in his electorate.
Ms ALLAN (Minister for Education Services) —
The members for Mornington, Benalla, Mitcham, Nepean, Pascoe Vale, Kew, Bentleigh, Rodney and Gembrook raised matters for various ministers, and I will refer those matters to those ministers for their attention.

The ACTING SPEAKER (Mr Nardella) —
Order! The house stands adjourned.

House adjourned 10.33 p.m.