

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Wednesday, 7 June 2006

(Extract from book 7)

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Parliamentary Services — Secretary: Dr S. O'Kane

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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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Mr E. N. BAILLIEU

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

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Leader of The Nationals:

Mr P. J. RYAN

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Wednesday, 7 June 2006

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.32 a.m. and read the prayer.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! I wish to advise the house that under standing order 144 notices of motion 150 to 151, 266 to 276 and 340 to 342 will be removed from the notice paper on the next sitting day. A member who requires a notice standing in his or her name to be continued must advise the Clerk in writing before 6.00 p.m. today.

SNOWY HYDRO CORPORATISATION (AMENDMENT) BILL

Introduction and first reading

Mr INGRAM (Gippsland East) introduced a bill to amend the Snowy Hydro Corporatisation Act 1997 to remove the power for the state of Victoria to dispose of or deal with its shares in the Snowy Hydro company and to amend the Constitution Act 1975 to include the Snowy Hydro company in the definition of a public water authority and for other purposes.

Read first time.

PETITION

Following petition presented to house:

Housing: disruptive tenants

To the Legislative Assembly of Victoria:

The petition of residents in the electorate of Mildura, in the state of Victoria, draws the attention of the house to the loud, threatening, unruly, unsocial and sometimes criminal behaviour of certain residents of government-subsidised housing.

The petitioners believe that all Victorians, including public tenants and their neighbours, should be afforded peaceful enjoyment of the premises they occupy, irrespective of whether the premises are owner occupied, privately rented or government-subsidised.

The petitioners therefore request that the Legislative Assembly of Victoria ensures that any residents of government subsidised premises are bound to exercise due respect for their neighbourhood or face early intervention and eviction with no further assistance forthcoming.

By Mr SAVAGE (Mildura) (14 signatures)

Tabled.

DOCUMENTS

Tabled by Clerk:

Statutory Rules under the following Acts:

Births, Deaths and Marriages Registration Act 1996 — SR No 61

Environment Protection Act 1970 — SR No 59

Planning and Environment Act 1987 — SR No 60

Prevention of Cruelty to Animals Act 1986 — SR No 58

Subordinate Legislation Act 1994 — Minister's exemption certificate in relation to Statutory Rule No. 58.

MEMBERS STATEMENTS

Australian rogaining championships

Mr HELPER (Ripon) — It is my pleasure to inform the house of the rogaining championships which were held in the beautiful Pyrenees Ranges in my electorate on 13 and 14 May this year. The Australian championships attracted some 350 participants, including many of Australia's top cross-country navigators. The 24-hour event was held in fine, mild weather, ideal for cross-country walking during the day. I was very honoured to start the competition on the Saturday afternoon. Subsequent to the start Rod Phillips, a 30-year veteran of the sport and former Australian champion, joined me in navigating my way to two of the stations. We did not get lost on the way, and I am sure that was due to Rod's great navigational skills.

The sense of participation that was evident throughout the event was a really fulfilling experience. It is clearly a sport that people can engage in, no matter what their abilities, and one that families can participate in. The night camp was held at Barkly, a small township —

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

Portland and District Hospital: emergency department

Dr NAPTHINE (South-West Coast) — Once again I am compelled to bring to the attention of the house, and particularly the Minister for Health, the very real crisis facing accident and emergency services at Portland hospital.

Last Thursday no doctor was available in accident and emergency for 24 hours. Today again there is no doctor available or on call. Next week the Portland district community will be at real risk, with no doctor available on 13, 14, 15, and 16 June, and the week after no doctor will be available on 19, 20 and 22 June. There will be no doctor available at accident and emergency on 10 of the 30 days in June. This puts lives at real risk. People with chest pains will be forced to travel for an hour and a half to Warrnambool — —

Ms Lindell interjected.

The SPEAKER — Order! The member for Carrum!

Dr NAPHTHINE — The member for Carrum does not care about people in country Victoria who are suffering chest pains, who have to travel for an hour and a half to see a doctor at accident and emergency because this government does not deliver adequate accident and emergency services in country Victoria. The Portland hospital has a catchment of 20 000 people whose lives are at risk because of the inaction of the minister and the government. There are industries operating 24/7 in that area, and Portland has an international port and a large amount of tourism, but the minister and the government's response has been pitiful to date. In fact, it has been a bloody disgrace. We need real actions from this minister — —

The SPEAKER — Order! I remind the member for South-West coast there is a code of conduct and language in this house which I expect him to conform to. The member's time has expired.

Dr Naphthine — On a point of order, Speaker, I presume the Speaker is referring to my use of the word 'bloody'. That word is now used colloquially right throughout Victoria. It is used by the government in its own advertising — —

The SPEAKER — Order! What is the point of order? Is the member dissenting from the Chair's ruling? Is that what the member is saying?

Dr Naphthine — On the point of order, I am seeking advice from the Chair as to why, when the government is using 'bloody idiot' as part of its advertising campaign, and it has been used in this house a number of times before, the Chair seeks to prevent me from making my contribution to this house, using the same language that the government uses in its own advertising, to try to prevent me from making the point I am making about a very important issue that is putting lives at risk in the Portland community.

The SPEAKER — Order! The member for South-West Coast well knows that conduct in this house is determined by the house, not the government's advertising campaign, which does not occur in this house. Certainly I would pull up any other members who used that language whilst I was in the Chair, and I ask the member to remember in future what is considered appropriate language in this house.

Children: Frankston electorate

Dr HARKNESS (Frankston) — Recently \$57 000 was provided to local kindergartens and not-for-profit child-care centres and out-of-hours child-care centres in Frankston from the \$5.9 million allocation in minor capital grants.

These grants were advertised in December 2005 and applicants applied for funding up to \$5000 for projects to upgrade facilities and to create safer, more pleasant environments in which children can play and learn. I mailed out information to all Frankston kinders and child-care centres, and encouraged them to apply; I am pleased so many did. I have spoken to several Frankston kinders, which were all cock-a-hoop with this injection of funds for things such as shade sails, replacement of damaged equipment, furnishings, whitegoods and electronic equipment. These small grants are a tremendous initiative and will provide some very real assistance to these groups.

Schools: Frankston electorate

Dr HARKNESS — Frankston government schools are also set to benefit from the Bracks government with an immediate \$50 million statewide cash boost for school maintenance. In Frankston 14 schools will benefit to the tune of \$448 000 to redress their most urgent maintenance needs. This is great news for Frankston students, parents and schools and is another way the Bracks government is investing in our education system, making Victoria a better place to live, work and raise a family.

All schools will receive a share of the funding for maintenance needs including roofing, asphaltting, electrical and plumbing upgrades. The extra money will be provided to schools before the end of the month so that they can get to work on the most urgent repairs. This \$50 million is in addition to the \$34 million allocated annually for school maintenance needs. Since 1999 the Bracks government has invested more than \$400 million in school maintenance. This is in addition to the massive \$1.65 billion invested in school capital works. This is just another way the Bracks government is investing in our education system.

Winton Raceway: V8 supercars

Dr SYKES (Benalla) — Last weekend I joined over 60 000 motor racing enthusiasts at Winton to watch the V8 supercar races. It was a fantastic weekend's racing with a highlight being three rounds of the V8s on Sunday. Craig Lowndes was the winner on the track but north-east Victoria was also a winner. The cities of Wangaratta and Benalla joined in the pre-race promotion with activities including a business breakfast at Wangaratta and a street party at Benalla on Saturday night. The state government and the Benalla Rural City Council also came to the party by paying for the upgrading of some bridges to improve access to the racetrack. It is now absolutely critical that the V8s again become a regular event at Winton.

On Sunday, along with the member for Murray Valley, a member for Central Highlands Province in the other place, Robert Mitchell, and local mayors, John Brownstein and Don Joyce, I met with Don Bartlett of the Benalla Auto Club and the V8 supercar organisers. The message was loud and clear that Winton must be grown into a unique, locally flavoured event which appeals to the public and to corporate sponsors.

We have the natural assets of fantastic weather, beautiful scenery, great wines and of course Ned Kelly. We also have strong local commitment. What we desperately need is a substantial, ongoing state government commitment, starting with the recognition that the V8s is a major regional event and the subsequent injection of millions of dollars over the next five years. The member for Murray Valley and I will be pursuing this on behalf of north-east Victoria.

Monash: World Environment Day awards

Ms MORAND (Mount Waverley) — It was a pleasure to join the Minister for Environment, who is also the Minister for Water, last week at the Monash World Environment Day awards. I would like to congratulate the committee that organised these awards, in particular the manager for urban design and architecture, Charles Nilsen, who invited the minister and me to attend the awards and make presentations to the winners.

This is the fourth year of the awards, and I commend the City of Monash for promoting sustainability and good environmental design and practice with these environment awards. I would like to congratulate the finalists and winners in each category. In the sustainable small business category Global Environment Management Australia was a finalist, and the winner was Australian Pitch and Putt in Waverley.

In the sustainable large business or corporate enterprise category, finalists were Monash University and Alinta, with the winner being New Oak Ford.

In the community and leadership category, finalists were New Oak Ford and Holmesglen TAFE, with the winner being Monash University. In the outstanding new building or renovation category, finalists were the Dexter residence and the Read/Robertson Residence, with the winner being Holmesglen TAFE's BuildSmart sustainable show house. Finalists in the sustainable household and garden category were Aziz Salehi, Barrie and Lois Dexter, and Cedric Green, with the winner being Gill Read and Mick Robertson.

The city of Monash is a great place to live, and the public in Waverley and the city have embraced good environmental practices with reduced water usage. Waverley has the highest uptake of green power of any suburb or city in Victoria. Well done Waverley and the City of Monash.

Government: media monitoring

Mr KOTSIRAS (Bulleen) — I stand to condemn this inept and arrogant government for wasting thousands of dollars of taxpayers money on media monitoring. Through freedom of information I sought copies of all invoices and receipts since 1 June 2005 for media monitors by the Department for Victorian Communities (DVC). Five months later I received some documents relating to my request, but with big slabs of the documents omitted, including the amounts and the quantity of articles requested.

What is this government hiding? I hope it is not requesting numerous copies of the same news articles, simply because public servants are refusing to speak to each other or refusing to leave their executive chairs to liaise with other colleagues. I have been advised that over \$18 000 was spent in one month by the Victorian Office of Multicultural Affairs. The Premier originally said that VOMA is no longer using media monitors to save money. Unfortunately what the Premier neglected to say is that VOMA is now using the corporate communication unit in DVC to get access to articles from media monitors. It is a matter of 'guess the number of public servants playing pass the parcel' before the articles reach their final destination.

What is worse is that staffing in this unit has increased to cater for this new role. It is therefore misleading to suggest that this government is saving taxpayers money. It is also unfortunate that VOMA, despite the fact that it has 18 staff — 15 full time and 3 part time — is unable to brief the government on key issues.

Merriang Special Development School: Mill Park Lakes campus

Ms D'AMBROSIO (Mill Park) — I wish to congratulate the Merriang Special Developmental School. Last week in the state budget it was announced that funding would be allocated for the construction of a new campus of the school at Mill Park Lakes. The Merriang Special Development School has a very proud history of dealing with and educating children with special needs. It has done that by integrating programs with mainstream schools. The school has two campuses, one of which is co-located with the Thomastown East Primary School and the other with the Peter Lalor Secondary College.

The principal of Merriang Special Development School, Anne Georgis, and parent representatives Maria Anzemi and Maria Smeriglio, not satisfied with the job they have in looking after their own children and their own campuses, have been campaigning very strongly for several months for a new campus to be established at Mill Park Lakes. That campus is needed to deal with very important growth issues. I was very pleased when these three people presented themselves at my office last year, seeking assistance to arrange meetings to lobby for the third campus.

I am very pleased to note that the Parliamentary Secretary for Education, the member for Yuroke, and the Minister for Education and Training were very keen to listen to the needs of this growing community. I wish it well with the establishment of its new campus.

Budget: Sandringham electorate

Mr THOMPSON (Sandringham) — The Bracks Labor government has failed the residents of the Sandringham electorate through its budget and its general policies. It has failed to fulfil a longstanding election commitment to provide funding and resourcing to build a new Sandringham police station. It has failed to alleviate and minimise the duress caused by its impost on hospital car parking charges at the Sandringham and District Memorial Hospital. It has failed to address local community concerns regarding the under-resourcing of the failed Melbourne 2030 policy and its impact on Sandringham, where at the moment there is a proposal for an eight-level development — six stories above the ground and two under ground — in the Sandringham village.

The government has failed to provide adequate school maintenance funding. It has failed to commit properly to beach renourishment funding. It has failed to remove the \$80 a year pensioner motor vehicle registration

charge. It has failed to minimise the land tax impost on a number of families in the electorate, and it has failed to make home buying easier by adjusting the stamp duty scales.

A student at a local school has written a letter because she thinks children benefit from having police officers visiting our schools. Julia Gage said:

They teach us about drugs, alcohol, cigarettes, road safety, bike safety, robberies and laws. It is also great to have them come in and talk to us.

...

I had a great officer because he was funny but taught us a lot at the same time.

We should have the officers back in schools!

The Bracks government is failing even the young students of this state.

Frankston North: community renewal

Mr PERERA (Cranbourne) — The Frankston North community is a close-knit and proud community. A very high percentage of local residents in Frankston North are prepared to contribute their time voluntarily to local community activities. I had the pleasure of announcing funding for a community renewal for our residents of Frankston North. The funding consists of \$600 000 over three years. It also provides an opportunity to access funds from a pool of up to \$2 million. The residents of Frankston North are buzzing with excitement. They are very keen to see the money allocated spent on worthwhile projects in Frankston North, not on projects in other parts of the city of Frankston. The Bracks government delivers and will keep delivering for our proud communities like Frankston North.

Cranbourne: youth workers

Mr PERERA — Through the Bracks Labor government's A Fairer Victoria package I was pleased to announce that two new youth transitional workers for the disengaged — that is, young people not in school or work — will be employed in Cranbourne to help these young people get back into school or work. The preferred option of this community is that these two workers be available after hours, not 9.00 a.m. to 5.00 p.m. Monday to Friday. This is a win-win situation for Cranbourne, Casey and surrounds. This is another Bracks government initiative in helping our youth to move forward in the city of Casey and surrounds.

Mildura: community-based orders

Mr SAVAGE (Mildura) — I wish to raise the issue of crime in the Mildura area and regional Victoria. I am sure it is a problem elsewhere. The Mildura crime index has more than doubled in recent years. The police are very effective in clearing up crime but they are not being assisted by the failure of the court process. Regional communities need permanent magistrates, to reduce magistrate shopping. Indigenous offenders who appear before the Koori court should be forced to return to the Koori court when they reoffend and not be allowed to elect to go to the Magistrates Court. Community-based orders (CBOs) are being badly mismanaged.

Last week an offender appeared in court in Mildura charged with a series of deceptions and thefts committed the day after he was released from prison. Corrections Victoria indicated that the person was unsuitable for a CBO because he had already breached an intensive corrections order and a suspended sentence and had intimidated staff. He had a long history of prior convictions but he received another CBO. An offender on 12 charges, including arson which caused \$15 000 worth of damage, conduct endangering life, theft of a motor car, traffic offences and burglary with three pages of prior convictions got a 10-month CBO. The victim has since committed suicide.

I know how much crime there is in Mildura because I print most of the neighbourhood watch leaflets. I think this type of activity has to stop. The community deserves protection and people with large numbers of prior convictions — pages and pages — should be going to jail, not getting CBOs.

Parks Hall, Portarlington

Ms NEVILLE (Bellarine) — On 20 May I was pleased to join the Deputy Premier in formally opening the redeveloped Parks Hall in Portarlington. One of the key commitments made during the 2002 election campaign was to provide improved community space in Portarlington. A planning grant was secured in 2004, which enabled extensive consultation with the local community. A steering committee, which I chaired, involved over 15 community groups and representatives.

As a result of the consultation a recommendation was made to upgrade Parks Hall. The whole community had an opportunity to have input into determining the best outcomes for it. There was overwhelming support for the decision of the steering committee. As a result, the government provided \$340 000, and Bellarine Bayside

provided up to \$100 000 in kind and cash support. We now have a magnificent redeveloped building with new meeting areas — the Bayview and Parkview meeting areas — a large hall, two kitchens of commercial standard, new toilets including disabled toilets, a disability entry, a new stage and a whole new entry area. It looks fantastic.

The feedback at the opening attended by over 500 people was enthusiastic. Thank you to the steering committee members, Bellarine Bayside; committee manager Tim Page Walker; and building control group members David Cross, Geoff Henderson, Gary Irving, Ann Nichol, Gary Watson, Arthur Sweetman and Tom Jones, whose birthday it is today, who all put in an enormous amount of hours. This redevelopment, which has had widespread support from the community, is a great outcome.

Rabbits: control

Mr MULDER (Polwarth) — The Stoney Rises area is located some 25 kilometres outside the township of Colac and comprises a unique landscape, with much of the terrain being deep and inaccessible and is peppered with large quantities of stone. Given the concern at the increase in rabbit numbers and the subsequent land-holder concern at the failure of traditional rabbit control techniques, the Stoney Rises rabbit control group was formed in 1980.

Although some success had been achieved, it became obvious that a fresh and determined approach was needed. Previous assistance by governments, information days, trials of various techniques, construction of temporary and permanent airstrips, and the success of a new aerial baiting program was evident almost immediately. The program was so successful that on some properties the rabbit population was drastically reduced while on other properties, rabbits were almost eradicated.

With government assistance, the Stoney Rises rabbit control group members were invited to attend community meetings and promote the effectiveness of the group's approach. The success of the program has been the 1080 aerial baiting program but the use of carrots has been discontinued and replaced by oats. Oats have been proven to be most effective in trail baiting programs but nowhere as effective as the 1080 carrots.

The Stoney Rises rabbit control group need an exemption from changes to the 1080 baiting regulations which came into force in late 2005. As the bureaucrats shuffle paper, out in the Stoney Rises area the rabbits

are doing what rabbits do best. The farmers are hopping mad and the members of the rabbit control group are scratching their collective heads, wondering how on earth they are supposed to introduce trail baiting in some of the roughest terrain in Australia. I urge the minister to grant a 1080 carrot baiting exemption for the Stoney Rises rabbit control group.

Western Bulldogs Football Club

Mr SEITZ (Keilor) — I rise to congratulate the Western Bulldogs for their cooperation and partnership with Victoria University, and in particular the Western Bulldogs players who are promoting education and encouraging people from the western suburbs to continue with their education at Victoria University, which is an important and integral part of the western suburbs.

The university has given many a young person a chance at a tertiary education and so far many of them are in industry and performing quite well. Western Bulldogs players currently studying at Victoria University include Chris Grant, Daniel Giansiracusa, Kieran McGuinness, Dylan Addison, Mitch Hahn and Farren Ray. The club is not only advertising the benefits of a tertiary education, but its own players are attending the university. That is commendable. I hope many of the young western suburbs youth, particularly those in high school, will follow their style and form, aspire to go to the university for further education, and then enrol at the university.

Red gum forests: cattle grazing

Mr MAUGHAN (Rodney) — The government's agenda for the future of grazing in the 158 000 hectares of riverine red gum forests in the north of the state, including Barmah and Gunbower, is now clear. A leaked report prepared by the Department of Sustainability and Environment recommends reducing or stopping grazing on public land along the Murray River.

Why are we not surprised? Why has the government not released this report which was due to be completed in June last year and which the government will not now release because it wants to roll it in with the Victorian Environmental Assessment Council inquiry into the River Murray red gum forests, effectively burying it until after the election?

The answer is clear. It is the same as for the mountain cattlemen. The government wants the cattle out of the forest, as it did for the high country, and is prepared to go through the charade of an independent inquiry or to

rely on selective quoting of scientific evidence to justify its predetermined agenda.

The cattlemen know and understand the forest and have a long and praiseworthy record of caring for it. The government, on the other hand, has a very poor record of caring for public land, with weeds, feral animals and fire all out of control. The Bracks government promised that it would be honest, open and accountable. It is about time it started delivering on that commitment.

Yan Yean electorate: fundraising activities

Ms GREEN (Yan Yean) — I rise today to share some stories of the great local fundraising activities I have been part of in the electorate of Yan Yean recently. I had the privilege of attending the Panton Hill Football Club's annual women's lunch. As patron and no. 1 ticket-holder I always enjoy my visits to the club, but it was really great to be there for a good cause. I, along with other women from the community, including from the Lower Plenty Football Club, St Andrews Tennis Club and Panton Hill preschool, enjoyed a great lunch in the clubrooms in the name of breast cancer awareness, raising money to support the fight against breast cancer. There was a pink theme, with pink champagne and pink balloons.

The wife of club president Tony Cahir, Sandy, shared her own experience with breast cancer, which she suffered some 10 years ago. Sandy's generosity in sharing her story will no doubt help many women who were present deal with their own experience of breast cancer or breast disease. I congratulate Sandy and all the women of the football club. It was not only an enjoyable and fun day, it was also informative, and it raised money for a good cause.

I also congratulate Ironbark Christian School, which had me as its guest of honour at Australia's Biggest Morning Tea, which raised more than \$500. I really enjoyed sharing stories with the mums, dads and grandparents there, and I was delighted with the beautiful gifts they gave me — an embroidered hanky, a key ring and a pen in the school colours with a bluebird emblem on the front. I will treasure them always.

I also congratulate the Country Fire Authority volunteers for their annual tin shake for the Salvation Army Red Shield Appeal last weekend, which raised more than \$5000.

Omeo Highway: sealing

Mr PLOWMAN (Benambra) — I wish to draw the attention of the house to the appalling standard of the

Omeo Highway. The Omeo Highway was the first designated highway in Victoria. It provides the best low-level crossing of the Great Divide between north-eastern Victoria and Gippsland. This road is — or should be — a major tourism road which can be used as a tourism loop connecting the Great Alpine Road from Omeo to Wangaratta with the Bogong High Plains Road between Falls Creek and the Blue Duck Inn at Anglers Rest. It all sounds idyllic, but it is not.

The state of this road is atrocious. My office and the office of Craig Ingram, the member for Gippsland East, get reports almost on a daily basis of how bad this road has become. Almost everyone who travels that road says they will never use it again. On most occasions they decide to take an alternative route that they know will take an extra hour or two. What is required as a priority is that the 30 remaining kilometres of unsealed road be completely sealed.

VicRoads continually says that the traffic numbers do not justify this road being sealed, but it fails to accept that when the Great Alpine Road was sealed the traffic numbers increased threefold in the first month or two. The Minister for Transport must take responsibility for this road and ensure that a five-year dedicated program to complete the sealing of the Omeo Highway be commenced immediately.

Vietnam: working conditions

Mr DONNELLAN (Narre Warren North) — I rise today in relation to concerns that local Vietnamese community leaders have raised with me. Their concerns centre on the current industrial relations environment in Vietnam and the effect on their relatives who work there. Currently the average wage of a worker in the industrial parts of Saigon is about \$1 per day, irrespective of skills and experience. This does not provide for a reasonable, dignified standard of living. Over 50 per cent of this money is needed for rent, leaving little on a weekly basis for food, clothes, education and medical costs and severely limiting the capacity of a man or woman to support a family.

Vietnam has a funny system for assessing industrial action. Since 1995 there have been over 1250 strikes, with over 90 per cent of them being due to employers violating laws and the authorities' poor management of such laws. Unfortunately if these strikes are seen as being about rights issues, workers are required to compensate the employer, even if the employer has violated the law. If the strike is about benefits, such action is considered legal, but workers are still required to pay compensation. Clearly in such an environment the opportunity to take industrial action is severely

limited. When pay is only \$1 per day and basic workplace laws are not being respected by the government or by employers, you have a very volatile situation. Further strike action in these cases must be the last resort, since the loss of \$1 per day has an enormous impact on the weekly budget of the individual and their ability to survive.

Obviously Vietnam is a telling example for Australia, because this appears to be the system to which John Howard wishes us to move. Vietnamese workers know how hard it is, and unfortunately many of my electors will find this out soon.

Alfred Commons

Ms OVERINGTON (Ballarat West) — Last week I had the privilege of hosting a morning tea for Alfred Commons. Fred, or Freddie, as he is known locally, celebrated 50 years of membership of the Australian Labor Party.

Fred joined the ALP in 1956 following the split in the Labor Party. This was a politically turbulent time in Ballarat, where the split divided families up and has until this day. Fred has worked on every state and federal election in many roles, working to get Labor elected. He spent most of his working life, from 1955 to 1984, employed at the Ballarat railway workshops. He has always been a union member, and to this day he still pays his union dues.

The Australian Labor Party presents its members with a 40-year badge. My branch members believed it was very important that Fred's 50 years with the party were recognised. Fred, you are a true believer!

Buddha's Light International Association

Mr LIM (Clayton) — I was humbled and honoured to represent the Premier at one of the biggest Buddhist celebrations at Federation Square on Sunday, 21 May. I therefore rise to congratulate the Buddha's Light International Association for organising the celebration of Buddha's birthday at Federation Square. In fact it was not just a Buddhist religious function as such, it was a celebration of diversity, as intended by the organiser of the event. As it turned out the figure quoted by Federation Square management is that some 70 000 people attended over the two-day celebration.

I would particularly like to commend and congratulate the president of the Buddha's Light International Association, Mrs Dominique Yu, for her great leadership and organisational skill. In fact it was the 12th celebration, and her typical characteristics are compassion and friendliness in sharing Buddhist

teaching and values with the wider community. Her work is highly regarded and was recognised by this government last December when she was awarded an Excellence in Multicultural Affairs medal by the Governor.

Viewbank Primary School: teacher awards

Mr LANGDON (Ivanhoe) — On Monday, 5 June, I had the great pleasure of attending the Viewbank Primary School to present awards for 40 years of service in education to two great teachers.

Dulcie Griffith, who has been at Viewbank Primary School for over 20 years, has made an outstanding contribution, with a particular focus on students starting at the school. Her students have included my daughter, whom she taught two years ago. Dulcie is an outstanding teacher, as I said.

Peter O'Keefe has only been at the Viewbank Primary School for some four years and teaches at the senior level. His involvement in education includes having been the principal at Heidelberg Primary School. Peter is also an outstanding teacher. I commend them both to the house for their service to the community.

GRIEVANCES

The ACTING SPEAKER (Mr Savage) — Order! The question is:

That grievances be noted.

Snowy Hydro Ltd: sale

Mr BAILLIEU (Leader of the Opposition) — I rise to grieve for taxpayers in Victoria. I grieve not only for the waste and mismanagement of the government but also for the financial deception that is continuing in this state, particularly in regard to the handling of the proceeds of the sale of Snowy Hydro Ltd. We have seen this come to a head in the last week.

The reality is that taxpayers in this state are being conned; Victorians are being conned. This has been exposed by the collapse of the Snowy Hydro sale. Either Victorian taxpayers are being conned by the government in its zealous promotion of the Snowy Hydro sale proceeds being used for the Building Tomorrow's Schools Today fund or they are being conned by the government into thinking that the sale collapse will have no impact on the budget.

It is quite clear and common ground that the proceeds from the sale of Snowy Hydro would have exceeded

\$600 million, and that \$600 million figure has been thrown around. But the government cannot have it both ways. Either the proceeds of the sale were in the budget or they were not. If they were not, either the touted school building program will not proceed, in which case Victorians have been conned, or something has to give. The government has to find the money from elsewhere.

Of course, there is an alternative — that is, that the government peddles a half-baked scheme, pretending that the money is there, pretending that nothing will be impacted on and delaying the scheme at the same time, all of which amounts to a triple con.

There are two phases to the government's approach to this: the phase before the sale collapse and the phase after its collapse. I want to briefly look at the two phases. I look first at the government's approach to the sale before the collapse of the project. In a media release of 13 February this year the Premier expressed his views about the creation of a Building Tomorrow's Schools Today fund and the Snowy Hydro sale proceeds going almost in their entirety — \$600 million-plus — to that fund.

I could go into the media release at length. 'Benefits flow to schools' formed part of the heading, and the release begins:

Victorian schools will receive a record funding boost ...

...

Mr Bracks announced the remaining sale proceeds would be invested in a once-in-a-generation school building fund ...

'This will be the biggest one-off investment in school building projects in the state's history ...

That was the first time this line was used, and it got peddled and peddled. The Minister for Education and Training is quoted as saying that this would:

modernise and transform our schools...

Education is the Bracks government's number one priority ...

The new fund will modernise up to 100 schools ...

There is more and more. She also said:

It will also deliver a \$50 million boost to schools across the state for maintenance ...

On 14 April the Australian Education Union touted the same release and peddled it even further. On 29 March, in answers to questions in the house, the Minister for Education Services further promoted the proposal. On 6 April the Minister for Education and Training promoted the proposal. On 24 May the Premier and the

Treasurer promoted the proposal to the major metropolitan newspapers in Melbourne — the *Age* and the *Herald Sun* — and extensively referred to the massive fund and the promotion of education. On 8 April, again in the *Age*, there was further promotion of it, and there were a number of other examples as well. There were also several commentary pieces in the months preceding the budget.

Then we came to the budget itself. In the budget documents — in the Treasurer's own speech — he uses the sentence:

We are planning to deliver the biggest one-off investment in school building projects in Victoria's history by providing \$600 million from the sale of Victoria's share of Snowy Hydro.

The intention in the Treasurer's budget speech is to explicitly suggest and promote the notion that the budget has more than \$600 million for expenditure on schools. Indeed, in budget paper 3, page 293 at table A.4 there is direct reference to the Building Tomorrow's Schools Today fund.

There is reference to it also in the post-budget promotions, whether on the government's web sites or the ALP web site. The reference to the principal budget documentation on the ALP web site is headed, 'Benefits flow to schools'. There is reference to it also on the education minister's web site with a standard post-budget government media release headed 'Snowy fund transforms Victorian schools'. The Department of Education and Training's web site has a headline 'Snowy fund transforms Victorian schools'. It is the lead item in the government's promotion; and was the lead item on the ALP web site as well.

As we know, the sale collapsed just three days after the budget, and the \$600 million-plus — and I stress 'plus' — evaporated. Then we had the Premier on the back foot on Friday, and what was his response? He conceded that the government did not have the money. He was specifically asked by a journalist, and he said, 'We have not got the money'. What was the Treasurer's line when asked? He said, 'It is not crucial'. We are talking about \$600 million-plus, which they spruiked to the nth degree before the budget over a number of months, and it is not crucial!

That sort of no-impact language proceeded for the next couple of days, and then at the Public Accounts and Estimates Committee on Monday evening the Premier had a number of things to say when questioned about the \$600 million-plus. Among other things he conceded that 'obviously adjustments will be made'. You have to wonder about the language and what that is a metaphor

for. He also managed to say that 'commitments to the new school projects will stand'. So adjustments will be made but commitments will stand. Then the Premier said, 'However, things might take slightly longer'.

How would it be funded? The Premier referred to dividend flows from the Snowy Hydro scheme without any evidence to support that. Further he referred to unallocated funds being available. Indeed over the last few days we have heard a bit about unallocated funds in the budget — in fact, \$2.2 billion of unallocated funds — for the government to dish out as it sees fit. Then the Premier suggested that projects might take two years longer than expected, but he was not able to say why or justify or rationalise that. Anybody with even the most basic understanding of business and the flow of dividends would suggest that pulling \$600 million out of the Snowy Hydro dividends is going to take more than a couple of years extra.

Yesterday in question time the Premier's response to questions on this matter was, 'Do not worry. All is well'. Indeed, the Premier chose to quote an article from the *Australian Financial Review*.

Curiously that article says, which I think skipped the Premier's attention, that in the budget that \$600 million is earmarked for the schools project. The Premier cannot have it both ways. Either it is earmarked in the budget or it is not. He admitted in his answers to questions yesterday that it will now be necessary to have budget updates, but he will not present to the public new documents to take account of the substantial shortcomings in the budget.

What the government is inviting Victorians to do is accept that you can take \$600 million-plus — and I stress the plus — out of the financial flow into the government coffers without its having any impact on the budget or on government programs. It is implausible, it does not make sense and it is a con. The government is inviting Victorians to believe it never earmarked this money in the first place and that all is well. It is inviting Victorians to believe it will be catered for in the future in some way yet to be determined over a time period that does not make sense, using money the government cannot identify and having no impact on any other programs. It is clearly nonsense and a complete fabrication. The notion that the Treasurer and the Premier can collaborate in this is an absolute indication that there is a con going on here.

The Premier got it right on Friday when he said, 'We do not have the money'. Since then the government has been back-peddalling as fast as it can, spinning and attempting to come up with a solution. It seems that the

solution is not that it does not have the money, nor that it will have no impact, but that somehow or other there will be a slight delay — just a couple of years — and it will find \$600 million-plus. It will deliver it to schools and it will have no impact on any other programs, on any other capital funding, or on any other works or projects. Not only that, it is going to happen inside just a couple of years.

We have had seven years to get to a situation where the government thought it necessary to do any of this work, and it has not done it — —

Mr Nardella — That's not true.

Mr BAILLIEU — The member for Melton says that is not true. The government has not had seven years? The government has had seven years to reach a position. It inherited surpluses from the previous government. It has had the majority in this house. It has had every opportunity to undertake these works. The works include maintenance works and capital works funding, and it has not happened. The government has pulled \$600 million out of the air from the proposed sale of Snowy Hydro. It has not attempted to redirect that money to infrastructure projects, consistent with the origins of Snowy Hydro. Instead it has fabricated a proposition that somehow in the future this money will go to schools, and will go without impact on the budget and without any impact to services.

As I said, the reality is that the government has been engaging in a con on this from the start. Either it was conning us with the original proposition, or it has been conning us since; it cannot have it both ways. The money from the proposed sale of Snowy Hydro has vanished in a way that cannot be replaced inside several years, and the government does not have the answers. It is engaging further in the spin and the con and the mismanagement which the Victorian community has not only come to expect — —

Mr Cooper — That's the Labor way.

Mr BAILLIEU — Indeed, as the member for Mornington says, it is the Labor way. The only thing we have not seen yet is — —

Mr Dixon — The ads.

Mr BAILLIEU — Thank you. The member for Nepean has stolen my words. The only thing we have not seen yet is the ads, and we will no doubt get the ads in the months ahead. The ads will promote the work that is proposed, but they will not answer the fundamental question: where is the money coming from?

Mr Nardella — The budget.

Mr BAILLIEU — There we have confirmation from the member for Melton that the money will come from the budget. The \$600 million that the government is saying is not in the budget, the member for Melton has just confirmed is in the budget. The con goes on. In the weeks ahead we can no doubt expect to see the ads. No doubt they will be glossy and very expensive and no doubt they will represent the waste, mismanagement and financial deception which truly characterises this government.

Committee for Bayswater: support

Mr LOCKWOOD (Bayswater) — I have a couple of items to grieve on this morning, but perhaps I should start by grieving for the people of Victoria who are sucked in by the opposition line that there is a problem in the budget with the collapse of the Snowy Hydro sale. These are projects that were in the schedule and would have been done anyway. They would merely have been able to be advanced by the Snowy money. With the Snowy money gone we are back to the original schedule.

Dr Sykes — The never-never schedule.

Mr LOCKWOOD — It is the careful and prudent schedule. Prudent budgeting over a number of years will allow all these projects to go ahead with a little bit of delay, despite the lack of the Snowy money.

This morning I also want to grieve for the people of Bayswater for the lack of support for its Committee for Bayswater by its local council and some others. There is a great committee operating in Bayswater with a great bunch of people supporting it. A lot of work has gone into putting the committee together. It has a great vision to make Bayswater a better place — —

Dr Sykes — To live, work and raise a family!

Mr LOCKWOOD — That has not been added to the vision yet, but it is a definite possibility. The committee comprises a group of people from the community who are independent of any political party. Their mission is to act as an innovative and far-thinking catalyst to enhance Bayswater as a dynamic commercial, industrial, technological, intellectual and cultural centre in the outer east of Melbourne. It has a wonderful vision. It will be a great place. It is going to become a better place and it will do that by achieving realistic outcomes by connecting people, empowering them and giving confidence to the community where it has lacked it in the past.

The committee is a broad-based representative group — for example, it has people from Anglicare and the local environment group, a local councillor and representatives from local schools. It is seeking a safe and sustainable future for Bayswater, and to challenge the thinking limiting Bayswater's success. One of the big problems has been the confidence of the people in Bayswater as the shopping centre deteriorated over years. A revitalisation project has been running in Bayswater for five or six years now which is putting new life into that centre and giving the community new confidence. It is a great committee. The president is Anna Porritt, and the members are Nic Hunter, Darren Wallace, Jane Kuchins, Michelle McDonald, Rick Emonson, Bill Best, Karen Purtle, Peter Harris, Wolf Theile, Meredith Engel, Chris Warren and Joy Gude.

There is great revitalisation work going on at the moment. A new Aldi supermarket is going into the shopping centre, and a new Maximart is being developed. I think we will see Aldi open later this year or early next year. The council has done a structure plan for Bayswater, although unfortunately it has not funded any of it yet, but at least it has the plan. The committee has looked after safety projects like the safety audit. The local police have done a safety audit, and now the committee is working on acting on some of the concerns raised in that audit. There is a project to create a park adjacent to the town centre, by relocating the Rotary building a little bit down the street. The committee puts out a regular newsletter to inform the community of what is going on. It is a great committee doing lots of good work.

Bayswater has an ageing population. I guess many places do, but it is a little older than the surrounding area — for example, the municipality of Knox, across the border, has a younger average age. Bayswater is a more established area, having been there since the late 19th century. There is a significant German population in the area. About one-quarter of the local population is overseas born, and about 14 per cent speak a language other than English at home. Household income in Bayswater is a little lower than some of the suburbs around it. It is an area that some have seen as being at some disadvantage, with a little higher unemployment and a little less household income. People there have fewer qualifications, but many more are likely to work locally. There is a higher proportion of renters in Bayswater than in surrounding area.

These are some of the challenges the committee faces, the biggest one being to give confidence to the local area, and to give confidence to people to believe in Bayswater and to make it a better place. It has many strengths — for example, it has many existing

community organisations including playgroups, a senior citizens centre, sporting clubs and churches. There is a great sports oval on the corner of Mountain Highway and Bayswater Road. There are two ovals and a multi-access program for children of all abilities. It is often called the train park because it has a steam train for the kids to play on. There is also tennis, netball, a place for picnics, and a bit of remnant bushland with a creek running through it for the benefit of the local population as well.

The suburb has a green leafy image with a wonderful outlook to the Dandenong Ranges. These are all positive things. There is a great community volunteer program and a lot of good community initiatives. Housing prices are lower than average, and the sense of community is quite strong. There is a good transport network based around the train station.

There are a number of disadvantages, the primary one being the one I mentioned — that is, the perception that Bayswater is not a nice place at times. It is dominated by industry and has a significant industrial area. Sometimes people accept near enough as being good enough. We need to change that attitude around Bayswater. Some public facilities have been in poor condition, and up until now the shopping centre has been uninviting. There has been some sense of social isolation among some of the older residents. Graffiti and vandalism have had a strong impact in the area and that problem is being addressed by local volunteers painting over the graffiti and getting volunteer programs going. One of the big problems is that Mountain Highway divides the area and people fear to cross it. But all of these things can be overcome with time.

Public transport: Bayswater electorate

Mr LOCKWOOD — I grieve about our local public transport being misrepresented by some in the outer east. We have a good service based around Bayswater railway station, and in the recently released budget there is money for improvements to local bus services.

For example, the 737, which runs from Monash University to The Basin and Croydon and goes through the middle of my electorate, will be extended to 9 o'clock at night with more frequent services on weekends. That is a key service in the outer east, and it will be improved. The 664, which runs through Bayswater to Knox City and connects with nearby suburbs, will run later at night and on weekends. That is also a very important service for the local area, as is the 738 to Mitcham. We depend on our bus services to link,

for example, the Glen Waverley, Bayswater and Croydon train stations.

An amount of \$1.5 million will be put in to develop a plan for Ringwood's becoming a transit city, which includes redeveloping the station to make it safer and provide better access. One problem at present is access for people with disabilities. The ramp that leads to the station is very steep and needs to be redeveloped. Further improvement is needed to the interchange. It was recently improved, but there need to be better linkages between train and bus services.

There will be commercial and retail development as the station is linked with the greater shopping area of Ringwood and specifically with the Eastland shopping centre, which is developing and will develop considerably into the future. There is already development around the station. Maroondah City Council has a great structure plan for the city of Ringwood, and all parties are working hard to see that it comes to fruition.

Public transport is on the improve in my area, and that is greatly needed. It will complement EastLink, which will run through Ringwood. The tunnel will come out at Ringwood and the freeway will turn south towards Frankston. Ringwood shopping centre is right next to the freeway and the interchange with Maroondah Highway. That will be a great boon, and it will be the first major centre at the end of the freeway as it turns south.

Mr Walsh — It's actually a tollway.

Mr LOCKWOOD — Yes, it is true that one will pay to use this freeway, but it is a massive and wonderful project that is under construction right now and moving along very well.

Melbourne Storm: support base

Mr LOCKWOOD — Another thing I want to grieve about is the support for the Melbourne Storm National Rugby League team. We have a great rugby league team here in Melbourne which is on top of the NRL table at the moment and showing the northerners how to play the game. There is not a lot of support from points north for having a team down here, but it is wonderfully successful and has a great supporter base — although it still needs to be bigger. If you have seen the ads on TV, you will have noticed that it is making a big impact. If you get along to a match, you will see a very successful team.

Honourable members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! I call the honourable member back to the grievance debate.

Mr LOCKWOOD — Melbourne Storm is making a big impact. We just need a couple of tackles around here to quieten members down.

It is a great team that plays its home games at Olympic Park. I get along to all the home games, and I encourage members here and members of the public to get along to see Melbourne Storm play, showing the northerners how to play the game properly. It is a wonderful addition to the Melbourne sporting scene. It does not stop people from supporting a footy team. I am still able to wear my Richmond scarf and go to Melbourne Storm games as well. It is a great team to support.

Industrial relations: WorkChoices

Mr LOCKWOOD — Another item I want to briefly grieve about is workplace rights. We are seeing the effects of the Howard government's industrial relations changes over time, with people being sacked. There was an item in the *Age* yesterday about a grandmother who had gone back to work after her injured shoulder had healed only to find that she had been sacked by her company. It employs less than 100 people, so it was able to sack her without reason. She had become a liability after 14 years of good service to the company. Another incident occurred recently when employees were sacked for smirking. They were re-employed, but unfortunately that company has now gone out of business. Perhaps that says something about its management.

These workplace relations changes will cause problems in the community, put people out of work and reduce wages and conditions over time. That will not be good for our future. We need our economy to boom, bustle and be successful. I condemn those workplace changes.

East Timor: conflict

Mr LOCKWOOD — I grieve for the people of East Timor and the tragic conflict they are involved in. I pray for the safety of the Australian soldiers and police and hope for a swift end to the violence and destruction. It is sad to see the conflict over there and the destruction that is being wrought. I hope the community gets back together and has a successful future. It is tragic to see the needs of the people there. I hope no more troops have to be sent over there, especially as I have a member of the defence force in

the family. I do not particularly want him to be overseas. I hope that conflict comes to an end soon.

Motorcycles: wire rope barriers

Mr LOCKWOOD — I also grieve about wire rope barriers. I receive many emails, as many others do, from members of the motorcycling community about wire rope barriers. I heard the member for South-West Coast sympathising and promising to remove them and other things, playing up to the community and promising something he can probably never do. It is unfortunate that he sucks them in in that way. There is a wonderful community, and I am sure they are concerned about the safety of the barriers on our roads. I have been a licensed motorcycle rider and have owned a motorcycle continuously since 1967. I cannot say I have ridden one every year since 1967, but I have certainly owned one — but it perhaps needs a bit of work.

I got around a bit. I used to volunteer at the races — dirt-track races and road races — and pick up the people who had fallen off and been hurt. I have seen the effects of various fences on people and the injuries they can sustain from wooden fences, wire fences, Armco fences, or concrete fences when falling off a motorbike. Actually falling off a motorbike does not hurt that much; it is only a very short distance to fall. It is the object you hit as you are travelling along that actually hurts, and concrete fences, strangely enough, are actually the best thing to hit because they are flat and you simply hit them and fall. If you hit hard enough, of course you are not going to survive it, but concrete fences do not do that badly. Armco fences are the worst, particularly if you slide under them as there is always a gap. I have seen a horrible accident where a rider slid under an Armco fence and was cut into various pieces.

The wire barriers I regard as slicers and dicers. I am not really a fan of these as they have too big a gap to the road. If a rider goes under them, he will be torn apart. He can be diced by the posts. If he slides along and hits the wires or the ropes at an angle, he will be sliced. I am certainly not a fan of those kinds of barriers or any other barriers that are not flat and firm. Still, we need barriers to divide highways, and these are some of the ones we have.

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

Regional Infrastructure Development Fund: administration

Mr RYAN (Leader of The Nationals) — I grieve today for country Victorians particularly in relation to the operation and administration of the Regional Infrastructure Development Fund (RIDF). This fund was initiated by the government under legislation which passed through this place late in 1999. It is a fund we strongly support. We think it is a very good initiative on the part of the government, and there is no doubt that in various respects it has brought benefits to country Victorians. But when one carefully examines the budget papers over the years since the fund was established, one finds that all is not as it may seem. Indeed something is rotten in the state of Denmark in the way this fund is operating.

I remember the night we debated it because it was my wife's birthday. It was 1999 and I remember the evening well: it was as hot as Hades in this place and the Treasurer, the minister responsible for this fund, was sitting opposite as the debate unfolded. As I said, it is something we have always supported. The fund commenced operation on 1 July 2000. Initially it received \$180 million from the government over a period of three years; it was then added to with a further \$180 million over five years; and we have recently heard of a further \$200 million supposedly being added to the fund by the government. It sounds terrific, but the facts tell a different story. I seek leave to incorporate a table, copies of which I have available for the house.

Leave granted; see table page 1850.

Mr RYAN — I will refer to that table which is available for distribution to those who want to access it. The table refers to the years from 2000–01, when the fund took effect, all the way through to 2006–07.

To illustrate the figures one needs to have the table in front of one, but I will refer to one line from it which shows that in the 2004–05 budget papers the government advised that its target RIDF expenditure was to be \$78.7 million. In the 2005–06 budget papers, which were released in May 2005, the government advised that the expected outcome for 2004–05, the previous year, was \$76.7 million. Originally the targeted expenditure allocation was \$78.7 million, and the expectation the next year was \$76.7 million. Then the 2006–07 budget papers, which have just been released, reveal the actual expenditure relating to 2004–05 is \$36.4 million. Having set out to allocate \$78.7 million, the government has in fact expended only \$36.4 million.

If you follow that same process through, over the five years which the table traces from 2000–01 until 2004–05, the actual expenditure targets for those years was \$446.7 million. The expected expenditure for the year which was announced in the following budget was \$300.7 million. Then the actual expenditure for those years, as reported in the budget papers, was \$150.4 million. There is a difference of about \$300 million between the moneys which have supposedly been allocated by the government through the budgets over those five years, as opposed to the amounts of money actually expended by the government pursuant to the terms of this fund.

Part of the explanation lies in the fact that there is a time lag in the way in which projects develop. There is necessarily a time lag, but that cannot possibly be the whole of the explanation. It is just impossible. What the government needs to do is to publish accurately what is happening with the operation and administration of the Regional Infrastructure Development Fund.

The Auditor-General had a look at this in 2003, and it seems to me it is time for the Auditor-General to have another look. In paragraph 2.53 on page 23 of the report that the Auditor-General tabled he said:

While we acknowledge that some projects have been delayed due to unforeseen circumstances, the number of variations to project time lines raises questions about the quality of the applications and the adequacy of assessment processes. The long time line from approval of a grant application to the signing of a funding agreement needs to be refuted by the department in consultation with applicants.

In the course of his commentary in paragraph 2.72 on page 29 the Auditor-General further said:

The current economic impact evaluation should be finalised and its findings made publicly available as a matter of priority. There would be merit in conducting an independent economic assessment on a regular basis, e.g., every three years, with the results communicated to Parliament

In his overall conclusion in paragraph 2.73 the Auditor-General said:

Overall, the administration and accountability framework of the Regional Infrastructure Development Fund is sound.

And that is an encouraging comment. The Auditor-General went on to say:

While the processes minimise the risk of funding unviable projects, to date the approval of projects and disbursement of funds has been slow. If this continues, it could delay realisation of the anticipated benefits for regional Victoria.

Then also in paragraph 2.74 he said:

The absence of any public information on the outcomes from the government's investment is not satisfactory, particularly as a further \$180 million has been earmarked for infrastructure projects. Parliament should be kept informed of the actual achievements of the fund relative to those expected. For this to be achieved, the department needs to promptly finalise its performance and reporting framework.

Understandably, the department was not going to take this lying down, so it came back with various responses. What it said in part is found in the 'Response' section on page 31 of the report:

The department does not agree with the statement that approval of projects has been slow. It is anticipated that the initial \$180 million allocation will be allocated to approved projects by 30 June 2003.

Let us have a look at the facts. As opposed to the first amount of \$180 million allocated by 30 June 2003, when you look at the actual expenditure on projects — members can forget the business about allocations and look at the actual expenditure on projects — you see that now, in 2006, three years after the preparation of this report by the Auditor-General, the government has actually expended only \$150 million. Members should not worry about the \$180 million from the allocation over the first three years, which the government was talking about, because now, at the end of the 2004–05 period, the total amount the government has actually expended on projects is \$150 million.

The government, through this report, went on further to respond to the Auditor-General by saying in part:

The department expects disbursements to increase over the coming months as more projects make significant progress on achieving milestones.

The facts tell an entirely different story; the trend is absolutely palpable and is there to see — \$150 million has been expended out of this fund.

Mr Nardella interjected.

Mr RYAN — For all the bluff and bluster by members of the Labor Party, such as that from the member for Melton, who I am pleased to see has now joined us, the government promised it would allocate \$446.7 million, but it has actually spent \$150.4 million.

In compliance with what the Auditor-General recommended about the government reporting to the Parliament, what has it done? It has produced a brochure — no clippings, just a brochure. It is dated January 2004 and purports to go through the sorts of projects in which the fund has been involved. In the opening commentary, under the heading 'General Information' on page 2, it says, amongst other things:

Over the first term of the Bracks government, \$180.68 million was provided to the fund for capital works in these 48 municipalities. This amount was fully committed by 30 June 2003.

Yet here we are, three years later, looking at reports which take us up to the end of the 2004–05 reporting period — but still the government has only spent \$150 million. You wonder how many press releases have gone out and how much time has been spent telling country Victorians how wonderful the government has been in its administration of the fund, when in fact the figures tell precisely a very different story.

As we all know, it is not as if there are not plenty of projects that could be the beneficiary of this fund that was designed by the government and was an excellent idea. The Auditor-General's report, to which I have already referred, sets out those general criteria for expenditure. The money can be spent for industry development, including physical works to facilitate economic development; transport improvements to roads, rail, ports or airports of strategic regional significance; tourism-related capital works for new and improved facilities; and on strategic education and information and communication technology infrastructure. I say to the government, 'Get on with it and stop pulling the wool over the eyes of people in country Victoria'.

There are plenty of projects the government could choose from. What about the rail issue? The government has absolutely no vision whatever for freight rail movements in Victoria. In 2001, \$96 million was committed for rail standardisation, but not a cracker of that has been spent, let alone has money been taken out of the Regional Infrastructure Development Fund (RIDF).

What about the upgrade of the rail line to Mildura? At last \$53 million will come from the current budget, as long as the federal government puts up \$20 million — which it should never have had to do. The Victorian government says it is allocating money, but it is not spending it on concepts such as rail.

What about water and wastewater projects throughout country Victoria? There are millions of those; the government could spend RIDF money on plenty of those. Those who live within about an hour and a half of Melbourne are being loved to death by the eastern suburbs, but what does this government put up? A miserable \$32 million over eight years for innovative programs related to water and wastewater projects.

What the government ought to be doing through this fund is putting some money into water and wastewater

issues, particularly in the coastal areas of electorates such as the one I represent, because unless it does something about this issue and assumes the responsibility it has, we are going to have terrible outcomes in the way in which our water and wastewater facilities operate throughout country Victoria.

What about roads? Why not put some of this money into a program similar to the excellent federal government's Roads to Recovery program? Why not give some of this money to local government? Why not distribute some of this money instead of trying to hide it in the bank? Why not put it into some of the bridges so urgently needed? What about the road network for the timber industry? How about getting some decent money into those roads so that we can do something further to assist the timber industry, which is under pressure anyway given the way the government has treated the industry?

What about natural gas connections? We saw \$180 million over five years in the second allocation of funding; the government extended the entitlement to access that fund to the nine interface councils. They were going to be able to access \$70 million of that money. In addition, leading into the last election we had the Treasurer, the minister responsible for this fund, roaming around the state of Victoria promising every man and his dog that they would be able to get natural gas into their town. What has he done? He has absolutely duded them!

In fairness I will say that one of the areas that has been the beneficiary of the fund is in the electorate I represent. That is a great initiative, and I congratulate the government for it, but I call on the government to honour the promises that were made to people around country Victoria in relation to natural gas.

Mr Maughan interjected.

Mr RYAN — Heathcote and Rushworth, as the member for Rodney said. He could take up the rest of the day naming those towns which were promised natural gas, yet this government has failed to deliver on it.

What about the tourism industry? I spoke in this chamber last night about the problems faced by the Coal Creek Heritage Village at Korumburra. The government has to get in there and stand up and help these people. Not only should it come to the table and offer its expertise and advice, but Tourism Victoria — or whatever other mechanism, ideally through this fund — should be putting up money to assist in

ensuring that the Coal Creek Heritage Village remains open.

I conclude where I started. This government initiated a fund, which was a great idea, but it has made a lot of promises to country Victorians and has failed to keep them. It has failed to live up to its promises. It is running this scam and drawing all sorts of complimentary commentary about operating this fund. It needs to get in there and make sure the money it promised to country Victorians is actually distributed.

Migrants: government assistance

Mr LIM (Clayton) — Today I rise to grieve for all Victorians, and indeed for all Australians, because of the opportunities which are being squandered by the federal government in its approach to migration policy. This year the Howard government has put a brake on the skilled migration intake. That is unfortunate. There is a large skill shortage in Victoria. It is the biggest impediment for businesses in this state which desire to grow their operations, especially those businesses expanding overseas where skilled migrants could provide solutions to their labour problems.

It is well known in this state that we are short of engineers, dentists, refrigeration mechanics, general practitioners, fitters, toolmakers, boilermakers, welders and ambulance paramedics — the list goes on. The current intake of skilled migrants is insufficient to maintain the current level and rate of development in Victoria. It is essential that we attract a greater number of highly skilled migrants in order to sustain economic growth and counter skill shortages in Victoria. The federal government's refusal of our Premier's written request to increase the intake of skilled migrants into Victoria this year is unfairly imposing a barrier on this state's economic growth.

It is amazing that the federal government has taken this stance. If you look at the state budget, you find that the Treasurer has spelt out measures, programs and funding to ensure our economy grows faster and bigger. This has been complemented by the opening of many overseas business offices such as the three we now have in China in Shanghai, Nanjing and Hong Kong. Following the Premier's historic visit to India, Victoria opened a business office in Bangalore, which is the biggest expanding state in terms of information and communications technology. Victoria is doing a lot, but we have not had any support from the federal field.

Something like 43.5 per cent of Victorians were either born overseas or have a parent who was born overseas. Currently migration is contributing about half of the

nation's total annual population growth of about 1.2 per cent. It is a fact that skilled migrants make up a large portion of Victoria's population, with approximately 60 per cent of migrants falling into the skilled immigration category. However, the importance of migrants extends far beyond a mere skills improvement in the Victorian work force. Given the economic rise in Asia, especially China, India and other Asian countries, these countries are becoming our biggest trading partners and will play an important role in Australia's export future. More importantly, these are not just potential export markets, increasingly they are our competitors. Unless we do the right thing in this state and this country our manufacturing sector will be struggling.

In the past 10 years the countries of origin of our migrants have become more diverse. In the early years of migration a large proportion of migrants were from Europe, especially the UK and Ireland. However, in recent years migrants from Asian countries have become more significant. They include countries such as China, India, Malaysia, Hong Kong, Indonesia, Japan and even South Korea, and to a lesser extent now Vietnam. These migrants represent the key to these markets. Their knowledge, their languages and their culture are essential. They are unique tools to tap these markets for the good of Victoria. They possess political and legal knowledge that others in Australia do not have. Many of them already have strong business networks and family links in their countries of origin, and all they need to complete the link are Australian partners. The value of these migrants is enormous. They are the bridge for us to connect with the rest of the world, particularly Asia.

Under the Bracks government Victoria has implemented initiatives at many levels to recruit migrants to live in Victoria. For example, the Living in Victoria program is an excellent way of communicating to potential migrants the advantages and potential business opportunities of being in Victoria. Our world-class education system, safe community, tremendous environment, seasonal climate and strong economy contribute to making Melbourne one of the most livable cities in the world.

Some critics say migrants do not really contribute highly to the Australian work force. They criticise migrants, especially those coming from Asia, as having low English proficiency, which therefore affects the ease of their settlement into our work force. In fact, the truth is that occupations requiring fewer English skills have a higher proportion of skilled migrants than those which require a high level of English competency. Some people even argue that cultural differences affect

the ability of migrants to fit into our work force. Studies have shown that 15 per cent of migrants from non-English-speaking countries encounter discrimination in the work force, and 40 per cent of migrants from the same countries do not feel equality in job opportunities, even though they have similar qualifications and experience to other Australian workers.

The consequence of the perceived discrimination and inequality in opportunities is that we have resentful and disappointed new residents struggling to make a living and struggling to find jobs that properly utilise their qualifications. Skilled migrants are intensely vulnerable to exploitation by some disreputable employers. We have heard story after story about this. They have been known to use them as cheap labour and not provide them with professional training. Many of them are working under the enormous burden of seeking out a living.

The real problem is not the skills of the migrants but the effectiveness of the current migration support programs, which are lacking. The current skilled migration program is arguably ruining Australia's reputation as a country which embraces the social, cultural and economic contribution of migrants. The federal government needs to deliver a more sustainable migration support program to produce a cohesive work force. This support program should emphasise not only English but also Australian culture, general social skills and job-searching skills. Despite this discrimination, only a small percentage of skilled migrants are unemployed. We must not overlook that fact. Skilled immigrants are, overall, hard workers. They possess different sets of skills and bring to our work force an enormous potential to increase export opportunities.

The federal government must better address its responsibilities to the migrants who have the potential to contribute so much to Australia's economy. The key initiative here is to improve the complementary migration support program and encourage more Australian employers to employ skilled immigrants. This strategy will help companies save money on language and cultural training for current employees, which means they can increase their spending on marketing and other infrastructure required for overseas expansion, which the Victorian government is encouraging.

The federal government should also continue to support Victoria's migration expo, which has been highly successful in showcasing what Victoria has to offer and encouraging skilled migrants to establish their home in Victoria. The expo also provides a platform to link

Victorian employers with potential skilled migrants, a fantastic initiative that other states should copy.

It is worth noting that former international students currently make up nearly 50 per cent of skilled migration applicants. International students are a great source of skilled migration because of their existing knowledge of Australian culture, gained during their studies. Their motivation to remain in Australia is due to their high interest in Australian culture and our way of life. The proportion of professionals born overseas who are employed in their chosen profession is higher for those with Australian qualifications than it is for those with overseas qualifications. Australian employers trust the level of qualifications obtained from our education system, so these migrants have a higher employment rate in their chosen field. In fact, the percentage of overseas born with Australian degrees working in their relevant fields is higher in comparison with young Australian-born graduates.

Some Australian companies have already started recruiting international students to assist their international expansion into global markets such as China, Japan and Korea, indicating the value of language skills in assisting with communication between them and their overseas partners or clients. That is very significant. However, critics say international students are not able to find jobs in their relevant skill areas. Several factors are responsible for this, and the federal government is again to blame.

Bureaucracy and slow procedures for permanent residency approval are the main reasons why many former students are unable to find permanent jobs after graduation. On average it takes more than eight months from the date of application to the approval of permanent residency. Even though they have full employment rights during the waiting period, employers are reluctant to employ former students on bridging visas because of the risk of refusal of permanent residency. That has a very serious and adverse effect on the applicants.

Current policy changes require students to undertake a compulsory English language test directly prior to application. However, there is no sign of increasing the number of test venues, the lack of which creates an unnecessary bottleneck. Students need to wait up to a year to undertake the test. This is a most ridiculous and disgraceful situation. Consequently, former international students often miss out on graduate positions, which are usually required to be filled in a short span of time. These students become disenfranchised from employment seeking as a result.

The Howard government is spending large amounts of money on marketing to attract international students, without a complementary support scheme to assist them with the settling-in process. Despite their contribution to our economy, they are highly disadvantaged, have minimal community support, miss out on internship programs available to local students and lack work force experience. Sometimes these factors make employers unwilling to employ them.

In addition to support programs for migrants, the federal government needs to provide support programs for international students. Unfortunately the federal government did not address either of these issues in the recent federal budget. No funds have been allocated to new settlers, when in fact they contribute to our community through tax and paying living expenses and often bring money in from overseas — up to \$7 billion a year — which is a significant boost to our economy. New settlers to Australia are not getting the benefits they should and are being treated as second-class members of society as a result.

Fortunately the Bracks government values the contribution of migrants and welcomes international students staying on to become permanent residents. The latest measure that has been put in place is the position paper from the Minister for Education and Training, which is a measure of the extent we will look after them. I compliment the minister for so doing. There has been an increase in funding for these communities. For example, I cite the Federation of International Students, which has been funded with a small grant through the Victorian Multicultural Commission to help its members assist their peers, including assistance with employment and a range of social activities to make their lives more palatable in their transition to being permanent residents in Victoria.

I particularly compliment the president of the federation, Wesa Chau, for the tremendous work she has done without any pay to bring this issue to the attention of the community. I congratulate the federation and its committee for being so hardworking and caring and for bringing the plight of international students and skilled migrants in this state and in Australia to the attention of the government.

Budget: financial management

Mr CLARK (Box Hill) — I rise to grieve about the worrying direction of and the disarray in the state's finances under the management of the Bracks government, which has been further exposed following the cessation of the Snowy Hydro sale last week.

We knew already that state debt was set to rise from \$1.5 billion to \$7.1 billion, even after taking into account the sale of assets or proceeds, such as the sale of the concession notes from Transurban, whereby \$2.9 billion of notes were sold for \$609 million, and after \$600 million had been stripped from motorists funds in the Transport Accident Commission and brought into the budget. We also know that on top of that the government was relying on \$600 million-plus from the sale of the Snowy Hydro, with the proceeds to go into the budget to fund schools and other matters.

It is worth making the point that on top of those sums the government was counting on \$2.997 billion from unexpected gains in superannuation due to the strong stock market and \$484 million of gains under the Alcoa agreement due to higher than expected aluminium prices. Those two latter amounts do not go to debt but they certainly go to the state's overall financial liabilities. Those were being relied upon by the government to help generate the financial viability numbers to which it has been pointing.

Quite frankly, even last week this was an unsustainable pre-election splurge. It was the antithesis of good budgeting and sound financial management. It was relying on windfall and one-off gains, not proper budgeting, to fund essential capital works which the state needed as well as its recurrent spending obligations. It represented a massive policy U-turn on the part of the Bracks government, whose Treasurer had previously been boasting about the merits of paying down debt in good economic circumstances and about the interest savings that were being achieved in paying down debt and the ability of those savings to fund additional services.

We had this sudden policy U-turn, with a sudden leap in borrowings and a sudden turn to relying on windfalls for this unsustainable pre-election splurge. Then of course on Friday we had the cessation of the Snowy Hydro sale and the sudden opening up of a \$600 million-plus black hole in the state's finances. We have seen the disarray into which the government has fallen as a result of its imprudent, irresponsible budgetary practice of relying on windfalls instead of properly controlling spending blow-outs and waste and mismanagement in order to fund essential investments out of recurrent state funds and readily controllable and available sources.

Now, with the cessation of the Snowy Hydro sale, we see a whole range of questions opened up about what exactly the government's intentions were prior to the cessation and what they are now. One still unresolved contradiction that has become apparent is the contrast

between what the Premier said in his media release of 13 February 2006 announcing the intention to sell the state's share in the Snowy Hydro and what he has said more recently. His media release of 13 February says:

Mr Bracks announced the remaining sale proceeds would be invested in a once in a generation school fund — Building Tomorrow's Schools Today — to accelerate and transform our school infrastructure.

Later on in the explanatory notes, under the heading 'What is it?', the press release says:

The Building Tomorrow's Schools Today fund will be established from the proceeds of the sale of Victoria's share of the Snowy Hydro Ltd to invest in government school infrastructure.

So if you believe the position of the government as it was in February, all bar \$30 million of the proceeds of the Snowy Hydro sale was to go into Victorian schools. But come budget time and a couple of post-termination explanations, it was a different story. Then only \$600 million was to be committed to Victoria's schools, and the rest would be subject to subsequent government decisions, as the Premier said at Monday's Public Accounts and Estimates Committee hearing.

So even before the Snowy sale fell through we had this piece of claw-back from the grand promise of February, that all the proceeds bar \$30 million were to go into schools, to the position where only \$600 million was to go into schools. If you had followed through the arithmetic of the original amounts you would have thought it would be \$570 million — \$600 million minus \$30 million equals \$570 million — but the government wanted to stick with the \$600 million number, even if it meant something completely different. That in itself illustrates the disarray of the government's budgeting on this matter, but when we look at the explanations of what has happened after the decision not to proceed with the Snowy sale, we see even more confusion.

If you look at pages 8 and 9 of budget paper 3, you will see the government's claim that it has \$150 million locked in the budget which it has drawn forward and factored in. There is \$100 million for capital expenditure and \$50 million for maintenance. It then lists the pre-spending, based on what is anticipated from the sale of Snowy Hydro: \$11 million in total estimated investment (TEI) to plan, build or replace four replacement schools; \$6.6 million in TEI for permanent facilities to replace relocatable buildings; \$63 million in TEI for the modernisation of 23 schools; and \$20 million in TEI to initiate new transformation projects across the state — and then, as I said, there is \$50 million for maintenance on top of that.

Yet when the Premier gave his explanation of what the government would be able to go ahead with on schedule and what had to be rescheduled because of the Snowy situation, it was a different story. The only aspect of the \$150 million he was prepared to stand by was the modernisation of the 23 schools and the \$50 million for maintenance, so \$11 million-plus \$6.6 million-plus \$20 million have totally gone missing. If this money is in the budget and not dependent upon the sale of the Snowy, as we are all being told, why have those suddenly vanished off the radar screen? Why is the plug being pulled on these schools, which were promised their projects just as much as the 23 schools whose projects are proceeding?

That is just about \$150 million, but what about the remaining \$450 million? We have not heard a word about how that will be tackled, other than the vague generalisation, 'Don't you worry about that. Instead of doing this over four to five years, we will do it over five to six years', which implies a one-year delay.

Mr Nardella interjected.

Mr CLARK — The member for Melton says, 'That's right'. What that says is that somewhere, out of thin air, the government is going to find \$450 million it does not otherwise have in order to pay for these schools — which it cannot afford, because it was basing that on windfall gains rather than on proper and prudent budgeting.

The government claims it will come out of unallocated capital. If you look at the unallocated capital provision in the budget, you find there is not much there for quite a few years to come. Even then, if you say you are going to pull \$450 million out of that, what will miss out as a result? You cannot get away from it: if you divert funds from the unallocated provision into schools, what will happen to the other things that money would have been spent on? The government is totally silent on that point.

We also have the claim by the government that it will make it up from dividends out of Snowy Hydro, which the Premier would have us believe will be \$40 million to \$50 million a year. There is a big question mark over that. I refer to an article in today's *Age* by Rod Myer, the energy reporter, who is well-informed about these matters. The article says:

Snowy had set itself an ambitious agenda, pledging to spend \$1 billion over five years to transform itself from a hydro generator to an integrated power supplier with interests throughout the national electricity market. To that end it has already spent about \$500 million on two gas-fired power stations and a small power retailer.

Later on the article says:

A credit analyst with Moody's Investors Service, Clement Chong, says the company has three choices to fund its expansion plans. 'They could either cut dividends, borrow more or get money from shareholders'.

The last option is highly improbable in the current environment, leaving only dividend cuts and increased borrowing as real options.

The article goes on to explain that it would be difficult for the company to increase borrowings because it would put its credit rating at risk, the logical conclusion being that dividends will have to be cut. So the government's counting on \$40 million to \$50 million a year in dividends is another example of its relying on unsustainable and unreliable cash flows rather than proper and prudent budgeting, as it should have in the first place.

This is not just some academic debate about how the numbers add up; this has real-world consequences for schools right across Victoria. To illustrate the more general point, in my electorate Box Hill High School has been fobbed off and given the mushroom treatment year after year. It is a grand school with first-class academic programs, but its facilities are ageing. It needs modernisation and rebuilding, but has been given the perennial promise, 'Just wait, just be patient. Maybe next year your turn will come'. I said to the school council, 'Maybe this time your number will come up because of the \$600 million that will come in', but that hope has been cruelly dashed.

Koonung Secondary College is in a similar situation. The school has told me that once again it has missed out on major capital works planning, let alone funding. As always, no explanation has been provided. There has been no plan and no transparency, just a shrug of the shoulders. Surrey Hills Primary School has a very high enrolment on a very small site, but the government said it could not afford to buy any land for expansion, because it needed all that money for new schools in outer suburban areas. The only solution for that school is to grow upwards to create a bit more open space, but year after year it has been denied funding. Those three examples from my electorate are typical of what is being repeated across the state. The hopes of schools are being dashed because of the shoddy, imprudent and ill-considered financial management of the Bracks government.

The government has to come clean for Victorians. It could apologise, fess up and say, 'We got it wrong, we made a big mistake. We promise not to do it again'. But at the very least it needs to give the taxpayers of Victoria a decent account of where its budget now

stands and where its intentions for the state's finances now stand with the sale of Snowy Hydro not proceeding.

This open and accountable government was asked by the Leader of the Opposition in question time yesterday what sort of revised budget papers were going to be provided to account for the end of the Snowy Hydro sale. What did we get from the Premier? We got the vacuous statement about the changes that his government has made to the Financial Management Act and the number of updates that are now being provided — basically, that as budget updates occur, we will find out.

I am not sure whether the Premier has considered when the next budget update is going to come out. In fact the next scheduled budget update is the pre-election budget update, which will come out just a few weeks before polling on 25 November this year. So it seems from the Premier's answer that he intends for the citizens of Victoria to be kept in the dark between now and the pre-election update just a few weeks before polling day. The public will therefore be in no position whatsoever over the coming months to pass judgment on what the government has been doing unless the government is prepared to do a better job than that by fessing up, explaining and giving Victorians a decent account of what is going on.

Mr Nardella interjected.

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

Mr CLARK — I repeat the call for the government to at least come clean on what is happening in the light of the cessation of the Snowy Hydro sale.

Mr Nardella interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Melton will stop that constant interjecting.

Mr CLARK — It needs to come clean about what is going to happen with the \$11 million total estimated investment (TEI) for the four replacement schools, what is going to happen with the \$6.6 million TEI for the permanent facilities to replace relocatable buildings or with the \$20 million TEI for the so-called new transformation projects. And what are its plans to find the extra \$450 million that is totally unaccounted for and totally unexplained except for those vacuous references to the shifting of time lines from four to five years to five to six years, with no explanation as to how that is going to be achieved?

The government's financial management was in disarray before the Snowy sale collapsed. It was unsustainable, it relied on windfalls and a massive increase in debt. The situation is even more serious now that the Snowy Hydro sale has not proceeded. That having been brought to light, the only conclusion one can draw about this government's financial management plan is that when the slightest bit of pressure is applied to it, it is shown that the government is simply making it up as it goes along and is relying on spin, bluff and bluster rather than on sound financial management.

Budget: government initiatives

Mr MAXFIELD (Narracan) — I stand to grieve about the state that we would certainly be in if the current Liberal Party and The Nationals were to get into power. Having just listened to the speech by the shadow Treasurer, it seems he has absolutely no idea how to read a budget paper. I thought it was quite clear that the \$150 million allocated in the budget for education — \$50 million for maintenance and \$100 million for capital works — comes from consolidated revenue and does not rely on one cent of Snowy money. We were not budgeting to receive one cent from the Snowy sale in this coming financial year.

The shadow Treasurer knows that the collapse of the sale will have no impact on this year's budget. He would be fully aware of that had he read the budget papers or at least looked at the government media releases. It would have been quite clear to him. If the shadow Treasurer is going to stand up here and make allegations about the effect of the collapse on this year's budget, knowing darned well that that is not the case, then he has to stop feigning ignorance and pretending he has not read it. He has to come into this house with an ounce of credibility.

In a case like this it is quite clear: we were not relying on this budget being propped up by the Snowy sale, and we were not relying on \$150 million of that money coming through in order to do it, because the money was coming out of consolidated revenue. Obviously there is a longer term impact in regard to the Snowy sale not going ahead, but in terms of that longer impact we are very fortunate that we have a budget that provides a very strong financial position and is able to withstand the impacts from these sorts of issues.

I am grieving here this morning because, given the quality of the speech the member for Box Hill just made in the chamber, I can imagine what it would be like if he were the Treasurer of this state. Have members any idea what that would do to investment in

this state? We would see businesses flocking over the border, like they did when Kennett took over. We would see people fleeing this state because they would have no confidence and would not believe Victoria was in strong and solid hands.

Let us look at what all the economic commentators have said about the budget. They have made it quite clear that this is a strong, sound and solid budget which we can all be very proud of. When you look around, you have to ask what the policies of the Liberal Party are. I found it quite interesting to listen to the Leader of The Nationals, because if he were to enter into a coalition with the Liberal Party and come into power, he would want to implement policies.

I heard him carrying on about rail services. Have members ever heard such hypocrisy in their lives? The opposition's policy when in government was to close rail lines around the state, because when it privatised the rail tracks it gave the private companies the right to close any railway lines they wanted. That was the legal right that arose when it sold off the railway lines to an American company for 45 years. That is an example of its commitment to rail. You would have thought that after almost seven years in opposition, it would have realised that the community wants to see its rail infrastructure upgraded. We have seen the coming to fruition of the fast rail upgrade around the state, which will deliver a greatly advanced and superior service.

Has the Liberal Party, or for that matter The Nationals, supported at any stage the upgrade of our railway lines or supported the replacement of the signalling, which is many, many years old, with brand-new signalling? The answer to that, of course, is that they have not. They have opposed the entire upgrading of the rail network. They have opposed the bringing on of the new fast trains. You can only ask why they would oppose the upgrading of rail. It is because they have no commitment to rail at all. They do not believe in rail, and they want to systematically dismantle the railway system right across the state. That is not what the community wants.

As I go around the community I talk to people, and they tell me they want upgraded rail. Imagine if rail were allowed to run down until eventually it collapsed on itself. They would say, 'Oh dear, it is now too hard to fix; we will have to abandon it'. That has been the philosophy and the policy of the Liberal Party and The Nationals. I have been waiting in this house for seven years for the Liberals and the Nationals to come in here and say they have changed their minds and they support rail. But no, they just cannot bring themselves to do that.

I certainly grieve for what could happen to our rural communities, not to mention those projects that benefit not only rural communities but also Melbourne. The rail upgrade that will provide a third line going into Springvale will certainly relieve a bottleneck affecting trains from Gippsland coming into Melbourne and also those from the growing suburbs of Narre Warren, Fountain Gate, Cranbourne and areas around Dandenong. What we are going to see is far better access to rail because of the third line going in to avoid those bottlenecks and to service the expanding metropolitan Melbourne and its population growth.

When you look at rail you see we are not only upgrading it. We have recently announced in the budget \$1 million for a park-and-drive facility at the Drouin railway station because we have run out of room to park the cars of people who want to get onto our trains. With the increased rail services for the community, we will have more and more cars with nowhere to park. The Bracks government recognises that upgraded services will lead to increased patronage, so we are happy to spend the money on the infrastructure to allow car parking at that station. There will be added pressure for upgrading at all our railway stations as more and more people use our rail services.

However, the government is providing for better access into Melbourne for those who are unable to use rail, via the upgrading of the Monash Freeway. We are an example of a government that delivers on time and on budget, although in the case of the Hallam bypass we actually failed — we delivered it \$10 million under budget and a year and half early! Our achievement in that instance shows we can properly and sensibly manage projects.

There are a number of other projects that have been delivered on time and on budget. At Mount Baw Baw Alpine Village the construction of the Village Central facility was delivered on time and on budget. When you contrast what the Liberal Party and The Nationals say with what the Bracks government has delivered, you would certainly grieve if similar coalition policies were brought in again.

It is sad that the Liberal Party and The Nationals do not seem to have learnt a thing. We are struggling now to expand the gas network around the state and have put up \$70 million. Town after town across regional Victoria is having natural gas connected as a result of government funding, but we could have expanded the network progressively had it not been sold in the first place. What was the benefit of that sale? We have talked about natural gas, and I heard the Leader of The Nationals carrying on in this chamber about how we

were not getting gas to enough rural communities quickly enough. At no stage has he explained to those rural communities why the former Liberal and National government sold off the gas company, now necessitating a massive state government investment of taxpayers funds to expand the network.

In the past, when the government owned the gas network, its connections were expanded progressively into country areas town by town, because the government was not determined to get the maximum dollar in profits as a private company that owns the network is obviously determined to. Again privatisation of that industry has impacted on the delivery of services to rural and regional Victoria, including to my electorate.

I move on to other issues concerning the neglect of education by the previous government, including its slashing of teacher numbers and its closure of so many country schools. One of the proudest things I have witnessed as an MP is to see the increase in school staff across my electorate. We have increased teacher numbers, and in my electorate we now have the lowest class sizes on record and a massive school building project has been under way for more than six years. Schools that have had major upgrades include Warragul Regional College and Trafalgar High School. Some good development has occurred at Warragul Primary School, and Drouin Secondary College is at the third stage of its redevelopment. There have been upgrades at the TAFEs in Newborough and Warragul — they are examples of where we really are putting in in a big way.

All the secondary schools in my electorate have received significant funding and had staffing numbers increased. I commend the schools for the magnificent projects they have commenced. A good thing about my electorate is that, if you want to access government schools, you can now do so with absolute confidence that they are well funded, well resourced and led by a magnificent education minister, who is at the table. The commitment that she has shown to education in my electorate can only be described as outstanding — and I have not even mentioned yet the brand new Warragul special school, which the minister had the pleasure of opening not so long ago. I have to confess that I was one of those people who had tears in the eyes at the opening of that school, because the Bracks government's support for and contributions to it have been magnificent and wonderful, as has the local community's support of it.

The builder was so excited about the school he had built that he went around and got donations from all

those who helped build it, to donate to the school a brand new ride-on lawnmower, brush cutter and push mower. That was done to thank all those who had made some profit out of building that school. They wanted to put something back into the community. What a wonderful partnership that was between the Bracks government, the local community and local business operators! This is certainly the sort of thing that I am very proud to be involved in.

The house should contrast that with the other side's vicious slashing of funding for education and the extensive closure of schools right across the board when it was in government. It appears that the Liberals and The Nationals philosophy, which tends to sit well with the new industrial relations legislation made in Canberra, is about letting communities live in fear that their schools might be closed. In the same way, workers now have to go to work afraid that their entitlements and basic rights are going to be slashed or that they could be sacked without notice or recourse because they may have looked, smiled or grinned the wrong way at somebody. That is what I would really fear if we were to see the Liberal Party and The Nationals back in power — the culture of fear that they want to instil in the community.

What is wrong with a person going to work feeling comfortable, believing they are valued by their employer and knowing they are doing a fair day's work for a fair day's pay? The coalition parties are underestimating that aspect — that is, the fact that the community operates and functions together. If somebody in the community is hurt, down and out or in difficulty, we all feel and suffer for them.

It is tragic that the Liberals and The Nationals in Melbourne have strongly supported the new federal industrial relations laws. These policies do not merely affect workers massively but also are very bad for small business; they inflict 400 pages of regulations on small businesses. I know the Minister for Small Business is very much concerned about this issue. We should not be tying down our small businesses with massive federal government red tape. That is what this is all about — massive amounts of red tape. The new laws are clearly about looking after the Liberal Party's big business mates and showing no regard or care for small business.

I really cannot understand why you would want to inflict 400 pages of industrial relations legislation on small business. Unless you wanted to help out big business, which is better able to cope with those sorts of regulations, why would you do it? Once again I

certainly grieve for the future of our communities if some of these initiatives are put in place.

What we can say is that Victoria is in safe hands. Clearly rural and regional Victoria is in safe hands with a government that values every one of us. It values what we stand for, and it values a society of decency and fairness. It is a society I am very proud to be a part of. I am also proud to be part of the magnificent Bracks government, which looks after and governs for the whole of the state. We govern for all Victorians and we will continue to do so.

Schools: funding

Mr DIXON (Nepean) — I grieve for Victorian school communities, because at the moment they are confused and feel they have been conned over the education budget that was announced last week and over the failure of the Snowy Hydro sale. Last Thursday I gave my budget reply, but with the announcement on Friday everything I said about education was put in a totally new context. Basically what I am doing today is going back and making another budget reply, because circumstances have changed so incredibly.

It is a pity that the member for Melton is not here, because he kept bellowing 'What is your policy?' all the way through the contribution this morning by the member for Box Hill. For the benefit of the member for Melton I will say what our policy is. Our policy is that we will not count our chickens before they hatch. We will not allocate \$600 million worth of spending in our budget when we have not got it. You cannot do that! If you have not got it, you should not allocate it.

An honourable member interjected.

Mr DIXON — That is what our policy is. The member for Melton asked what our policy is. Our policy is to maintain our schools. We will not try to update the maintenance of our schools by relying on a windfall that turns out not to be there. We will continually maintain our schools and continually allocate funds for their maintenance. We will not let them fall into the disrepair they are in now, with the government having to rely on a supposed windfall gain — something that was meant to leave a legacy for education — to fix up a backlog legacy.

Our policy is certainly not to ringbark schools by starving them of capital funds so that some of them are forced to close. That is what is happening right around Victoria at the moment. They are going through a provisioning exercise where they are having to sit down

in clusters and work out the future of all the schools in their area and come up with a new model — and if they do not do that they are not going to get any capital funding. Those schools will be slowly starved: they will not get any maintenance money or capital money. School buildings will fall down around them and they will be forced to close. It is a sneaky way of closing down schools and this government is right up to its armpits in it. Our policy is that we will not be operating our schools that way.

We will give clarity and surety to our schools so they know when they are going to be funded and how long they will have to wait, and what sort of funding they will receive. We are not going to hide behind secrecy and pretend audits. We are going to tell people what is going on and how long they need to wait. The principals and the education union are calling for that, and I think that is a fair and reasonable thing. That is what our policy is, to answer the member for Melton's question.

With regard to the glossy brochures that we all received from the Minister for Education Services on the budget and on funding for *Building Tomorrow's Schools Today* — or as opposition members call it, 'Tomorrow's Schools Tomorrow' or even the day after! — I will go through in more detail some of the categories of schools and the funds they were meant to receive from the Snowy Hydro money. First of all, we have the \$63 million which is meant to accelerate the modernisation of the facilities of 23 schools across the state.

All the way down the list there are schools which are desperately in need of funding and for which the money has been brought forward. Yes, money has been allocated out of the revenue of this budget for these projects, but they are all under the heading of *Building Tomorrow's Schools Today* funding, which is Snowy money. It does not matter where the money was coming from; that is how the government was to be reimbursed. It was going to use the \$600 million it was expecting to cover the \$150 million in capital funding it announced in the budget.

There are multiplying layers of confusion in these different categories of schools. The government has said all along that there are no problems with those 23 schools, and we are told they are going to receive their \$63 million and can go ahead with their projects. However, I would encourage those school communities to ask the question I would be asking of the minister: when are they going to get their funding? Not 'if', 'when'. If it is guaranteed that they are going to get their funding, they should ask when they will get it and

when they can start on their building projects. They are very different questions from, 'Are we going to get our funding?'.

I turn to the next group of schools and the \$10.5 million allocated to begin the design and construction of four replacement schools at Grevillea Park Primary School at Wendouree West, Pembroke Secondary College at Mooroolbark, Monash Special Development School at Clayton and Torquay Year 7–9 College. There is \$6.6 million for permanent facilities at three schools that have predominantly portable classrooms. They are Boneo Primary School in my electorate, which consists not predominantly but totally of portables, including the toilet block, Little River Primary School and Traralgon Primary School.

Those schools are totally confused. On budget day they were told, 'Yes, you are going to receive money to begin your reconstruction'. So, it was on. Then it was all off, because the Snowy sale fell through and the Premier said at Traralgon, 'We do not have the money'. Then later in the day both the Premier and the Treasurer said, 'No, it is on again. Those schools on the list that have been allocated \$100 million in advance are going to get their funding'. Then it was off again, because at the Public Accounts and Estimates Committee on Monday the Premier would not guarantee funding for that group of schools. He said the schools that would receive funds from Snowy money were the 23 schools under the \$63 million allocation and schools receiving the \$50 million in maintenance. He did not include the seven schools which I have just named, which were to receive a combined \$17.1 million in funding over the next 12 months.

There is unbelievable confusion in those schools. Their funding has been off, on and off — and depending on who you listen to, it is back on again. They do not know where they are going. They are not getting any news from the department or being told whether they are being funded, let alone how much and when they will get it. They are totally confused. It is very important that somebody in the government get their act together to coordinate its response and give some sort of clarity to these schools. This is terribly confusing and upsetting for them, and it needs to be clarified.

I will now move on to the next group included in the allocation of \$20 million. The budget papers say that school communities across Victoria will benefit from a \$20 million allocation to initiate major regeneration projects. Actually there is a bit of inconsistency in the budget papers. The \$20 million is sometimes called a transformation and sometimes called a regeneration, which is fairly sloppy. But the \$20 million is for

planning for a number of schools. Their story has been on, off, on and then off. They found out on budget day last week which schools were going to receive some of the planning money. They were told their need had been recognised and they were going to receive some money. They were very happy about that because it meant their project had been recognised.

On Friday the sale of Snowy Hydro fell through and they were told they would not be getting the money. That was really disappointing for them. Then the Premier and the Treasurer came out and said, 'No, all the money that has been allocated in this year's budget will go ahead'. They did not say when and where, but that it would go ahead. The schools were fairly happy about that. On Sunday a government spokesman said, 'No, all the Snowy money in the first year is going ahead except for the \$20 million' under the regeneration or transformation project, depending on which budget paper you read. So once again there was total confusion, but the overwhelming feeling that schools have is that their planning is off and is now on the never-never.

Maribyrnong Sports School and the John Monash Science School have no idea what will happen about the planning for the new facilities they need for the very exciting projects they have in mind. Other schools have also been left totally in the lurch, and it does not look like they will get their part of the \$20 million this year, even though the Premier said it in here and outside and the Treasurer said it; in fact everybody said that all those schools would receive funding from the first \$100 million allocation of Snowy Hydro money that was in the budget. In this case there is no inconsistency; the \$20 million of the \$100 million is not happening. So Campmeadows Primary School in Broadmeadows, which is in the Treasurer's own electorate, will not get its planning money.

Altona West Primary School in Altona will not get its planning money, and that is in the electorate of the Minister for Education and Training. Wodonga Senior Secondary College and Wodonga Middle Years College have fantastic projects, but they are not getting their planning money. Kyabram Primary School and Kyabram Secondary College were working on a merger. They are not getting their planning money. Colac High School and Colac Secondary College are not getting the planning money for their merger. Echuca High School and Echuca Secondary College are not getting their planning money. The four Bendigo year 7 to 10 colleges with their major developments are not getting their planning money. According to the government, Western Heights Secondary College in

Geelong is not getting its money. This is a terrible disappointment for those schools.

Let us put aside the \$150 million capital works and \$50 million for maintenance for a moment. There was a remaining \$450 million available for capital works in schools which were to be announced. I wonder if a list has already been compiled? They were certainly going to be announced before the election. Some of the schools were waiting on that money and now have absolutely no idea when they are going to receive it. In fact, it is interesting. The Premier said that those schools would receive the \$450 million. He also said they were not going to get it for four or five years anyway. Now they are going to get it over five or six years. Depending on where you are that is no difference or a one-year difference, or at the worst it is a two-year difference.

I would have thought that every one of the schools that applied for and hoped to get a part of the \$450 million would have been expecting to get that money fairly soon. I think it will be a bit of a surprise to them to find that the earliest they are going to get it is four years away. I thought this money was coming on track straightaway, but the Premier said they were not going to get it for at least another four years. I find that incredible. I think the Premier was making it up as he went along, and the figure of four to five years was the first figure that came to his mind. He seems to have got away with it. He said it will now only be five or six years. If you analyse what he said, it is total rubbish; it is a con. He has totally misled the school communities around Victoria who have been expecting that \$450 million.

I have a list of so many schools that need major works. One is Brauer College in Warnambool. It was very excited, but slightly confused, when a media release was put out saying that Brauer College would install state-of-the-art solar technologies in the refurbished science wing, thanks to over \$90 000 in support from the Bracks government. It said that a member for Geelong Province in the other place, Elaine Carbines, who is also the Parliamentary Secretary for Environment, had said that the solar technologies would save the school nearly \$4000 on energy bills and reduce greenhouse pollution by over 30 tonnes each year. She said that the school would enjoy lower energy bills and better comfort levels. That is all well and good, but the science wing on which the solar panels were going to go is not there; the school is not getting it. It is on the four, five or six-year list. According to the Premier the school might be lucky and get it in four years. So the government has given \$90 000 for a

school to put solar panels on a roof that does not exist, and will not exist for four years.

Either this is a monumental stuff-up where one department is not talking to another department, or perhaps there was already a list of which schools were going to receive a part of the \$450 million and the Department of Sustainability and Environment knew that this school was going to get some funding and could therefore announce the \$90 000 for the roof on the new project. Whichever way you look at it this is a con and there is confusion. No wonder when the Warrnambool *Standard* asked the parliamentary secretary how the school could buy the solar technology for a building it did not have, she was confused. I bet she was confused.

Confusion is the word that surrounds everything that is going on to do with the Snowy Hydro money. There is confusion among schools about who have been told they may not get their money. There is confusion among schools that were waiting for their money. There is total confusion. The bottom line is that the \$600 million was counted on. I have a wad of *Hansard* documents, glossy brochures, newspaper articles, notes for members, ministers and the Treasurer and the Premier, which unfortunately I have not got time to go through. But they all say that this \$600 million Snowy money was going to be the added extra, the brand new thing, the regeneration of schools in Victoria. The government hung its hat on it, there is no doubt about that. It cannot pretend it did not have the money. It said it had the money. It said, 'Don't you worry about that'. I have heard that before. I have so many quotes about it and now it amounts to nothing.

It has to come from somewhere if the government is going to spend it. It has to find \$150 million for the first year. The \$450 million is on the never-never; as the Premier said, it will not be received for at least four or five years. The whole thing has been a con. Victorians have been confused, and our school communities deserve better.

Snowy Hydro Ltd: sale

Mr HAERMEYER (Minister for Manufacturing and Export) — Before I launch into what I was going to speak about, I indicate that we have heard a lot of contributions today from opposition members, and all of them almost gleefully gloated at the Prime Minister's absolutely despicable and cynical decision in respect of Snowy Hydro. The bad faith with which he entered into it was palpable, yet opposition members are absolutely gleeful about it.

The reality is that Victoria is in a very sound financial position and therefore able to deal with this scenario, but it is quite clear that the Prime Minister made his decision as an act of deliberate political bastardry and an act of deliberate economic terrorism. This man — the man who lied to us about children overboard and who lied to us about no GST — has got to be the most cynical and despicable Prime Minister in living memory.

Opposition members do not have a single novel policy idea or a single plan for Victoria, but they come in here and whinge about what might not be possible because of the Prime Minister's cynical and despicable behaviour.

Honourable members interjecting.

Mr HAERMEYER — We won the election, in case you forgot. We are on this side of the house, you are not, and long may it be the case!

The ACTING SPEAKER (Mr Seitz) — Order! The minister will ignore the interjections and address his remarks through the Chair.

Manufacturing: federal government policies

Mr HAERMEYER — I wanted to come into the house today and talk about the state of manufacturing industry in Australia. I hark back to an article by Peter Roberts in the *Australian Financial Review* of 18 October last year, where he said:

You have never seen a sadder or less ambitious annual report than the latest from the federal Department of Industry, Technology and Resources.

You could be forgiven for asking 'department of what' because the latest report is a confirmation of the increasing irrelevance of DITR under the coalition since it came to power in 1996.

What was once a policy powerhouse has become a shadow. Its policy challenges for the year, according to the report, are the completion of energy and tourism white papers in conjunction with other departments.

He goes on to say:

The lack of policy innovation is clear from the small business area, where the report highlights four areas that collectively cost \$10 million — such an effort can hardly have much of an effect on the fortunes of Australia's small to medium-sized enterprises.

Other countries such as Finland and Ireland have a plethora of measures to encourage innovation and business development with their more recent focus on the clustering, networking and linkages that can overcome the problems of small scale.

You do not have to look much further than the speech made by the Secretary to the Treasury, Dr Ken Henry, to the Australian Business Economists in May this year to understand that it is a deliberate federal government and Liberal Party policy to completely dismantle or attempt to dismantle manufacturing industry in this country. He said at this conference:

A key component of the reform effort —

I do not know how they can continue to describe the vandalism that they have imposed upon our manufacturing sector as reform —

was the progressive dismantling of industry plans and other forms of industry policy intervention. Yet, despite that record, and despite the fact that the Australian economy is now operating at close to full capacity, with relatively few idle resources, many people think that industry policy should be doing something in response to higher terms-of-trade.

He goes on to say:

Proposals that resist the changes that I have outlined here should themselves be resisted. My reasoning is straightforward: let's just suppose for the moment we wanted to prevent the consequences of an increase in the terms-of-trade to which I have referred. What would be the best policy means of achieving such an objective? The answer is an across-the-board additional tariff on all imports at a flat rate of 25 per cent. Now that would be absurd. But the point is this: absurd as it is, anything else would be worse.

Firstly, he thinks that industry policy is equivalent to tariffs, which it is not. But more importantly, what he effectively seems to be saying and what seems to be the approach of the federal government — and it is obviously supported by its colleagues in this house — is that Australia's role is that of a quarry. Basically it is about selling manufacturing and non-resource states down the drain.

As far as they are concerned, you can see all of the resources move over to Western Australia and up to Queensland as a dual speed economy creates a situation where the manufacturing sector and other economic sectors have to deal with the high interest rates and other consequences of the very high terms of trade that we are experiencing at the moment. This affects their competitiveness and it affects particularly the non-resource sectors of the economy. The Liberal Party's vision for industry in this country is that we are a quarry. That is its vision for industry — that Australia is a quarry. Where does that leave Victoria? Where does that leave New South Wales? Where does that leave those parts of South Australia that are not part of the mining industry? It leaves them pretty much high and dry as far as the federal government goes and as far as the Liberal Party goes.

We believe our manufacturing industry is highly innovative and flexible, but it does need support in making strategic adjustments. You really need to look at other small economies that have done very well developing themselves as net exporters of manufactured products — countries like Singapore, Sweden, Switzerland, Israel, Finland, Ireland and Korea. These countries have all done that, but they have not done it with a government hands-off approach. They have done it through some very carefully targeted and devised industry policy, but in particular they have done it because those countries spend from 2.5 to 5 per cent, and in some cases even more, of their gross domestic product on research and development.

Here in Australia our national expenditure on R and D (research and development) as a percentage of gross domestic product is 1.6 per cent. Private sector R and D is below 1 per cent. That is an absolutely abysmal, appalling situation and one which the federal government has to take responsibility for. We can maintain our standards of living. We do not have to adopt Third World wages and Third World living standards to have a successful and productive manufacturing economy. We can do it through innovation, quality, service, design, flexibility, agility and strategic niche targeting. That is what it is about. It is about differentiating our product rather than trying to compete on the strengths of those economies that are emerging at the moment.

Unfortunately the Liberal Party does not believe in Australians. It does not believe in their ingenuity, it does not believe in their imagination, it does not believe in their adaptability, and it does not believe in their enterprise. What it believes in is digging holes — holes, holes and more holes. No wonder the Liberal Party is an absolute black hole when it comes to policy. The Liberal Party believes Australia's role in the world is as its quarry, as its waste dump. It is prepared to sell Victoria, New South Wales and South Australia. It is prepared to sell manufacturing states down the drain at the same time as our tax money is being used to subsidise other states.

They are rolling in it because of the resources boom, yet our tax money is being used to subsidise particularly Queensland and Western Australia. How outrageous is that, when our manufacturing sector could do with a similar commitment to the one it gets from the Victorian Government? I have not seen anything quite so policy-bankrupt as members opposite. We have heard the opposition's budget replies, and we have heard the contributions during the grievance debate today but we have yet to hear a single policy, plan or novel idea.

The member for Melton asked the member to espouse his policies, so the member spent 3 minutes telling us what he is against — which is all we hear from members of the opposition. We know what the opposition is against — that is, damned well everything that is good for the state. It is an absolute tidal wave of negativity. I want to know what the opposition is for, other than nuclear waste dumps and wider nature strips in Brighton and Hawthorn. What is it for? Does it have just one single, novel idea?

Mr Wells — More police.

Mr HAERMEYER — Yes, we saw that — the member for Scoresby interjects that the opposition is pushing for more police. What it says and what it does are two different things, although to give the opposition credit, in 1992 it said it was going to put on an extra 1000 extra police, but what it actually did was to cut 800, creating a credibility gap of 1800.

We want to hear from the new Leader of the Opposition what he stands for, because thus far I have seen him stand for nothing. The member would not even stand for the leadership. He waited until nobody else wanted it and that is when he stood up, so what does he stand for? Does this man have any fight, does he have any backbone, does this party have any ideas, does it have any substance? I think the answer to that is no, because we have heard all the criticisms one expects from an opposition to a budget. That is all part of the political process, but it is incumbent upon a party that says, 'We are the alternative government of this state' to provide an alternative plan — —

Mr Wells — What?

Mr HAERMEYER — 'What?', says the member, 'What is a plan? Good grief, what is a policy, what is an idea?'. One cannot sit there in government and say what one is against — —

Mr Wells — The member just said, 'You cannot sit in government'.

Mr HAERMEYER — The member will not be — —

Mr Wells interjected.

Mr HAERMEYER — Yes, and I will tell you what we are doing — —

Mr Wells — The government has a \$600 million quarry. What is the government going to do about it?

Mr HAERMEYER — Good grief! These people come in here, as the Prime Minister came in, like an

economic and political terrorist in the most cynical way and with the most cynical timing, to pull the pin on the Snowy privatisation, which he said he was in favour of. Now members opposite come in here, having had an absolute party as they think that somehow this is a great thing for them politically, and try to attack the Victorian government over the political cynicism of their Prime Minister — the most cynical, despicable Prime Minister I can remember in the modern era, the bloke who gave us children overboard and who lied about the goods and services tax.

This government has made a very strong commitment to the industries of this state. Through our industry support programs we have facilitated over \$9 billion worth of investment in 17 000 new jobs, including the recent announcement of a \$1.8 billion investment by Ford Australia and particularly its focus on making a left-hand drive Falcon and Territory, which will give it for the first time the capacity to export beyond Australia, New Zealand and South Africa. Also significant is the huge investment made by General Motors in its engine plant, thereby providing a significant number of jobs in this state.

The Minister for Education and Training and I were instrumental in building up an excellent \$240 million government skills program which will go a long way towards addressing the skills shortage. I am still waiting to hear a single word about skills from the opposition; we certainly did not hear it in the federal budget, and with all the concerns that industry has about skills shortages I would have thought the federal government would allocate some money towards addressing that shortage. The federal government needs to be doing its bit, but that is not happening.

The only thing we heard from the Leader of the Opposition in his budget reply that had anything to do with skills was when he said he would have six technical colleges — which sounds a bit like what is in the government's skills statement.

Ms Kosky — I think it might have been a copy — but a poor copy!

Mr HAERMEYER — It might have been. The member is a plagiarist.

This government has also put in, as part of the budget, \$12 million in design, with record expenditure on and commitment to infrastructure, especially transport distribution logistics, tax cuts worth \$533 million — —

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

Question agreed to.

STATEMENTS ON REPORTS

Road Safety Committee: country road toll

Mr TREZISE (Geelong) — I am very pleased to again speak in this house about road safety in Victoria and specifically the parliamentary Road Safety Committee's report into the country road toll. I am always pleased and proud to talk about this important issue and this government's reputation internationally in the area of road safety.

As part of the committee's investigation into the country road toll we had the privilege to travel to Europe in 2004 to inspect at first-hand the initiatives that are occurring in countries like Sweden, France, the Netherlands and England. In travelling overseas, I began to fully appreciate the reputation that Victoria has internationally as a world leader in driver behaviour initiatives.

It is accurate to say that there are many countries that look to Victoria when introducing new initiatives in their own countries. But of course as a committee we also learnt much from countries like Sweden when it came to making our country roads safer — for example, Sweden has built magnificent country-connection roads that are world leading and state-of-the art when it comes to ensuring that country motorists are put at minimal risk. The Swedish system of '2 plus 1' is a system that is, as I said, state-of-the art and something that Victoria could look at. For the information of the house the system is based on a three-lane country road with a rope wire barrier, not only to the outside of the road but also down the middle of the road separating oncoming traffic. The Victorian government is looking at this system, and I look forward to this work.

The state government is committed to making Victorian roads safer. In the last three years we have seen record low road tolls thanks to the Bracks government's Arrive Alive initiative which aims to cut our road toll by 20 per cent between 2002 and 2007. We are well on our way to achieving this goal, and I congratulate the Bracks government on this magnificent achievement of making our roads safer. I know that the Victorian parliamentary Road Safety Committee looks forward to working with the government in reducing our road toll by 20 per cent over the next five years.

Public Accounts and Estimates Committee: budget estimates 2005–06

Ms ASHER (Brighton) — I wish to make comments in relation to the Public Accounts and Estimates Committee report on the 2005–06 budget estimates. I have been advising the Parliament of new terminology. Instead of using the traditional 'late' and 'over budget', ministers are now referring to 'budget extensions' and 'rephrasing'.

I want to pick up where I finished last time and refer to page 329 of that report that relates to fast rail. I quote from the report:

... details relating to the level of contingency and what it related to were not made available to the committee on the grounds that this would disadvantage the state in commercial negotiations.

We are at the stage now where the Minister for Transport is indicating to the committee that the budgeted \$750 million for fast rail contains contingencies, but the committee cannot have access to that information because it would 'disadvantage the state in commercial negotiations'.

Setting aside issues of transparency, this of course makes a nonsense of statements by the Minister for Major Projects who is inclined to say that these blow-outs always happen; or his latest variant to explain a blow-out, which is to say that the first go was an estimate and the rest is reality. I also want to draw the attention of the house to page 330 of that report for which I give the Minister for Transport the quote of the year. I must share this quote with the Parliament. Again, the minister was asked a question on fast rail, cost blow-outs and lateness of the project and he said:

The total cost of the whole project was announced late last year, or the estimate, because we have not finished the project yet, because it has not finished being constructed, so as with any project that was originally scheduled to take place over five years — it was announced as a five-year project — when the additional safety requirements were required to be put on, additional time was required to put those in place, and a revised budget was announced of some \$750 million. It is currently within that budget estimate. However, we have not finished building it, but we have sufficient capacity in those estimates to finish the program, so there is no blow-out, as you have described, and it is unhelpful to mischievously describe the reporting of figures wrongly when they clearly are within the budget that was announced last year.

That is a wonderful contortion of an original budget estimate and time frame. The facts of the matter are that this project was going to be finished in the Bracks government's first term, and the original cost estimate floated in Labor's 1999 financial statement was \$80 million. I am also grateful to the committee for the

information in exhibit 7.21 on page 332 of the report which details the estimated travel time savings for regional fast rail. They are Ballarat, 4 minutes; Geelong, 3.5 minutes; Bendigo, 2.5 minutes; and Traralgon, 4.5 minutes. So we see that for the \$750 million spent so far — and the minister would have us believe that is not a blow-out — those are the time savings.

I am also very pleased to report to the house that the Labor-dominated Public Accounts and Estimates Committee intends to recommend to the Auditor-General that he build into his performance audit plan a project that 'examines the efficiency and effectiveness of the regional fast rail service'. I think it is excellent that a Labor-dominated committee wants to recommend to the Auditor-General that he undertake this work, and I look forward to that happening. I note at page 335 of the report that at that time the budget papers indicated that the project would be fully completed in 2005–06, and of course that is not the case.

I now want to make a couple of comments in relation to Southern Cross station. Also at page 335, the minister advised the reasons for delays in that particular project. Again, none of the reasons had anything to do with his ineptitude; they were all to do with something else. In the chart provided at page 336, Southern Cross station was going to open in late 2005. That of course has not happened; that project is still not completed. The station is not fully finished and is not fully open, even though it was initially projected to be open on 27 April 2005.

Economic Development Committee: labour hire

Mr ROBINSON (Mitcham) — I want to make a few comments on the government's response to the recommendations contained in the Economic Development Committee's inquiry into labour hire employment in Victoria. I am very pleased that in its response to the committee's report the government has accepted 20 of the 25 recommendations made; most importantly that a registration system be introduced. This registration system will be based within the Victorian WorkCover Authority's existing registration arrangements, and that is a very pleasing response from the government.

The only point that probably requires some further work is the need for casual employees, who now make up about 30 per cent of the work force, to be given some better access to bank loans. The committee noted that although there are some isolated examples of financial institutions catering for casual workers, they

are still very much the exception. I am very much of the view that this is a source of great anxiety to many casual workers. I think it is an area in which further work is required.

Economic Development Committee: thoroughbred breeding industry

Mr ROBINSON — While I have the opportunity I would like to comment on the committee's recent work in relation to the Victorian thoroughbred and standardbred breeding industries. The committee has delivered a report to the government which makes a number of recommendations. In the weeks since that report was tabled there has been strong industry support for these recommendations. There are very good signs for the breeding industry in Victoria. Most recently we have noted that Darley Stud, one of the big multinational studs based in the Hunter Valley, has indicated that this spring it will set up an operation in Victoria and make some of its stallions available to brood mare owners. That is a very positive development.

Similarly, the breeding industry in Victoria is very excited about the recent news that the leading colt from last spring, God's Own, which won the Caulfield Guineas in outstanding fashion and was subsequently retired, will be making his stud debut by standing in Victoria. These are great announcements and yet further reasons for the breeding industry in this state to look forward with great confidence.

Drugs and Crime Prevention Committee: strategies to reduce harmful alcohol consumption

Mrs POWELL (Shepparton) — I would like to make a few comments on the Drugs and Crime Prevention Committee's inquiry into strategies to reduce harmful alcohol consumption. This was a fairly substantial inquiry. It took nearly two years to complete, and I commend those on the committee for the great work they did. The report is about 1424 pages. The committee refers to this as the largest and most demanding project it has undertaken since it was established in 1999.

The committee mainly focused on harmful alcohol consumption, rather than the alcohol industry. It made that comment in its reference. It also said it had had some excellent contributions from representatives of alcohol manufacturers and retailers. The committee also commented that for most Victorians consumption of alcohol is a pleasurable and safe activity. I think it is fair to acknowledge that. For most people there is a

culture of alcohol that is safe and pleasurable. We have celebrations where we have alcohol consumption, and it can be responsible alcohol consumption. In the main most people make sure they are responsible in their drinking of alcohol. However, the committee found that harmful alcohol consumption is a major public health issue, not just in Australia but right across the world. It stated that alcohol use is second only to tobacco use as a preventable cause of death and hospitalisation in Australia.

The committee made a substantial number of recommendations. One was to review the treatment of people with drinking problems. The committee was asked to look at whether the current systems of treatment are effective. It considered whether there was access to a full range of services from intervention right through to after-care. An issue I would like to raise is the need to make sure there is that sort of intervention and after-care in country Victoria. We have a need for it but there is a lack of some of those services.

I would like to talk about an issue in the report that was raised by people who spoke to the committee. It is the issue of binge drinking. One of the things that concerned me, as The Nationals' spokesperson for women, was the increasing incidence of young women binge drinking. Binge drinking has always been largely associated with men and young men but it is increasingly obvious that young women are now increasingly drinking to excess. One of the things that has contributed to this is the happy hours some hotels run as part of their operating hours. I was at a pub in Bendigo with my husband once and I saw four young girls each go and get a round. These quite young girls had a line of drinks which they drank quite quickly. I think that needs to be looked at.

The other issue is the issue of mixed drinks. A lot of young women will drink mixed drinks because they are pre-mixed, they are in a can, they are sweet and they seem to taste much nicer.

An issue the committee touched on was the issue of drink spiking. I know this is becoming much more prevalent and that there need to be many more education programs warning about binge drinking and drink spiking. Drink spiking is not just putting a substance in a drink to render the person drinking it either unconscious or not able to know what they are doing, it is also about putting double doses of alcohol into drinks. People might not know they are having that extra portion of alcohol.

The committee recommended that the Victorian government ensure young women's drinking is

addressed in school-based and public education campaigns designed to reduce alcohol-related harms. I think that is really important. The committee also talked about responsible drinking guidelines for women being promoted in doctors surgeries, community health clinics, women's health centres and antenatal clinics. The committee further recommended that the government continue to support education programs, particularly in schools. I have seen a forum in Shepparton called Keys Please. It explains to drivers the effects of alcohol on driving and even on pedestrians. I know the culture is changing. A lot of young people now have designated drivers when they go to the pub and clubs, so one person drinks non-alcoholic beverages and the rest can drink alcohol.

I commend the great work of the committee and look forward to the government taking up some of its initiatives.

Family and Community Development Committee: regulation of funeral industry

Mr LIM (Clayton) — I am very pleased to have the chance today to speak on the Family and Community Development Committee report on the regulation of the funeral industry. The report made very interesting reading for me, coming as I do from a non-Anglo-Celtic culture with somewhat different traditions to those now prevalent in Australia. I note that the committee received submissions and representations from the Buddhist community, the Muslim community and even the Pacific Islanders community, especially the Tongan community.

It is interesting that the report documents the progression of the industry from the 19th century, when the role of the undertaker was, more often than not, confined to making the coffin, to the present day, when just about every undertaker is responsible for every aspect of the funeral. The same progression of the outsourcing of funeral arrangements, if you like, has not taken place in the countries from which many in Victoria's migrant community are drawn. The traditions of many of those cultures are probably more akin to the 19th century Australian traditions described in the report than those which pertain here today. I note that in those days funerals were much more of a family affair and that they were often conducted from home, not from a church or funeral centre.

Among our migrant community there is a multitude of funeral traditions and religious beliefs. However, I would say that one thing which characterises them is a greater involvement of the family than is commonly seen among Australia's mainstream Anglo-Celtic

community. For example, in many migrant communities the responsibility of preparing the body for burial lies with the female relatives, while the actual burial must, in some cultures, be performed by the deceased's closest male relatives. A coffin is forbidden in some cultures and the corpse must be buried in a shroud — a practice I note was prevalent among European Christians until relatively recent times. Among other cultures cremation is the usual way of dealing with the deceased person, but in many cases the cremation must take place in the open air, and it is the relatives' duty to light the fire. We see that in the Hindu and Buddhist communities.

The report has highlighted the need for regulation of the funeral industry, and I very much agree with its conclusions. However, I think we need to move with some caution and cultural sensitivity in implementing the recommendations contained in the report, bearing in mind the diverse cultural practices associated with funeral arrangements in our diverse migrant community.

Education and Training Committee: promotion of mathematics and science education

Mr KOTSIRAS (Bulleen) — I would like to make a few remarks on the Education and Training Committee's inquiry into the promotion of mathematics and science education. In particular I would like to refer to recommendation 7.4, which states:

That the Victorian government fund a science 'equipment boost' for primary and secondary schools to encourage greater innovation, scientific practice and experimentation as part of the consolidation of the Victorian essential learning standards in Victorian schools.

As we all know, equipment for science laboratories is essential if students are not only to gain an appreciation of and a liking for science but also to excel in science. The days of chalk and talk are gone, and I say that as someone who was brought up in classrooms where teachers stood at the front with chalk in their hands and wrote notes on the board and the students were asked to copy those notes without doing any experiments themselves. It is important for the government to provide funds for equipment in science laboratories, because some schools have very old equipment and other schools have no equipment at all.

It is interesting to note some of the views of teachers and students. On page 178 the report states that:

The University of Melbourne also stressed the importance of practical work.

It further states:

The inclusion of practical laboratory and fieldwork is key to encouraging students to develop interest and passion with the disciplines ... this is also the time to inculcate the fundamental principles of the scientific method: hypothesis testing, reproducible experimentation, quantitative analysis, logical deductions and communication of results and implications.

The committee heard from middle year students at Templestowe College, a fantastic school in my electorate, that practical lessons provide a change from the usual learning and convey useful information. A year 8 student, Ms Georgia Van Kalken, stated:

My favourite year is this year for science, because we are doing more experiments and it is not just copying things off the board and listening to the teacher speak. We do more experiments and I think that helps us all learn more.

It is vital that schools have the laboratory and equipment to ensure that students understand science, are able to relate to science and continue with science beyond years 10, 11 and 12, because we are suffering from a lack of science teachers in our schools. The committee found that many primary school teachers were avoiding the teaching of science. We also have to look at professional development days, where primary teachers are provided with information and encouraged to do more than just half-hour science or mathematics lessons.

A lot of work has to be done, and the government needs to ensure that schools are equipped to encourage students to take up science and mathematics at senior level years and then go on with these subjects at university. Perhaps some of the better students can go on to become science and mathematics teachers, which we desperately need in Victoria.

COURTS LEGISLATION (NEIGHBOURHOOD JUSTICE CENTRE) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The Courts Legislation (Neighbourhood Justice Centre) Bill 2006 will facilitate the establishment of the first community justice centre in Australia. Victoria is now part of a growing international justice movement promoting community justice initiatives to reduce re-offending and crime rates, enhance community perceptions of safety and confidence in the justice system and improve access to justice for the community.

Victoria's Neighbourhood Justice Centre (NJC) will champion a problem-solving approach to justice. This bill allows for the establishment of a multijurisdictional court at the NJC and implements the A Fairer Victoria commitment to improve access to justice, particularly for vulnerable members of our community. It also delivers on our government's commitment to address disadvantage and modernise courts consistent with my 2004 justice statement and promotes the vision of a more caring community as outlined in *Growing Victoria Together*.

The NJC will be proactive and adopt a set of measures to produce more meaningful and effective outcomes. It will address the underlying causes of offending behaviour, utilise restorative justice and therapeutic jurisprudence principles and employ a collaborative, multidisciplinary case management framework, with a principal magistrate dealing with all matters before its court.

It will engage with the community to develop strong partnerships beyond the conventional justice networks to also include residents, local service providers, the council, businesses, schools and others. Developing these types of partnerships with community can be a challenge for government, but if we are to continue to push the boundaries for a more modern and effective approach to justice, then these challenges must be met. We are finding more and more often that local innovation works best to provide the most effective local solutions, and this will be the first jurisdiction in Australia with the freedom to focus solely on the local community in this manner. The NJC will attempt to lift the mystique that surrounds our justice system which for too long has often been misunderstood by the community which it serves. It will promote transparency in the way it conducts business, ultimately increasing the community's access to justice.

This government and the broader community have already shown a willingness to embrace and experiment with inclusive, innovative and modern approaches as to how we do justice business as demonstrated in the establishment of specialist court divisions in Victoria, such as the drug court, Koori court and family violence division, as well as court initiatives such as the disability list at the Melbourne Magistrates Court. The drug court and Koori court were established as pilots and have been independently evaluated with very positive outcomes. The development of the NJC will therefore not only be able to draw on the successful concepts and learnings already developed in these specialist divisions but extend them to further improve the operation of our justice system.

Despite these initiatives, we cannot afford to be complacent about the operation of our justice system. The justice system affects the wellbeing of all those it touches. For example, we cannot ignore the alarming overrepresentation of vulnerable members from our community in our criminal justice system. The prevalence of mental disorders in prisoners is significantly higher than the broader community, with rates for many types of mental illness being three to five times greater than expected. It is even higher for women. Studies consistently also indicate that the level of confidence the community has in the justice system is, at times, unacceptably low. This means being vigilant about new approaches and solutions.

There is evidence from overseas experiences, including the US, South Africa and the UK, that a community justice approach can be an effective way of doing justice business. The earliest of these courts are the Midtown Community Court in Manhattan and the Red Hook Community Justice Centre in Brooklyn, established in 1993 and 2000 respectively. Both were created by the New York-based Centre for Court Innovation and have prompted, due to their success, a multitude of other community courts across the US. I had the pleasure of visiting Red Hook in 2004 and was struck by the innovative nature of its operations, which took place in an old school building in a district affected by high crime rates and low socioeconomic conditions. Since its commencement there has been a 50 per cent improvement in the compliance with community-based dispositions, a contribution of more than 79 000 hours of community service to the local area (some \$400 000 worth of labour), a 300 per cent increase in approval ratings of police, prosecutors and judges, and at March 2006 (using 1998 as the baseline data) the number of murders in the area had dropped by 48 per cent, rapes by 79 per cent, robberies by 25 per cent and assaults by 41 per cent. In a survey of 400 defendants, researchers found that at Red Hook, 86 per cent agreed that their case was handled fairly by the court compared to 75 per cent at the centralised court, and 90 per cent agreed that they were treated in a way they deserved in the court, compared to 75 per cent at the centralised court. These impressive results address the interests of both ends of the justice spectrum, including the community's desire for a reduction in crime rates. This type of balanced response is required to enhance the credibility of the justice system.

Why is the NJC being located in the city of Yarra?

Preparations are well under way to locate the first NJC at the former Northern Metropolitan TAFE site in Collingwood to service the city of Yarra.

The city of Yarra is the ideal site for the NJC. It is a vibrant and progressive community which already has solid and innovative networks, programs and facilities operating throughout the area. The city of Yarra also has one of the highest crime rates in Victoria, with four of its suburbs represented in the top 10 postcodes ranked by offence rate per 100 000 population. Further, areas in the city of Yarra experience significant social disadvantage, with the Australian Bureau of Statistics ranking Collingwood third in the state.

What are the primary objectives of the NJC court?

The primary aims of the NJC court are:

- to reduce reoffending rates of defendants;
- to reduce the failure to appear rate at court;
- to decrease the rates at which both criminal and civil court orders are breached; and
- to increase the amount of unpaid community work determined as a priority by the local community.

These represent some of the quantitative aims of the NJC court. More qualitative aims include:

- increasing the confidence of victims, defendants, witnesses and the community in the justice system;
- increasing the involvement of victims in the justice process; and
- promoting a sense of ownership in the administration of justice in the city of Yarra.

The NJC pilot project will be independently evaluated throughout the life of the three-year pilot commencing in January 2007.

How will the NJC court operate?

The NJC court brings together the criminal and civil jurisdiction of the Magistrates Court, the criminal division of the Children's Court and the work of the Victorian Civil and Administrative Tribunal. One magistrate will deal with all matters arising at the court, allowing him or her to better understand the issues faced by an individual. The multijurisdictional nature of the court will enable people who have multiple issues to resolve them at one location and in some circumstances at the one time.

The NJC court comprises the magistrate and other justice agencies such as, dedicated Victoria Police prosecutors, Corrections Victoria, juvenile justice and legal representatives and will adopt a collaborative

team-orientated approach to manage individual cases and multiple court lists.

A defendant, civil litigant or witness will be offered coordinated and immediate assistance with referrals to relevant services and programs which address the needs of the individual in an effective and holistic manner. This can occur before a court appearance or during proceedings at the magistrate's request. In some cases the NJC magistrate will use judicial case management to oversee a particular case or a series of cases. For criminal matters this means a defendant will be seen more frequently and their progress monitored more closely. The range of services offered will include drug and alcohol, mental health, housing, employment, financial and mediation. In the case of criminal matters, services will be tailored to address the underlying causes of criminal behaviour and divert future contact with the criminal justice system. In the case of one or more civil matters, for example a person experiencing family violence, unstable housing and financial problems, services will be tailored to prioritise and address each of these issues.

The NJC court will be supported by a core assessment and case management team. This multidisciplinary team will undertake screening, assessment and case management as well as making appropriate referrals. They will be able to deal with the complex cases that often present in our justice system and involve multiple interlinked problems.

To facilitate case management and coordinated services, the NJC court will have a dedicated officer who will be present during court proceedings and provide a nexus between the court and its services. They will have a close working relationship with the NJC court, the assessment and case management team, service delivery agencies, court administrators and court users.

The NJC court will also focus on restorative justice and restitution to the local community. For example, defendants on community-based orders may perform work which has been recognised as a priority in the local Yarra community. Other opportunities will be explored by the NJC court which recognise and balance the needs of victims, defendants and the community in general, during the sentencing process.

What matters can be heard at the NJC court?

The NJC court will be able to hear a range of both civil and criminal matters. It will hear all criminal matters that would ordinarily be heard at the Magistrates Court and Children's Court except committal proceedings and

serious sexual offences. Victims of crime will be able to seek compensation through the Victims of Crime Assistance Tribunal. Intervention orders will also be available. Civil matters, such as uncontested family law matters and fencing disputes, will be able to be heard by the NJC court. The categories and circumstances for these matters will be determined after further consultation with the community. The NJC court will also hear matters brought before the Victorian and Civil Administrative Tribunal which could include residential tenancy, guardianship and administration and civil claims.

The NJC service delivery model

The 2002 Victorian Prisoner Health Study found that almost half of the prisoners studied were determined to have alcohol abuse or dependence; and more than 70 per cent reported having taken illegal drugs.

Further, compared with non-offenders, offenders are more likely to:

- be poorly educated;
- be unemployed and, if employed, more likely to be in low paid and insecure employment;
- receive a statutory income (pension or benefit);
- be homeless or in unstable housing; and
- live in socially disadvantaged communities.

With these facts in mind, and the types of cases that are likely to be heard, NJC services will include:

- drug and alcohol, mental health, housing, financial and employment assistance;
- legal aid and community legal centre lawyers;
- a youth policing unit;
- victims assistance services;
- mediation services;
- interpreters; and
- staff to address the needs of women, youth, CALD and Koori people.

The NJC service delivery models are currently being developed with a partnership approach which is critical to the development of community justice models. An ongoing extensive engagement process commenced late 2005 and will continue throughout the life of the pilot with the local community and all other relevant

stakeholders around the development of integrated, effective service delivery models. The passage of this bill does not require the final determination of the NJC service delivery models.

The NJC magistrate

The NJC magistrate will be pivotal to the success of the NJC court as they will use the authority and standing of the court to promote the underlying therapeutic and restorative principles in its operations. For the first time in Australia the local community are playing a role in the selection of a magistrate. I want to take this opportunity to thank Ms Ann Polis and Mr Robert Bray for discharging this key duty.

The NJC magistrate will enter through the front door of the NJC and use the public space of the building rather than enter and use separate spaces which are traditionally allocated for the judiciary. As well as hearing all matters that arise at the court they will undertake activities and engage with the community to ensure that a strong community partnership is established and maintained around the development and operations of the NJC. This process will be a two-way exchange with the magistrate demystifying the justice system and the community informing the magistrate about the reality of living in their community.

Key features of the bill

I will now turn to some key features of the bill.

The bill is not intended to be prescriptive but provides a framework in which the NJC court can develop its processes and procedures.

The bill proposes two changes to the sentencing process at the NJC. Firstly, in order to ensure that the NJC magistrate can fully understand and address underlying causes of offending, the NJC magistrate will need access to a broader range of information, including from the multidisciplinary assessment and case management team. The bill allows for this to occur. As the types of information and reports that magistrates can consider are currently restricted in the case of the Children's Court, the bill requires that a child must consent to the jurisdiction of the NJC Court.

Secondly, the bill will extend the powers of the NJC magistrate to defer sentencing for adult offenders. The Magistrates Court currently has the power to defer sentencing for a period of up to six months for defendants who are under 25 years. The bill will allow the NJC magistrate to defer sentencing, regardless of the defendant's age, for a period of up to six months.

This will allow the NJC court to defer older defendants' matters giving them an opportunity to demonstrate their rehabilitation and to stabilise any issues contributing to offending behaviour. This important extension to an existing sentencing option implements a recommendation of the 2002 *Pathways to Justice* report. Aside from this change, the NJC magistrate will have all the same sentencing options as in the other divisions including the option to incarcerate.

In addition to pleas of guilty, the bill allows the NJC court to also hear contested criminal and civil matters. The impact of lengthy contests will however need to be monitored given that one primary magistrate will hear all matters in a single courtroom and the desire of the NJC to deliver efficient justice. The introduction of a contest mention list at the NJC will assist with the management of contests. Consideration will also be given to transferring lengthy contested hearings to the Melbourne Magistrates Court or the Melbourne Children's Court as needed.

The NJC is a three-year pilot project which will be independently evaluated over the life of the pilot. The bill contains a sunset clause to recognise its pilot nature. This approach was adopted in the legislation establishing the drug court and the Koori court pilots. In both these cases their sunset clauses were only revoked on the basis of successful independent evaluations.

Conclusion

We have made great progress in advancing the Victorian justice system, and I commend all those who have worked hard for those changes. But we cannot afford to be complacent when clearly more work needs to be done. I believe we must continue to proactively examine different ways to improve our justice system.

An essential component to the ultimate success of the NJC project is the input and partnership with the local community. This is taking place through public forums, focus groups, one-on-one interviews, workshops and working groups which commenced in 2005 and will continue into 2006 and beyond. The NJC community liaison committee has been established with its inaugural meeting having taken place on 20 April 2006. People in the city of Yarra have an ongoing opportunity to identify key justice issues that affect their community and input into the operations of the NJC, and ways to ensure ongoing involvement in the NJC. A consistent theme already emerging is the need for people to have a voice, to be listened to and to be afforded basic respect in their dealings with the justice system.

It is important for me to stress that the partnership with community will not end with the establishment of the NJC but will continue with the development of the governance structure which will be put into place to oversee its operations. I think the impact of involving the local community more intimately in the administration of justice in this manner and the benefits this may bring more broadly will be an important outcome of the NJC.

One of the great strengths of this project will be its ability to drive cultural and procedural change in the justice system. These changes will develop at every level of service delivery, including the way that justice agencies and service delivery networks work together and the manner in which responses are provided to people in the community. This will be particularly relevant to vulnerable and marginalised groups in our community such as the homeless and those with disabilities and mental health problems. Failure to seek and trial innovative ways of dealing appropriately with these people can have effects that ramify throughout the broader community. The NJC approach will require some justice players to take on new roles but with a common guiding philosophy to try and make a positive difference in the lives of people who use the centre. The operations of the NJC will not always finish at the doors of the court, as is often the case in our conventional courts, but will extend beyond to craft solutions that are effective, meaningful and proactive for both individuals and the community.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Wednesday, 21 June.

COURTS LEGISLATION (JURISDICTION) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

The release of the justice statement in May 2004 confirmed the government's commitment to modernise Victoria's justice system. This bill implements reforms to both the civil and criminal justice systems in line with the justice statement.

It fulfils the commitment to examine the civil thresholds between the County and Supreme courts. It

also makes a number of amendments to Victoria's criminal laws, to improve and clarify various jurisdiction and procedure provisions.

I turn firstly to the civil law amendments in the bill.

In committing to examine the civil thresholds of the County Court, the justice statement noted that as a general principle, litigation in the higher courts is generally more expensive and takes longer than litigation in the lower courts. Therefore as a basic principle jurisdiction should be allocated on the basis that users are able to commence proceedings in the lowest appropriate jurisdiction.

The government has examined the continuing efficacy of the jurisdiction of the County Court to hear and determine civil disputes up to a ceiling of \$200 000. After careful consideration and extensive consultation with the courts and the legal profession, the government has decided that through this bill the civil jurisdiction of the County Court will be increased from \$200 000 to an unlimited jurisdiction.

This will enable litigants to have a choice between the County and Supreme courts in deciding the forum for the resolution of their disputes, with the Supreme Court retaining its exclusive jurisdiction over prerogative writs, judicial review and its appellate jurisdiction.

An unlimited monetary jurisdiction for the County Court will remove the need to review the monetary jurisdiction in coming years. It is consistent with the County Court's unlimited personal injuries jurisdiction and the increase of the civil jurisdiction of the Magistrates' Court in 2004 from \$40 000 to \$100 000.

I now turn to the key criminal law amendments in the bill.

Committals

Committals perform a valuable role in the criminal justice system. However, they currently focus too much on forms and compliance with processes rather than achieving outcomes. Less than 20 per cent of matters are contested, but the system currently operates on the assumption that every matter will be contested. The bill changes that approach. The new processes make no assumptions about whether a matter is likely to be contested.

After an extensive examination and consultation process, the bill contains a range of amendments to improve committals, including —

requiring the parties to discuss the case before it comes before the court and to prepare a joint document indicating the outcomes of these discussions. This document will cover issues such as whether there will be an application for summary hearing or a plea of guilty or whether the matter will be contested and, if so, whether the prosecution agrees with the defence request to cross-examine certain witnesses. This will make the system more effective and will still be fair to all concerned;

allowing the court to adjourn a matter for up to 14 days without the need for parties to appear in court, where the parties agree that further time would be useful to help resolve the case;

enabling the court to direct the parties to attend a committal case conference. The court has trialled case conferences on a voluntary basis and they have proven useful for facilitating further discussions between the parties and assisting the courts to manage cases effectively.

The changes to committals contained in the bill will promote efficiency in the court system, by facilitating the identification and resolution of issues early in the process. This should result in less matters progressing unnecessarily to the County Court and pleas of guilty being identified earlier. This will particularly benefit victims and the court system.

Postal service

Postal service is currently allowed for hundreds of summary offences, but not for many other similar summary offences. In the interests of consistency, the bill will allow summonses for all summary offences to be served by post.

The current safeguards for defendants will continue to apply, including the right to a rehearing if the court is satisfied that the summons was not received. The bill also requires police to have regard to a number of factors such as the seriousness of the offence when deciding whether to serve a summons by post.

Indictable offences triable summarily

By broadening the range of indictable offences that can be heard summarily if the court and the defendant agree, the bill will help to ensure that jury trials are confined to appropriate cases.

Many indictable offences can be, and are, already dealt with fairly and efficiently in the Magistrates Court.

The bill will allow a number of additional offences, including common-law assault and affray, to be dealt with summarily, as well as a range of offences involving property valued up to \$100 000, up from the current limit of \$25 000.

These changes will enable more cases to be heard in the lowest appropriate jurisdiction, which is an important principle of the government's justice statement.

The bill also makes changes to the process by which the court decides whether it is appropriate to hear an indictable offence summarily.

There are currently no legislative criteria for the court to use in making such decisions. The bill introduces a number of criteria, including the seriousness of the offence and the adequacy of the available sentencing orders if the charge is heard summarily. The court will also consider any prior convictions of the defendant. This list is not intended to limit the discretion of the court. It is an inclusive list which allows consideration of any other relevant matters. It is intended to assist the court in its decision making process and enhance the transparency of this process by specifying key relevant considerations.

Aggregate sentencing

The bill provides the Supreme and County courts with the option of imposing an aggregate sentence, a power that is currently confined to the Magistrates Court. An aggregate sentence is a sentence that applies to more than one offence. In some cases, such as where a defendant has been convicted of multiple, related offences, an aggregate sentence can be a more flexible and pragmatic option than imposing an individual sentence for each offence. It enables the court to impose a sentence reflecting all of the offender's conduct. In some cases, this will enable the court to more clearly explain to the community the total sentence that it is imposing on an offender. It is therefore appropriate to give the Supreme and County courts the option of imposing an aggregate sentence. The bill ensures that a court will not be able to impose an aggregate sentence in some cases, such as when sentencing serious sex offenders, as there is a statutory presumption that such sentences are served cumulatively.

Other amendments

The bill also makes a number of amendments aimed at promoting fairness and greater efficiency in the criminal justice system, including —

ensuring that the Magistrates Court cannot impose a custodial sentence where a charge is heard and

determined in the absence of the defendant: while the imposition of a custodial sentence in these circumstances under the current system is rare, the government wishes to ensure that it is no longer a possibility given its inherent unfairness to the defendant;

requiring charges to be read, or the substance of charges to be explained, to a defendant in the Magistrates Court, unless the defendant is represented: this amendment will clarify the existing common law rules and will ensure that the defendant understands what he or she is pleading to;

dealing with corporate defendants that refuse to attend court.

A defendant must be present for proceedings in relation to an indictable offence to proceed. However, unlike an individual, if a corporation fails to attend court in answer to a charge, the corporation cannot be arrested. Corporations may therefore avoid prosecution for indictable offences by simply refusing to attend court. This is clearly inappropriate. Accordingly, the bill contains reforms that allow courts to hear matters against absent corporate defendants, subject to appropriate safeguards.

The bill also amends certain requirements placed on the Director of Public Prosecutions. Under the Public Prosecutions Act 1994 the director must consult with the Chief Crown Prosecutor and another prosecutor before directly presenting a person for trial in certain circumstances, for example where the person has not been committed for trial on that charge.

Unfortunately the technicalities of these provisions mean that the director and Chief Crown Prosecutor are involved in well over 100 such decisions each year, instead of the handful of decisions to which this provision was intended to apply.

The amendments contained in this bill will give effect to the original purpose of the provisions. The director will continue to be required to consult with the Chief Crown Prosecutor and another prosecutor in the small number of cases where a person has not had a committal proceeding, not been committed to stand trial from a committal proceeding on a similar or related charge, and the director wishes to present the person directly for trial.

By removing these misplaced technical requirements, the director and the Chief Crown Prosecutor will be able to spend more of their time dealing with the most important cases in this state.

The amendments to criminal law and procedure in the bill were developed in consultation with a high level advisory group including representatives of the courts, the Victorian Director of Public Prosecutions and Office of Public Prosecutions, Victoria Police, Victoria Legal Aid, the commonwealth Director of Public Prosecutions and the legal profession.

The bill will promote consistency, transparency, fairness and certainty in the criminal law, all of which are key principles of the Government's Justice Statement. The reforms in the bill will perform an important role in modernising and improving Victoria's laws and justice system.

I commend the bill to the house.

Debate adjourned on motion of Mr McINTOSH (Kew).

Debate adjourned until Wednesday, 21 June.

Sitting suspended 12.58 p.m. until 2.02 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Transurban: concession notes

Mr BAILLIEU (Leader of the Opposition) — My question is to the Treasurer. I refer him to the government's dodgy deal with Transurban and to the Premier's statement to the Public Accounts and Estimates Committee on Monday that the deal was initiated by the Department of Treasury and Finance, and I ask: will the Treasurer now confirm that this dodgy deal was his brainchild, or did Treasury act without his approval?

Mr BRUMBY (Treasurer) — I am glad to get a question from the opposition. It has actually been 224 days. I do not know whether that is a world record, but it has got to be pretty close to it.

Honourable members interjecting.

Mr BRUMBY — Three hundred?

The SPEAKER — Order! I ask the Treasurer to answer the question.

Mr BRUMBY — This is an important issue, and the Premier was asked about this matter yesterday. People will recall that the original CityLink arrangements and the contractual arrangements with Transurban were entered into by the former Kennett

government. At the time the then government contributed an amount of land towards a road project which subsequently became a private road project, which was Transurban.

An honourable member interjected.

Mr BRUMBY — I am answering the question. The whole point of the concession notes was to provide a form of rental payment in arrears which was designed to return to the state about the same amount as the value of the land that was provided to Transurban. The value of that land was around \$270 million. That is why, if you go back and read the documents at the time and read the *Hansard* debate at the time, you will find that the then government, the then CityLink authority, valued those notes at a top value — —

Honourable members interjecting.

Mr BRUMBY — You don't like the answer!

The SPEAKER — Order! I ask members of the opposition and the Leader of The Nationals to be quiet to allow the Treasurer to answer the question. I ask them not to interject, and I ask the Treasurer not to respond to interjections.

Mr BRUMBY — The valuation at the time from the CityLink authority was that if the notes were cashable — —

Honourable members interjecting.

The SPEAKER — Order! That will do!

Mr BRUMBY — If the notes were cashable at an earlier date they would be worth a net present value (NPV) of \$69 million, or if they ran through to the latest possible date for Transurban to pay them, their NPV was \$130 million. Even if you assume that you had taken \$130 million back in 1996 and invested it, it would not be anywhere near the amount of money the state has received for the sale of the notes.

Mr Wells interjected.

Mr BRUMBY — Eighteen months ago we sold the first tranche of notes as part of the Calder-Tullamarine interchange deal for \$150 million.

Mr Wells interjected.

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

Mr BRUMBY — We have subsequently sold the remainder of the notes for an NPV of close to

\$600 million, including retaining a 50 per cent share of the uplift factor post-2014 and retaining additional concession fees if the project is more profitable than expected. Here is the arithmetic, Ted. The notes that were valued — —

The SPEAKER — Order! The Treasurer will not refer to other members in that manner. He will refer to the Leader of the Opposition accordingly, and I ask him to address his comments to the Chair.

Mr BRUMBY — Here is the arithmetic: these notes were valued by the Kennett government at between \$130 million and \$269 million. We have sold them for \$700 million. As for the arrangements, as I made clear during the budget briefings this was a decision taken by the government on advice from Treasury and backed up by advice from external advisers Rothschilds. In terms of the negotiations with Transurban, again as I explained during the budget lock-up, these negotiations were led by the late head of Treasury, Ian Little, who recommended to the government that this arrangement offered great value for money for the state. The arithmetic on this is not complex. These are notes which were valued at between — —

Mr Baillieu interjected.

The SPEAKER — Order! The Leader of the Opposition has asked his question. I suggest he listen to the answer.

Honourable members interjecting.

The SPEAKER — Order! Will the Treasurer resume his seat. The Treasurer has been speaking for some time now — —

Mr Brumby interjected.

The SPEAKER — Order! The Treasurer should stop speaking while I am on my feet or I will remove him from the chamber. The Treasurer has been speaking for some time now, and I ask him to conclude his answer through the Chair.

Mr BRUMBY — We will send the abacus over to the opposition where it can do the numbers.

Honourable members interjecting.

Mr BRUMBY — Cuisenaire rods, yes. The state obtained good value for money. Finally, let me say as well that the Monash–West Gate road system is the busiest and most congested road system in Victoria. Anyone who uses it regularly knows just how congested it is. We make no apologies whatsoever for

securing close to \$1 billion of new investment in what is the busiest road project in Australia, which will see traffic throughputs increase by 50 per cent and save families and workers enormous time travelling to and fro in their daily life when it is completed.

Australian Football League: ground redevelopment

Ms McTAGGART (Evelyn) — My question is to the Premier. I ask the Premier to update the house on the recent government initiative that seeks to support both Melbourne football and the broader community.

Mr BRACKS (Premier) — I thank the member for Evelyn for her question. With the sports minister, the shadow sports minister and other members of Parliament, the presidents and chief executive officers of all the Australian Football League Victorian clubs and council representatives from the City of Kingston, the City of Melbourne and the City of Yarra, I was very pleased today to announce a partnership arrangement which will see some \$55 million of new funding going into seven AFL clubs based in Victoria, and particularly those seven that have not benefited from particular investment such as has already occurred with the Western Bulldogs and the Geelong Football Club.

The arrangement has been developed over the last two years between our government, the AFL and the councils to ensure that not only are these grounds and facilities upgraded but also that they are made accessible to the community, so that communities in those regions can have the benefit of those elite sporting facilities, whether it is training pools, function rooms, reception areas, cafes that will built into some of the AFL clubs as well as some of the training facilities including the fitness centres.

It is a great benefit for the clubs in the elite competition based in Victoria to have facilities that are competitive with interstate-based clubs through this \$55 million injection. An amount of \$14 million will be committed from our government, part will be committed from the AFL, part from the clubs and part from the three different councils, depending on which grounds they are. This will be a great boon for those clubs which have been operating with substandard facilities for a long time, and will be a great boon for those communities that will have access to these facilities as well.

I was pleased that this initiative received support from each of the football clubs and councils involved. All the presidents and chief executive officers were there to discuss that. I was pleased that the City of Melbourne,

the City of Kingston and the City of Yarra also support it, and the council resolutions in each of those councils' minutes support that arrangement, which is very pleasing.

This was one of the initiatives in our recent budget delivered by the Treasurer, one of the best budgets of any of the more recently delivered budgets around the country. This will be a great boon for communities and a great boon for the AFL here in Victoria. It will mean that our clubs will have more competitive facilities and they will be more accessible to the community as well. I am pleased that we are able to assist the AFL, whose economic value to the state more broadly is \$1.4 billion, to be able to keep investing in it and make sure the product is better for the future.

Tourism: government initiatives

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Tourism. I refer to Tourism Victoria's web site which charts the overall decline in interstate and domestic visitors to regional Victoria since 1999. I also refer to a Tourism Victoria forecast of March this year that domestic visitor nights to Victoria are set to decrease again in 2006 and I ask: what new strategies is the government adopting to address this established and alarming downward trend in regional tourism?

Mr PANDAZOPOULOS (Minister for Tourism) — I thank the Leader of The Nationals for his question and his interest in tourism. He is from a great tourism region in South Gippsland. In this budget we have seen a record investment in tourism, and we have been commended by representatives of all tourism organisations, including Jeremy Johnson, who is the chair of the Victorian Tourism Industry Council; Nicholas Hunt, who is the chief executive officer of the Tourism Alliance Victoria; and Chris Brown from the Tourism Task Force nationally. They have said that everyone should follow Victoria's lead.

The Leader of The Nationals is right in some respects. There has been a domestic tourism slump in recent years. I can explain to him the facts of that matter. While there has been a slump in numbers we have found that the yield has increased. Visitors are spending more and leaving more money in Victoria. He would be very much aware that for years now, even when his party was part of government, the focus was always on improving spend and yield per visitor. We can have a lot of visitors in town who do not spend much, or we can have visitors who spend more.

The reasons for domestic decline in visitor numbers, particularly in the last year, are threefold. The first is that people have a higher level of personal debt. Tourism is a reflection of household discretionary expenditure, and there are high levels of personal debt. There has certainly been leakage from domestic to outbound tourism because as a result of international issues people have been holding back in terms of their outbound travel, and that has accelerated in recent times.

Also low-cost carriers have dramatically changed the environment in which we are operating in the tourism industry. Members of the tourism industry will say that Victorians can now afford to go to a whole lot of destinations they could not go to before. That is why we have put another \$11 million into promoting regional tourism as part of our provincial Victoria statement. That is why we have put another \$73 million from this budget into tourism to respond to those issues and to increase the profile of the regions interstate, because nowadays they have to market themselves interstate. We will continue to face challenges in a domestic marketplace, because a number of other things are happening.

Low-cost carriers are still increasing in number and from late this year low-cost carriers will fly internationally. That is dramatically changing the tourism environment. The future tourist in Victoria is more likely to be a visitor from interstate or overseas. That is what our efforts have accelerated. May I remind the Leader of The Nationals that if he had been at the Tourism Alliance Victoria conference that was held a few weeks ago he would have heard a lot of discussion on this issue. Some of the things talked about were the impact of low-cost carriers and Australians accruing too much annual leave because they feel uncertain at work. The federal government's WorkChoices legislation has made people more insecure about taking holidays.

Honourable members interjecting.

The SPEAKER — Order! I fear the minister is straying somewhat from the question, and I ask him to return to answering it.

Mr PANDAZOPOULOS — With respect, Speaker, that is a key issue. People feeling insecure in their jobs is a reason why they are not taking holidays. I can let the member know that domestic visitor expenditure in regional Victoria is now \$5 billion. Expenditure in regional Victoria is greater than expenditure in Melbourne. I can tell him that domestic visitor expenditure in the goldfields region has grown by 10.7 per cent; in the Great Ocean Road area,

11.6 per cent; in the Macedon Ranges and the spa country, 22 per cent; in the Yarra Valley, the Dandenongs and the Yarra Ranges, 8.4 per cent; and at Phillip Island, 11.2 per cent. The proof of the pudding is in how much money people spend in Victoria, not necessarily how many people come. We have a record number of international visitors, we are doing well and we have more resources.

Mr Maughan — On a point of order, Speaker, the minister has now been going for 5 minutes. I refer to your previous rulings and ask you to bring him back to the question or have him sit down.

The SPEAKER — Order! The Minister has concluded his answer.

East Timor: government assistance

Mr WYNNE (Richmond) — My question is to the Minister for Police and Emergency Services. I ask the minister to inform the house of any state government initiatives planned to assist the Australian government's efforts in East Timor.

Mr HOLDING (Minister for Police and Emergency Services) — I thank the member for Richmond for his question and for his longstanding interest not only in the East Timorese community here in Melbourne but also in the East Timorese community in East Timor. He has been a great supporter of that fledgling nation.

I can inform the member and all other members that the Victorian government yesterday received a request from Deputy Commissioner John Lawler of the Australian Federal Police (AFP) seeking support for an Australian Defence Force (ADF) deployment in East Timor to the tune of 23 Victoria Police personnel. These personnel are in addition to the between 40 and 60 members of Victoria Police that the state already contributes to the international deployment force, a couple of whom are serving in East Timor while others are in the Solomon Islands, Jordan and elsewhere in the world.

The Victorian government is pleased to inform Victorians that we will be supplying these 23 members to support the efforts of the ADF in East Timor to stabilise the country. We expect they will be leaving in the next two weeks and will be there for a period of 100 days initially. Then Victoria Police, the ADF and the AFP will make a judgment as to whether their presence is required on an ongoing basis to support the efforts in that country to stabilise the situation and activities there. Their role will be a varied one. They

will perform community policing functions throughout East Timor.

They will have a highly visible presence in many different parts of the country to make sure that order is restored and maintained. In some instances, depending on their expertise, they may also carry out investigatory functions at the behest of the East Timorese policing authorities as well as at the behest of the AFP. They will provide, we believe, valuable support and assistance to the Australian defence personnel whom we have all watched in the last couple of weeks, and we are so proud of the efforts they have been undertaking to make sure the country is stabilised.

We are very conscious that these police personnel will be going into an unstable, unpredictable and sometimes dangerous climate, and we send them with our very best wishes and our best support. We know they will do us very proud. We had many police personnel serve in East Timor during the United Nations peacekeeping efforts between 1999 and 2004, and indeed we will draw on their knowledge and experience of East Timor in selecting the police personnel who will travel to East Timor to undertake this very significant mission.

This is a very important deployment that is an extension of the deployments we already provide as part of the international deployment force. In fact Victoria contributes more police personnel to that deployment force than any other state or territory in Australia, so we believe that in a sense we are already doing our bit to support the efforts of the AFP to promote stability in our region and more broadly. But we understand Australia's very special responsibility to East Timor, and we believe that by providing these 23 police personnel we can do our bit to make sure that the efforts to stabilise the situation in East Timor proceed as smoothly, quickly and effectively as possible.

Building industry: organised crime

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier — —

Mr Brumby interjected.

The SPEAKER — Order! The Treasurer!

Mr Brumby interjected.

The SPEAKER — Order! I warn the Treasurer that if he persists in interjecting when I ask him to be quiet, I will remove him from the chamber.

Mr BAILLIEU — My question is to the Premier. Is the Premier aware of serious allegations that organised

crime is involved in Victoria's building industry; and if so, what action will he now take?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question, which is a very general question. I understand that was the subject of the federal government's inquiry into the building industry more broadly. As to any other allegations, except for that which is on the front page of the *Age*, if those matters are to be examined further, they should be referred to the authorities for investigation. I assume that is what the opposition leader is referring to.

Schools: literacy and numeracy

Mr LEIGHTON (Preston) — My question without notice is to the Minister for Education and Training. I refer the minister to the government's commitment to lifting literacy rates in Victorian schools, and I ask the minister to detail to the house the success the government is having in delivering on that commitment.

Ms KOSKY (Minister for Education and Training) — I thank the member for Preston for his question. Indeed literacy in Victoria is a matter which all in this house are very concerned about, and all are wanting to achieve the best literacy standards for all our students.

I am pleased to report to the house that the literacy results in Victoria are very good and are continuing to improve. The proportion of government school students reading at expected levels in prep, year 1 and year 2 improved significantly in the period between 1998 and 2005. In prep classes we have seen an increase from 62.4 per cent in 1998 to 79.7 per cent in 2005 — that is, an increase of 17.3 percentage points. In year 1 it is a similar story, where we have seen an increase of 15.3 percentage points to 86.3 per cent in 2005. In year 2 there were similar results in that we reached 94.8 per cent in 2005, which means an increase of 9.3 percentage points since 1998.

The data for government students in years 8 and 10 shows an increase in the percentage of students consolidating or being above in reading in year 8; they are at 85 per cent, which is an increase of 1.9 percentage points since 1998; in year 10, it was 82.9 per cent in 2004, making an increase of 2.4 percentage points. These are very good results, demonstrating that the students in government schools are continuing to improve in their literacy results.

The most recent national benchmark data confirms these very positive results about literacy and numeracy

standards in Victoria. It shows the proportion of students reaching national benchmark standards in Victoria is at or above the national average in all areas and for all year levels measured — and I repeat that again: in all areas and for all year levels measured.

In year 3 we are at or above the national average for reading and writing. In year 5 we are at or above the national average for reading and writing. In year 7 we are at or above the national average for reading and writing. In fact if we drill down further into these results, we see that in writing Victorian year 3 students topped all Australian states and territories, and we were second only to Queensland for year 7 students.

The *Herald Sun* accurately reported the story with similar 2003 results under a headline 'Students lead the nation'. We are very pleased with those results, although they did not happen by accident of course. They happened because of a major investment —

Mr Perton — It was the Kennett government's reform.

Ms KOSKY — Come on down!

Honourable members interjecting.

The SPEAKER — Order! The minister, to continue.

Ms KOSKY — Thank you, Speaker, I think it may be home time for some members in the house.

We have made major investments, particularly in our class sizes from prep to year 2, and we have the lowest class sizes on record. We have 6000 additional teachers and staff, and we have made a major investment in literacy and numeracy, in that since coming to office \$1.5 billion has been spent by the government on literacy and numeracy, including \$80 million going directly to needy schools through their budgets.

We are not resting on our laurels. Some students can do better, and we know that we need to provide some very targeted interventions for those students for whom a lot of the programs that are in place at the moment are not working as well as they could, particularly for those students between year 3 and year 8 who need some very specialist intervention. That is why in the budget we have the literacy improvement teams comprising 45 literacy specialists who will be working in high-need schools across Victoria to support the skills of the classroom teacher —

Mr Cooper — On a point of order, Speaker, even without the slight eruption that occurred during the

minister's answer, the minister has now been speaking for well over 5 minutes and I suggest it is time she concluded her answer.

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

Ms KOSKY — In conclusion, we know that we need a range of different intervention strategies. We have an expert panel to support these literacy improvement teams. It beats the approach of the opposition, which was to close schools and sack teachers or indeed provide part-time mentors as suggested by the part-time opposition leader.

Building industry: organised crime

Mr McINTOSH (Kew) — My question is to the Premier. Given that the Construction, Forestry, Mining and Energy Union has donated almost \$1 million to the ALP since 1999, is that not the real reason why the government has simply failed to properly investigate criminal activities on building sites throughout Victoria?

Mr BRACKS (Premier) — I thank the shadow Attorney-General for his question. The allegations raised by the shadow Attorney-General are totally and utterly wrong, and the answer is no.

Budget: school maintenance

Mr STENSHOLT (Burwood) — My question is to the Minister for Education Services. I refer the minister to the \$50 million in the budget for school maintenance, and I ask the minister to detail which schools, which suburbs and which regions will benefit from the money?

Ms ALLAN (Minister for Education Services) — This morning the member for Burwood and I had the great pleasure of visiting one of the great schools in his electorate, Hartwell Primary School, to announce the immediate allocation of an additional \$50 million in maintenance funding for schools right across Victoria.

Honourable members interjecting.

The SPEAKER — Order! The level of interjection is too high. I ask members to be quiet, to allow the minister to answer the question.

Ms ALLAN — I can understand that members are really pleased with this significant boost to school maintenance funding as it comes on top of the \$34 million that is provided to schools each and every year for their maintenance needs.

The member for Burwood asked me to detail which schools will benefit. I inform the member and the house that every single one of more than 1600 Victorian government schools will receive a share of this huge injection of maintenance funding. As I said, the member for Burwood and I were at Hartwell Primary School this morning, and we were very pleased to announce that Hartwell primary would be receiving around \$110 000 towards such maintenance as replacing paving, carpet and vinyl flooring.

Mr Perton interjected.

Ms ALLAN — This government has been working very hard to undo the damage — —

Mr Perton interjected.

The SPEAKER — Order! I ask the minister to resume her seat.

The member for Doncaster was removed from the house yesterday for inappropriate behaviour, yet he continues to interject in a very loud manner today. I ask the member to be quiet.

Ms ALLAN — It is easy to maintain schools when they are closed!

We have been working very hard to undo the damage done to education by the previous government, and this additional funding is helping to maintain education as this government's no 1 priority for schools right across Victoria.

I want to give a couple of snapshots of how this additional funding will benefit schools in Victoria. The member for Nepean will be pleased to know that the government is providing an additional \$62 000 so that roofing repairs and drainage works can be immediately undertaken on Eastbourne Primary School.

The member for Bayswater would also be pleased to know that Wantirna College is receiving an additional \$169 000 to undertake works such as an electrical upgrade and further roofing repairs.

This \$50 million brings the amount that the government has invested in school maintenance over the last six and a half years to over \$400 million. As members of the house know, this maintenance funding complements the unprecedented level of capital works funding of \$1.65 billion that the government has spent on schools since it has been in office. That brings to over \$2 billion the amount this government has spent on capital works and maintenance needs in our schools. By investing in

capital works, it is reducing significantly those future maintenance needs in our schools.

When you look at some comparisons you see that in the 2006 budget alone the Bracks government has allocated more for capital works and education than the previous government did in its final four budgets. It has no credibility — —

Mr Cooper — On a point of order, Speaker, the minister has now started to debate the question, and I ask you to bring her back to order.

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

Ms ALLAN — It is no surprise that members of the opposition do not want to debate education.

Members of this government are very proud of their record on education. We are very proud to announce a significant investment of \$50 million in school maintenance, which continues our efforts to make Victoria a great place to live, to work and to raise a family.

Major events: rural and regional

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Tourism. I refer to the minister's claim that more than 50 per cent of events supported by Tourism Victoria are in regional areas, and I ask what the government is going to do to address the fact that in actual dollar terms the funding provided by the state government to regional tourism events and festivals is only a fraction of the millions of dollars provided to major events in Melbourne such as the Commonwealth Games, the Melbourne Formula One Grand Prix, the Australian Open, the Boxing Day cricket test and the Australian Football League Grand Final. What is the minister going to do about it?

Mr PANDAZOPOULOS (Minister for Tourism) — What a surprising question! The Leader of The Nationals was part of the Kennett government, the Deputy Leader of the Opposition was the tourism minister, the Leader of the Opposition was on the board of Tourism Victoria — —

Honourable members interjecting.

The SPEAKER — Order! The Attorney-General!

Mr Ryan — On a point of order, Speaker, the minister is obliged to answer the question in terms of

government business, not by making attacks on the opposition parties.

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

Mr PANDAZOPOULOS — I remind the Leader of The Nationals that this government has doubled the events funding available to Tourism Victoria. When the opposition was in government it had \$750 000 to fund events right across the state, and only about one-third of those events were held in regional Victoria. Something like 54 per cent of festivals and events are now held in regional Victoria. I also remind the member that whilst the opposition was in government, it did not have a Victorian major events company — it had a Melbourne major events company.

Mr Cooper — On a point of order, Speaker, the minister is clearly debating the issue. I ask you to bring him back to answering the question.

The SPEAKER — Order! The minister, in answering the question, is allowed to refer to the history of events that led to the present government taking certain action. The minister, to continue.

Mr PANDAZOPOULOS — What this government did was to change the charter of Victorian major events to focus on regional international events as well. What are some of those events? This year we had the World Lifesaving Championships in Geelong and Lorne. We beat Queensland, which is really the home of lifesaving in Australia, to stage the international championships here in Victoria.

Geelong also has the Women's Road Cycling World Cup. There are also the superbikes at Phillip Island, the motorcycle grand prix and the *Herald Sun* Tour that runs around Victoria. We have the Commonwealth Youth Games in Bendigo, and we had the World Hot Air Balloon Championships in Mildura.

This government has changed the charter. I cannot believe that the Leader of The Nationals is criticising us when we have put in more dollars and have created rules that they have to fund more events and find events in regional Victoria. The only person talking down tourism it seems is the Leader of The Nationals.

Economy: performance

Ms MUNT (Mordialloc) — My question is to the Treasurer. Can the Treasurer inform the house about recent evidence demonstrating the strength of the Victorian economy?

Mr BRUMBY (Treasurer) — The budget fundamentals are very strong. Last week's budget demonstrated that the government is prepared to make decisions to reduce business costs to ensure continued investment and jobs growth in Victoria.

Members would be aware that the Queensland, New South Wales and Australian Capital Territory governments brought down their budgets yesterday. I am pleased to say that despite some modest tax cuts being announced in those states I can advise that after the Victorian budget and these budgets announced yesterday virtually all businesses in Victoria between \$380 000 and \$3.4 million in terms of unimproved land values will pay the lowest land tax in Australia. In addition, we have the second lowest payroll tax, behind Queensland. However, businesses with payrolls between \$2.7 million and \$11 million will pay less payroll tax in Victoria than they would in Queensland which has the lowest rate.

I am also pleased to say that, despite other minor changes to taxes in other states, for 2006–07 Victoria's taxation as a share of nominal gross state product is just below the national average. When you think of where Victoria was in the mid to late 1990s when under the Kennett government we were consistently one-quarter to one-half of a percentage point above the national average, this is a great achievement for our state.

This is borne out in today's *Australian* editorial. It states:

In contrast, Victoria, which lacks even NSW's high-quality exportable coal and is thus completely dealt out of the resources boom, has been far better managed and is set to post surpluses of \$316 million for the next three years.

Honourable members interjecting.

Mr BRUMBY — Today's *Australian*.

Dr Napthine interjected.

Mr BRUMBY — It is today's *Australian*.

The SPEAKER — Order! The member for South-West Coast will cease interjecting in that very loud manner. The Treasurer to return to answering through the Chair.

Mr BRUMBY — There is a bit of a black hole in the opposition — 11 of them are retiring. There are 11 in the departure lounge.

The editorial in today's *Australian Financial Review* states:

Victoria, less well-endowed with resources than NSW, has navigated the wash of the booming resource-state economies much more successfully thanks to the vigilance of Treasurer, John Brumby.

Honourable members interjecting.

Mr BRUMBY — Someone said could I read it again.

The SPEAKER — Order! I do not think that is necessary.

Mr BRUMBY — I want to thank the editorial writer very much.

Today's national accounts confirm the dual-speed nature of economic growth across Australia.

Honourable members interjecting.

Mr BRUMBY — I think they do — Queensland, 9 per cent, Western Australia, 10 per cent. I would have thought they were China-like growth numbers. Victoria's state final demand is at 4 per cent and on track to achieve the growth forecast for 2005–06 which was announced in the budget. There has been strong employment growth in Victoria. That has meant that Victoria's consumer spending has been the strongest of all of the states over the last quarter. Pleasingly the growth in exports of goods outstripped the national average: Victoria has grown by 6.6 per cent over the past year, versus the national average of 1.8 per cent. I am also pleased to advise that last Friday's Australian Bureau of Statistics demographic data showed Victoria's population growth was also strong, with almost one in every three migrants coming to Australia choosing Victoria.

The Victorian fundamentals are strong. The budget fundamentals are good. In the budget I released last week we set out as a government a plan and a vision for our state over the next four years. I look forward to implementing that vision and implementing the decisions announced in that budget.

STATE TAXATION (REDUCTIONS AND CONCESSIONS) BILL

Second reading

Debate resumed from 31 May; motion of Mr BRUMBY (Treasurer).

Mr CLARK (Box Hill) — The State Taxation (Reductions and Concessions) Bill gives effect to some of the revenue measures announced in last week's state

budget. In particular it gives effect to the announcements that were made about the pensioner stamp duty exemption, the changes to the land tax regime and the changes to the payroll tax scale. In the first of those measures the pensioner stamp duty exemption is raised to \$300 000, and \$400 000 for a partial concession. There is also an amendment which allows an election for those persons who are entitled to either a first home owner concession or the first home bonus, and that is made retrospective to 1 January 2006.

In relation to land tax, the bill gives effect to the changes the Treasurer announced in the budget. It is worth making the point that barely one in six land tax payers will find the changes in the budget applicable to their property holdings, because those changes only apply to property holdings which are worth more than \$900 000. The budget estimates these changes will apply to some 27 000 of the 150 000-odd land tax payers in the state. It is also worth making the point that simply because these changes apply to taxpayers with land values above those values does not mean their land tax will go down. On the contrary, the vast majority of land tax payers in this state have been duded for the third year in a row. For three years in a row they have been told that the land tax changes the government has announced will end the land tax crisis and bring about reductions in their land tax but when the tax bills turn up they find that that is not the case. This is likely to be the case again next year for the vast majority of land tax payers.

The government pulls the same trick in relation to land tax every year. It steadfastly refuses to take account of the fact that property values have been rising, and rising strongly, and that has been pushing land tax payers into ever-higher tax brackets each year. It has been a tax bracket effect that had it been applied by a commonwealth government of any persuasion to the extent and severity this has been applied in Victoria there would have been close to a revolution among income tax payers across Australia.

But the Bracks government has had a deliberate strategy of relying on bracket creep to dramatically increase its revenue take from both land tax and stamp duty, with land tax revenue more than doubling since the Bracks government came to office and stamp duty revenue going from around \$1 billion to around \$2.4 billion. The burden, therefore, is falling very heavily on property owners and property purchasers. If you look at the scale that has been handed down in this budget, you see that the same effect is very likely to continue.

The critical question in making that assessment is what will happen to land values next year. This is a subject

about which the government is very sensitive and very reluctant to make disclosures. It is also something that opposition members inquired about when we were briefed on the bill, and we were told that the information was not to hand and that it would be followed up and provided to us. Of course, we have not heard a word on that score from the Treasurer's office subsequently.

From speaking to valuation sources the indications appear to be that for 2007 land tax purposes we can expect an increase in land values of the order of 10 per cent compared with the land values that applied in 2006, so we can do the calculations accordingly. For example, someone whose land value in 2004 was \$500 000 would in 2004 have paid \$800 in land tax. The government has already admitted that there has been a 40 per cent increase in land valuations for taxation purposes between 2004 and 2006, so that same taxpayer would have paid successive land tax bills in 2005, after the rebate, and 2006 of the order of \$1 138 and \$1 680, fully factoring in the so-called land tax cuts that were announced in previous budgets.

This year if we assume a 10 per cent increase in land values for land tax purposes to apply in 2007, property values will have risen to \$770 000, so the land tax will be \$2 030, a further 20 per cent increase for such a land tax payer next year, on top of all the previous increases, overall their tax bill having gone from \$800 in 2004 to \$2 030 in 2007. Such a taxpayer is one who, as I have indicated, will be among the five taxpayers out of six to whom the so-called cuts announced in the budget will not even apply in the first place.

If we take a land tax payer who had land valued at \$900 000 in 2004, in that year they would have paid \$4 480 in land tax. In 2005 that would have gone, after the rebate, to \$5 609.80; and in 2006, completing a 40 per cent increase in valuations over two years, it would have gone to \$6 630. In 2007, with a further 10 per cent increase in valuation, that would go to \$7 352, a further 10.9 per cent increase in their tax bill, even after the so-called cuts in the budget, and even though their property value falls within the valuation range which is supposed to benefit from the measures that were announced in the budget.

This has been a cruel hoax yet again on land tax payers across the state. No wonder there is a great degree of distress and anger about what has been happening with land tax and the failure of the government to respond genuinely to the huge increase in tax bills that have particularly fallen on small to medium-sized land tax payers.

It is worth making the point that the measures in the bill do not implement a number of the changes the government announced in the budget. The government picked up two elements of the five-point plan for which the Liberal Party has been calling for a long time to solve the land tax crisis and put land tax on a stable basis. The elements of that plan are winding back as much as possible the increase that has taken place in recent years, committing to frequent future adjustments of the land tax scale, ending the indexation factor, basing valuations on true market value rather than on artificial assumptions and allowing taxpayers to object to their land tax valuations at the time they get their tax bills.

Having rubbished all of those reform measures consistently, and, in particular, having rejected amendments moved in this place just a few weeks ago to allow taxpayers to object to their valuations at the time they get their land tax bills, the government has picked up on two elements of the five-point reform package that the Liberal Party has been advocating for a long time. It has picked up on the element of scrapping the indexation factors and picked up on the element of allowing taxpayers to object to their land valuations at the time they receive their tax bill. However, the government has done that in a way that has a sneaky revenue claw-back effect which it has not been prepared to quantify but describes simply as 'minimal', or with similar wording; but in fact what the government is doing is applying in 2007 land valuations that, under the existing regime, would not have applied until 2008.

In other words, under the existing regime when a fresh valuation is done, it applies to the land tax regime two years subsequently. The measures the government has announced in the budget will apply one year subsequently and are therefore bringing forward the application of the 2006 valuations by one year, and they will apply to land tax next year, in 2007. That means there is not only one year's worth of bracket creep offsetting the claimed reductions but two years worth of bracket creep, as the government claws forward all valuations by a year. As I say, it has not disclosed the extent of that clawing forward, and that is something we will continue to press it to provide further information on, either in this debate or in other fora.

The second measure I referred to that the government has picked up from the Liberal Party's five-point plan is allowing people to object to their land valuations at the time they get their tax bills. That is a measure that is a matter of basic decency and commonsense. The measures in the legislation that are going to be changed have been around for years. They date back to a time

when many councils used site values for their own municipal rating purposes and therefore there was more likelihood that taxpayers would look at the site value when they got their council rate notices.

As far as I am aware, no councils in the state use site value for their council rate notices. Taxpayers, when they get their rate notices from the council, understandably do not pay a lot of attention to the site value figure. They realise only when they get their land tax bill that the figure they did not pay much attention to when they got their rate notice is pretty important; but by the time they realise that, it is too late, as they are told, 'Tough luck, you should have objected at the time you received your council rate notice'. That reform measure is welcome, and we look forward to the legislation that introduces it in the spring session.

The next area I want to touch on is the payroll tax changes that are being made by the bill. Any reduction in payroll tax is better than no reduction, but this much-boasted 0.25 per cent reduction in the current budget is being eked out over a three-year period, moving from 5.25 per cent to 5.15 per cent, 5.05 per cent and then 5 per cent. It is worth reiterating the point I have made repeatedly that the Kennett government cut the payroll tax rate in this state by more in three years than the current government's measures will have effected in 10 years. The Kennett government cut payroll tax from 7 per cent to 5.75 per cent in far more constrained economic circumstances than those enjoyed by the current government.

A further point that needs to be made about the announced cut in this budget is that, particularly for smaller employers, the bracket creep effect of being pushed further into the payroll tax paying range is likely to swamp the very modest and protracted benefits that this budget is implementing.

You can do the calculations for various wage levels. If you take the case of an employer who is right on the threshold, the increase would be particularly significant, because they would go from paying no payroll tax to paying payroll tax, and the percentage increase in that circumstance would be incalculable. If you take an employer with wages of \$700 000 in 2005–06 and allow \$63 000 for superannuation, you see that after allowing for the threshold of \$550 000 they would pay \$11 182.50 in payroll tax.

If you assume a 3 per cent increase in wages next year, even after the cut in payroll tax to 5.15 per cent, their payroll tax bill will rise, going to \$12 148.34 — a \$965 increase or, in percentage terms, an 8.64 per cent increase. That flows right through to 2009–10, when

such an employer would pay \$15 438.16 in payroll tax, an 8.8 per cent increase in that final year alone and a \$1250.63 increase overall. That employer would still find their payroll tax bill would increase far faster than their wages bill, despite the measures contained in the budget.

It will have a similar, but less dramatic, effect even for an employer with a payroll of base wages starting at \$1 million in 2005–06. Their increase over the years would be of the order of 4 to 5.5 per cent annually, despite the changes to the scale being made by the government. The government may boast about how generous it is being with these changes, but when you look at the numbers and the effect it will have for a taxpayer, you find that the best that can be said is that the future increases they will experience will be somewhat less than they would have suffered otherwise.

There are two notable omissions from the bill — that is, there is no relief for the long-suffering stamp duty payer in Victoria and no word on what is going to happen to the first home bonus of \$3000, which is scheduled to cease in June 2007. I make the same point this afternoon that I have made on many other occasions recently — that is, Victorian home buyers pay some of the highest amounts of stamp duty of any jurisdiction in Australia. That applies not only to first home buyers but to home buyers generally.

The Real Estate Institute of Victoria prepared a table, which it incorporated into its pre-budget submission to the government. It showed that Victoria stood out thousands of dollars ahead of other states in terms of the stamp duty that applied for property purchases of \$250 000 and also in respect of properties worth \$500 000. The only, infinitesimal exception to the otherwise universal picture is the Northern Territory, with slightly higher duty for properties worth \$500 000. But overall, for the vast majority of property purchases Victoria is miles ahead of the duty payable in any other jurisdiction in Australia.

The situation is particularly stark in relation to first home buyers. Victorians have a \$3000 concession, but they have to pay a heck of a lot more in terms of extra duty. In Victoria a first home buyer will pay \$16 660 in stamp duty for a \$350 000 home; in Queensland a young couple buying their first home of the same value will pay \$3250 and in New South Wales they would pay absolutely nothing, first home purchases being duty free there. To offset that huge impost in Victoria is the very modest \$3000 first home bonus, which the government is set to end in June next year, and about which it is not prepared to declare its intentions.

Mr Stensholt — It is \$10 000!

Mr CLARK — The member for Burwood interjects and tries to escalate the number to \$10 000. He does so by counting the \$7000 first-home owner grant, which is provided by the commonwealth government as part of the GST package and is available in every jurisdiction of Australia. It is hardly a relief for Victorian home buyers compared to home buyers in other states when every first home buyer across the nation is equally entitled to that benefit. The fact remains that the stamp duty on a typical Melbourne house has risen by more than 80 per cent since the Bracks government came to office. As I said earlier, it is part of the government's deliberate strategy of paying for its waste, mismanagement and spending blow-outs by escalating the burden on property owners and property purchasers in the state.

Mr Nardella — Cut it out!

Mr CLARK — I would have thought the honourable member for Melton would have had first-hand experience of that effect. People are now paying very high rates of duty for the sort of average home that was previously taxed at far lower rates. They are now paying the sorts of rates that were, at the time the scale was framed, applied to very high-value properties.

In conclusion, what we have is a continuation of the high-taxing, high-spending policies of the current government, now accompanied by high borrowing and still accompanied by low results. The burden of the waste, spending blow-outs and mismanagement is falling particularly acutely on property owners and property purchasers, and the measures in this bill go nowhere near addressing that problem.

The opposition supports the bill on the basis that the tax reductions and concession changes in this bill are better than nothing, as any modest change to the regime is — —

Mr Haermeyer interjected.

The SPEAKER — Order! The Minister for Manufacturing and Export!

Mr CLARK — But they go nowhere near addressing the imposts that have been imposed on the property sector in Victoria, which are a continuing deterrent to investment and job creation, and a continuing burden, particularly on young families making their start in life but also on growing families, and on older Victorians seeking to move to smaller homes, as well as on businesses purchasing property.

Mr RYAN (Leader of The Nationals) — It is a pleasure to join the debate on the State Taxation (Reductions and Concessions) Bill. This ought properly be renamed the smoke and mirrors bill. It is another piece of work under the guise of the pea and thimble trick being brought to this Parliament by the Treasurer and the rest of the state government.

There are a number of outstanding features of the legislation, which in his inimitable style the member for Box Hill has carefully canvassed. Although The Nationals also do not oppose this legislation, there are a few pertinent points that I would like to make with regard to its contents.

Firstly, I see reference in part 2 to issues regarding pensioners. We welcome the initiatives which are reflected in those provisions. In so saying, I must reflect on the fact that this same category of people who are the beneficiaries of this particular proposition have been the victims of government activity in various other respects. I think particularly of the mean-spirited and miserable initiative of the government which, in effect, imposed on these people the obligation to pay 50 per cent of their third party registration fees applicable to their motor cars. As I travel around the state that issue is often raised with me not only by those people who are specifically within the categories which are the subject of this welcome initiative in the bill but also by the self-funded retirees, who in most instances are exempt from the various forms of concessions that are otherwise available to people of their same era.

The notion the government adopted a couple of budgets ago, to force the people of this age group to give up half the benefit on their registration fees — in other words, to have to pay \$82 or thereabouts to achieve it — is seen to this day as having been an extraordinarily miserable thing to do on the part of the government of the state of Victoria, and it is one for which I am sure the government will not be forgiven by that group of people when 25 November comes. The initiative in this bill, welcome though it is, does not go anywhere near addressing that factor which is certainly ingrained in the minds of the people who have been subjected to it.

There is reference in the bill to first home owners. This is a welcome initiative as far as it goes, and so it is that we support it. By the same token we are facing the reality that the benefit of \$5000 is about to reduce to \$3000 and that the first home owners who have been the beneficiaries of the larger figure of \$5000 are going to find in time to come that it is no longer going to be the case to the same extent. That is just one of those niggling things that causes concern amongst those

elements of the community that will be subject to the sorts of changes the government is introducing.

Then there is, of course, the question of land tax. This is where the whole thing goes square. When you look at the forward estimates contained in budget paper 3 with regard to taxation issues, the true story emerges as to the farce which is reflected in the bill now being debated. I will move first to the notion of land tax.

That shows, when you look at the forward estimates, that in the 2006–07 budget the figure for the recovery of land tax is \$747 million; in 2007–08 it is \$758 million; in 2008–09 it is \$786 million; and in 2009–10 it is \$774 million. The trend of increasing land tax, save for the furthest year out, 2009–10, continues. This is where the smoke-and-mirrors issue arises. We had the Treasurer and the rest of the government in here trumpeting the fact that they were cutting land tax, providing land tax relief and all the rhetoric that goes with it, but in fact the bald figures tell us that that is simply not the case. Even the government's figures from its own budget clearly demonstrate that it is simply not the case.

We can put into that the additional factor that the income from this and other sources of taxation continues to grow, as we have seen over the past few years. Invariably the figures applicable to land tax will increase simply because of increases in property values, which perhaps have not been accounted for or because of any one of a number of other factors. But the reality is twofold.

Firstly, the figures show an increasing trend in the amounts of money being recovered, save for the year at the furthest end of this, 2009–10. Secondly, we will inevitably see history being repeated because, with the ongoing increases in land values and the consequent application of the tax brackets, the amounts of money being budgeted for will increase anyway.

The same can be said with regard to payroll tax. I will look at that in the face of the rhetoric from the government about making cuts to payroll tax. The figure for this 2006–07 budget is \$3.418 billion; for 2007–08 it is \$3.497 billion — as near as heck to \$3.5 billion — for 2008–09 it is \$3.607 billion; and for 2009–10 it is \$3.787 billion; I have read those figures from page 39 of budget paper 4.

The same sorts of influences are invariably going to be at work. The trend is there on the face of the numbers. As each year goes by this government will continue to enjoy benefits from its increases in payroll tax. Then the trend will be, as we have seen, that the amounts

received by the government will increase anyway over and above those for which the budget is struck. This is where the smoke-and-mirrors issue comes in. What the budget really says, what the Treasurer is really putting — —

Mr Haermeyer interjected.

The SPEAKER — Order! The minister can have the call later, if he wishes to contribute to the debate.

Mr RYAN — He is wanted on the phone now, Speaker! This is not about tax cuts in real terms at all. What this is really about is the Treasurer saying to people, ‘I am still going to tax you up to the eyeballs, it’s just that I’m not going to tax you up to the eyebrows. I am going to take a little less than I would otherwise have taken, but be assured I am going to take you to the cleaners’.

Ms Asher interjected.

Mr RYAN — I will leave you with that line!

The same applies to land tax and payroll tax. It is the reason why you cannot help but smile when you read the rhetoric contained in this bill’s second-reading speech about the budget significantly improving Victoria’s business competitiveness and about implementing reforms that were announced in the budget, including further reductions in payroll tax — and it quotes percentages and so on — when the speech given by the Treasurer on the budget, which is reflected in this bill’s second-reading speech, is also one of rhetoric. The figures show that there is more money going to be collected by the government than there was previously; that is just the plain fact of the matter.

If you look at page 39 of budget paper 4 under the heading ‘Financial and capital transactions’, you see that the land transfer duty figure is \$2.424 billion in the current budgetary period. Then for 2007–08 the figure is \$2.459 billion; for 2008–09 it is \$2.577 billion; and for 2009–10 it is \$2.714 billion.

Let us have a look at another line, ‘Taxes on insurance’. For 2006–07 the figure is \$1.104 billion; next year it will be \$1.165 billion; in 2008–09 it will be \$1.218 billion; and in 2009–10 it will be \$1.272 billion. The money just keeps absolutely rolling in. I would not mind that so much — indeed, I am very pleased to see it happen in a sense pertaining to one of the other attendant problems with this government which I will come back to. The point is that we have the Treasurer and the government consistently trumpeting this nonsense about tax cuts when in fact in sheer dollar terms they are going to inevitably continue to take more

money out of the pockets of Victorians than they have previously.

I return to the point I was going to make a moment ago. In speaking on the budget last week I said that what we are talking about now is an aspect of a broader issue which this government faces and which in the longer term this state faces. It is the notion that Labor simply cannot manage money!

Honourable members interjecting.

Mr RYAN — Well, it cannot. The member for Melton has joined the chorus. He has been sitting out there, and it has been disappointing not to hear from him. This is disorderly, Speaker; I do apologise.

The SPEAKER — Order! It is asking for trouble.

Mr RYAN — I am asking for trouble!

In the table that I tabled last week when responding to the budget and again in analysis of the figures depicting the performance of this government over the last seven budgets — it is seven now that we have had this one — a couple of absolutely stark realities arise.

The first is that the government cannot stick to its budget. It is hopeless at sticking to its budget, and over the last six years it has overshot the mark by \$8.5 billion. How would you be, as a household, or if you were running a business in the state of Victoria, if you overshot your budget by these staggering amounts of money? The extent to which the government has been simply unable to maintain its own budget is truly extraordinary.

That arises principally from the fact that government members cannot manage money. Most of them have never had a business and never had a look at what really makes the world go around, so running one of the biggest economies in the nation is a heck of a challenge for them. It is a problem for us in the longer term, because there are things that are consistently being built into the bottom line of the budget; and when the music stops and the good times we presently have upon us in Victoria hit a hurdle — and that will happen; that is reality — we will be faced with having built into the budget the sorts of figures which are reflected in the bill now being debated and more particularly in the table on page 39 of budget paper 4.

The other element that arises from what I tabled the other day is that we in Victoria have fortuitously enjoyed excess revenues over and above those for which the government has budgeted. That is a very lucky thing and one which underpins my comment that

history inevitably — hopefully — will repeat itself. When you look at the budget figures that are set out here for payroll tax, land tax and stamp duty in particular, you see that hopefully — in terms of the attempt to maintain some sense of orderliness in the delivery of the budget — Victoria will again receive an amount of money which exceeds that for which the government has budgeted.

Those are the two outstanding features which, I believe, come out of a close examination of the budgetary figures, which reflect this government's performance over its nearly seven years occupying the Treasury benches. Be that as it may, insofar as the elements that are contained here represent at least some measure of relief for some part of the community of the state of Victoria, The Nationals support the bill. We think at least some measure of relief is better than none at all.

When you consider that payroll tax has been cut from 5.25 per cent to 5 per cent in an economic environment around this nation which is reflective of probably some of the best times we have enjoyed since the days of the gold rush, you would think the government could have done better than cutting the tax by what is effectively 25 basis points. But again, government members manage as best they can, in a manner which is an obviously inept one when you examine the figures overall.

However, The Nationals support this particular piece of legislation, because, as I said, at least some part of the communities of Victoria to some limited extent are going to be the beneficiaries of what this bill contains.

Mr STENSHOLT (Burwood) — I am delighted to speak in support of the State Taxation (Reductions and Concessions) Bill, because this budget actually delivers savings of not just a very small or measly contribution but \$1.4 billion over four years. That is \$1400 million in business savings over the next four years. This goes to show that this budget is good for business in terms of the specifics relating to state taxation. It shows that Victoria is an attractive place to do business as well as to live in and raise a family. There are a whole range of reductions in this bill by which business benefits through cuts to payroll tax and land tax, and of course this bill includes benefits in relation to stamp duty to pensioners and concession card holders who are buying a new home.

In this regard payroll tax is being reduced to 5 per cent over three years, which is worth \$533 million. As I have said before in this house, a cut is a cut is a cut. There is no fiction about this. There are no castles in the air. This is a cut, and payroll tax has been reduced from

5.25 per cent to 5 per cent, which represents a reduction of 13 per cent since 2001, making Victoria's payroll tax the second lowest jurisdiction in Australia.

The cut in land tax in this year's budget amounts to \$167 million over four years, the lowest land tax payable for virtually all businesses with land holdings valued between \$380 000 and \$3.42 million. Whilst it is not in this particular bill, there is also a further 10 per cent cut in WorkCover, which is, I think, another \$170 million a year. Once again, as I said, Victoria is a great place to do business. The commentators, as illustrated by an editorial in the *Australian* and Terry McCrann in the *Herald Sun* today, are saying what a well-managed economy we have here in Victoria. We are very much about supporting business; we are showing fiscal restraint and financial responsibility.

There is a whole range of things in this bill and in what we have done over the last few years in making it good for business. Over the last five years the Bracks government has cut payroll tax several times; cut land tax several times; cut WorkCover premiums three times; abolished duty on non-residential leases, quoted and unquoted, marketed securities and financial institutions duties; and abolished duty on mortgages. In this we are well ahead of the other states, and we will have abolished bank account debits and will abolish business rental duty from 1 January 2007.

I have mentioned payroll tax, the threshold of which has been raised from \$515 000 to \$550 000. This compares with New South Wales, where the payroll tax rate is actually 6 per cent.

When the member for Brighton was Minister for Small Business, I think, she managed to bring the land tax threshold to \$85 000. We have now raised it successfully to \$200 000, with major cuts to the middle brackets which I will mention in more detail later on. The top land tax used to be 5 per cent under the Kennett government. It will now be reduced to 3 per cent by 2007–08 — in other words, two years earlier than what we promised in our original schedule when we introduced tax reform some years ago.

These cuts and savings are very real for businesses — for example, the duty on mortgages will save them \$230 million a year. In addition there is the abolition of rental business duty in 2007. If you have a vehicle, it will save \$100 a year — it is a small tax saving, but it is something — and \$75 for the hiring of a building crane. These are real things that businesses have to face. That is the cost of business.

Payroll tax, as I mentioned, will be cut in stages — for example, to 5.15 per cent from 1 July 2006 — and that is the purpose of this bill. We need to pass it so that that payroll tax cut can be passed on to businesses from 1 July this year, moving to 5.05 per cent from 1 July 2007 and 5 per cent from 1 July 2008. Over 20 000 businesses in Victoria will benefit from these payroll tax cuts, which is the second lowest in Australia, behind Queensland. Businesses with payrolls between \$2.7 million and \$11 million will have a lower tax burden than in Queensland, so there are minor adjustments in the Queensland budget, but we are still the lowest in that area. What does it mean? It means the average small shop, a butchers shop with a payroll of \$132 000, under the current arrangements will not be paying anything, but if you have a larger payroll than that, there will be a payroll tax cut of up to 13 per cent.

With land tax cuts we are bringing forward the top marginal reduction from 2 per cent to 3 per cent, from 2008 to the 2007 land tax year, two years ahead, as I mentioned, a 20 per cent reduction in the middle rates, starting at \$900 000 to 0.8 per cent and cutting the 1.5 per cent to 1.2 per cent, and the 2.25 per cent rate will go down to 1.8 per cent. These are quite large reductions. What does it mean? It means that under the old rates, the Clark rates as they were called under the Kennett government, if you had a property worth \$2 million you would have paid land tax of \$33 880. Under the new land tax rates coming in next year it is going to cost you \$17 000. That is a cut of \$16 880, almost a 50 per cent cut on properties worth \$2 million.

Similarly, for \$3 million, instead of \$69 880 you will be paying \$38 600. That is a cut of \$31 280, so these cuts are a big saving for businesses compared with what the previous rates were. Those rates are enshrined in this legislation and of course the land tax will also be capped. Any increases, particularly for progressive tax at the lower levels, are capped at 50 per cent for next year. Later on this year we will be bringing in a bill to deal with the other changes, which I will welcome and which I have argued for. That will bring the actual valuations closer to when the tax is paid. This will allow people to appeal, as now it is difficult to appeal a valuation made two years ago. It will become only one year — that is, the previous year — and the valuation can be dealt with properly in an appeal process.

The final thing I should mention, which others have mentioned, is the pensioner and concession cardholder exemptions on stamp duty. This bill again raises those exemptions. For example, the saving on the contract price for a house worth \$250 000 will be \$10 660, and the saving on a house now worth \$350 000 will be \$6830. Under the previous arrangements, where the

levels were much lower, you would not have saved anything. This legislation provides for those savings and pulls them out to the limit of \$400 000, where the partial exemption applies, and to \$300 000, where the full exemption applies.

This is good legislation for business in Victoria and in terms of the concessions on stamp duty for pensioners and concession cardholders. This is an area where we have delivered consistently for business. We want to ensure that the economy is well run and that we retain our AAA rating, as indeed we will do. Today we got the blessing of Terry McCrann, who said what a marvellous performance we have here in absolute terms and in terms of the way the economy is managed in Victoria. Earlier today, in question time, the Treasurer talked about today's editorial on the management of the Victorian economy. This bill is an excellent one for business, and I commend it to the house.

Ms ASHER (Brighton) — The opposition supports this bill because it is better to support something than nothing at all. The bill gives effect to some of the tax measures that were outlined in the budget, and in terms of the specific content of the bill it extends the stamp duty exemptions for pensioners, it introduces some land tax changes and introduces the government's payroll tax changes.

The first comment I make about this bill is that it is notable for what is missing — that is, of course, there is no stamp duty reform either in the bill or in the budget. It is also notable for the fact that the first home owner bonus of \$3000 will end in June 2007, so there has been no relief at all for Victorian home owners or intending Victorian home owners. The stamp duty scales have not been adjusted, which is part of the reason the government can fund its blow-outs.

It has in part been based on the GST collections exceeding the government's expectations and in part also on the property boom which has resulted in increased land tax collections and, more importantly and more substantially, increased stamp duty collections. That has resulted in an overall increase in revenue which has financed the government's blow-outs on an annual basis.

The second observation I would make is that the second-reading speech flags further legislation later this year, which again raises the government's unpreparedness when it comes into this chamber. This year the budget was presented later. Most budgets have been brought down by this government early in the month, but this year the budget was presented later in the month — but still the taxation bills are not ready.

Had this government been prepared, as it had been for previous budgets, a taxation bill would have immediately followed the budget's presentation.

As has been indicated by the member for Box Hill, a number of initiatives announced in the budget are not in this bill. For example, the government announced that it will end indexation for land tax, and it will change the time over which land tax payers can lodge objections to the valuations on which their land tax is levied. At the moment the government has said people will have the right to lodge an objection or appeal at the time of receipt of the land tax bill, whereas the appeal system previously was that taxpayers could only object at the time they received their council valuation. Those two changes announced in the budget are in line with policies the Liberal Party has been pushing for some time — but they are not in the bill either, and we look forward to them being included in the July legislation.

The government has announced, and it is in this bill, that it will bring forward the top rate cut to land tax to 2007, which is two years earlier but after the next election. It has introduced small cuts — they are not 20 per cent cuts — for those in the middle land tax bracket. The 1 per cent rate will be lowered to 0.8 per cent; the 1.5 per cent rate will be lowered to 1.2 per cent, and the 2.25 per cent rate will be lowered to 1.8 per cent.

There are significant limits to the government's land tax changes. I draw the attention of members to page 342 of budget paper 3. One needs look at what this will cost the government. What is the revenue foregone to the government by the so-called land tax cuts? In 2006–07, revenue foregone will cost the government \$63 million; in 2007–08, revenue foregone will be \$41 million; and in 2008–09, it will be \$21 million. I do not think these cuts could in any way be classified as tax relief. I note in particular that the payroll tax cuts are a far more significant impost on the budget — that is, a far greater sacrifice by the government — than its land tax cuts.

I also refer honourable members to page 134 of budget paper 4, which tells the story of the government's land tax cuts. If we were to have genuine tax relief through genuine reductions, you would anticipate there to be a significant amount of revenue foregone. However, at table 3.2 on page 134 the government indicates that the percentage change from the 2005–06 revised budget to the 2006–07 budget equals a 3.1 per cent reduction in land tax collections from those two figures. That figure is scarcely earth shattering. I would not define that as land tax relief; in fact, the government is offering just a small cut. Of course, that is better than nothing, but to claim this is land tax relief is an absolute nonsense.

Of further relevance is that only one in six land tax payers will benefit. I refer members to an article by Christopher Webb in the *Sunday Age* of 4 June, in which he refers to the Treasurer as the 'land tax sadist'. I think that is a very good description of the Treasurer. Webb goes on to say:

Most land tax payers, that is, those with land worth \$900 000 or less, will pay exactly the same amount of tax, and that's assuming their land valuations remain the same.

He goes on to say:

The giveaway to the con job was a brief sentence in the budget explaining the 'focus of the reforms'. This was that next year, the government would again cap land tax increases at 50 per cent. Get a load of it! The government trumpets land tax 'reforms' and 'further land tax relief' and then promises that no bill will go up by more than 50 per cent.

In his article Webb includes a comment from a woman who pays land tax; it was simply:

It makes no difference to my business how much my land is worth. My business isn't increasing by the same percentage.

I think that comment by Christopher Webb is quite instructive.

The government has announced reductions in payroll tax. From 1 July 2006 it will be reduced from 5.25 per cent to 5.15 per cent, from 1 July 2007, to 5.05 per cent; and from 1 July 2008, to 5 per cent. The rate of reductions will be slow. I refer again to page 342 of budget paper 3, which states that payroll tax cuts in 2006–07 will be \$61 million; in 2007–08, \$128 million; and in 2008–09, \$168 million. However, if you look at the table on page 134 of budget paper 4 you will see that the government has budgeted for an increased payroll tax collection of the dimension of 1.8 per cent from the 2005–06 revised budget and the 2006–07 budget — again, some cut!

I conclude with a reference to the Institute of Public Affairs report authored by Mike Nahan, which was released this week. It simply speaks about all the states and what they have done with their very significant revenue flows. I quote from page 1 of the *Australian* of 5 June:

A new analysis, prepared by the Institute of Public Affairs, has found that since the GST was introduced in 2000, revenue distributed to the state has increased by more than 9 per cent a year, delivering an extra \$22 billion to state governments.

State tax revenue over the same period was \$28 billion more than expected, with big increases in stamp duty from property sales contributing an extra \$4.1 billion.

However, this unexpected revenue growth has been pumped into higher wages for bureaucrats and public servants rather

than being invested in infrastructure and delivering a new reform agenda.

It is a great shame that the government has not taken advantage of its prosperous situation to deliver further tax cuts. A chart on page 2 of the *Australian* of 5 June shows a growth in state employees in Victoria of 21.5 per cent, an average annual growth in employee entitlements of 7.4 per cent, extra revenue for Victoria of \$17.9 billion, extra recurrent spending of \$14.2 billion, and extra recurrent spending as a percentage of extra revenue of 79 per cent. I acknowledge that New South Wales is worse off than Victoria in this regard, but we have seen a massive increase in revenue to all the states, and they have squandered it. It is a great shame that we are not debating further taxation reductions in the bill before the Parliament.

Mr HARDMAN (Seymour) — I join with government and opposition members to contribute to the State Taxation (Reductions and Concessions) Bill. It is great that opposition members are supporting the bill. I am sure they wish they were in our shoes so they could take credit for being able to make such great changes to taxation and concessions for Victorians.

The purpose of the bill is to amend the Duties Act 2000, the First Home Owner Grant Act 2000, the Land Tax Act 2005 and the Pay-roll Tax Act 1971 and to give effect to initiatives in the 2006–07 state budget. The Bracks government's budget for 2006–07 provides for about \$1.4 billion in tax cuts over the next four years, which will help create jobs and drive investment. The cutting of payroll and land tax will help to continue Victoria's significant job growth. A good share of the increase of something like 300 000 jobs since the government came to office is in regional and rural Victoria, where there has also been population growth in the last year.

Over the past five years we have cut payroll tax, taking Victoria from one of the higher taxing states to the second lowest taxing state. It should be remembered that Victoria is very competitive with other states because of these changes. Between 2001 and 2003 we cut payroll tax from 5.45 per cent to 5.25 per cent. In the 2006–07 budget we are cutting it from 5.15 per cent from 1 July 2006, and then it will be 5 per cent from July 2008, making our state very competitive so that it will continue to attract investment and create jobs.

The budget will reduce the top rate of land tax from 5 per cent to 3 per cent by 2007–08. That will benefit small business and probably smaller investors and will make a great deal of difference to Victorian communities.

From 1 July 2006 the threshold for a full conveyance stamp duty exemption will be increased from \$250 000 to \$300 000, and the threshold on partial exemption will increase from \$350 000 to \$400 000. A pensioner or concession card holder purchasing a home worth \$300 000 will save \$13 660 in stamp duty — a very significant boost for them.

Changes to WorkCover premiums, whilst not part of this bill, are very important for stimulating investment and driving jobs growth in Victoria. This will be the third 10 per cent reduction in WorkCover premiums, which will help employers create more jobs. Victoria has the second lowest WorkCover premiums and also has amongst the best benefits of the states, which should also be remembered. The Bracks government has cut payroll tax since we have been in office. We have cut land tax. We have also abolished the duty on non-residential leases, the financial institutions duty, the duty on quoted marketable securities, the duty on unquoted marketable securities, the duty on mortgages and bank account debits tax. From 1 January 2007 we will abolish business rental duty.

That is a very good record when compared with the record of the opposition — namely, cutting only one business tax whilst in office for seven years. Rather than provide taxation relief, the previous government lowered the land tax threshold, and we saw more than 70 000 new land-holders in the land tax net. Even though the payroll tax was lowered, the previous government also changed the payroll tax system to include superannuation in the tax base, and this resulted in an extra 2556 employers facing payroll tax for the first time. That particular point was missed in the contributions to the debate by opposition members.

When the member for Box Hill, who is now the shadow Treasurer, was the parliamentary secretary to the Treasurer under the Kennett government, the top rate of land tax was increased to 5 per cent. So the opposition has no credibility when it comes to reducing taxation, especially on families and businesses in Victoria, whereas the Bracks government has a proud record. I commend this bill to the house.

Mr COOPER (Mornington) — I will make a brief contribution to the debate on the State Taxation (Reductions and Concessions) Bill. I have been prompted to do so by some of the comments I heard earlier from members on this side that this government cannot manage money. What I am about to tell the house will show that this government simply cannot manage it. I have a letter from a constituent about a problem that he and his wife have been having with the State Revenue Office (SRO) with regard to land tax. I

do not propose to disclose to the house the name and address of my constituent. As I read what this gentleman has written to me members will understand why. In a letter dated 29 May my constituent said:

In April of this year my wife and I received a land tax assessment notice for 2006. The notice was issued jointly to my wife and I. On reviewing the notice I detected a number of errors, namely:

property that my wife and I sold in 2003 was still listed as our 'principal place of residence' (PPR);

our actual PPR (our house in Mornington) was listed as being assessable for land tax;

property that I jointly own with my brother-in-law was NOT listed despite my previously having advised the SRO of our interest;

property owned in my wife's name was NOT listed despite her previously having advised the SRO of her interest.

On 25 April, I lodged an online objection and outlined these errors to the SRO ...

On Friday, 5 May, my wife and I received an 'Urgent notice — legal action pending' from the SRO demanding immediate payment of \$335.18. This was NOT for the recently received assessment notice, as it is for some \$238.00. As my wife and I had received no previous advice relating to this amount I called the SRO the following Monday and asked for clarification round this matter.

It transpires that the SRO has been sending my land tax assessments for 2004 and 2005 to my 'old' address. I have no way of verifying whether these documents have been returned to the SRO or not, but I am perturbed that the SRO has seen fit to make my private details available to the new owners of the property. This is surely a significant breach of the SRO's privacy obligations. Also, given that the SRO is also responsible for collecting the stamp duty payable on the transfer of the property, I fail to see how they can claim to not know that the property has been sold.

As a result of the phone call I was advised that my previous objection had been recorded and was waiting to be investigated. I was also advised that I should ignore the 'Legal action pending' notice and that I would be contacted by the SRO once they had reviewed my objections.

On Friday, 26 May, I received a 'Notice of intention to issue legal proceedings' from Bridgement Smith Collections, acting on behalf of the State Revenue Office, seeking immediate payment of the sum of \$335.18. This despite the SRO's earlier assurance that I should take no action and that they would contact me.

I have today contacted the state Ombudsman's office and lodged an official complaint against the behaviour of the SRO. I have also called the SRO and been reassured that it is all a mistake and that they neglected to cancel the earlier notice, hence my personal details were handed over to the debt collection agency. I was, once again, assured that I need take no further action until the SRO reviews my objection (they have had it on file for more than one month now).

It hardly needs saying that I am NOT reassured by this latest action. My wife and I have always taken great care to ensure that our credit rating remains first class, and I object strongly to a government department jeopardising this.

If ever there were an example of a department out of control, simply incompetent and hopeless, then this letter exposes the State Revenue Office as being so. I have to say that I was dismayed and appalled when I received this letter the other day, and I have conveyed that to my constituent. I have also conveyed to him that I would be raising the issue in Parliament at the earliest possible opportunity but that when I did so I would protect the privacy of him and his wife.

We have heard a lot of claims by the government about its financial good management, but it would appear that while the government is concentrating on macro issues, the micro management of places like the SRO has simply gone to hell and back, and it is people like my constituent that are paying the price for that. My constituent makes the claim towards the end of his letter that:

... I am a capable mature-aged gentleman who has no hesitation in standing up to this level of bullying. However, how many others have succumbed and paid up moneys to this department, rather than take them on 'head first'?

He has made a pretty good statement, because there would be plenty of people who would feel they would have no hope of standing up to an office like the State Revenue Office and would simply give up and pay up, and they are the victims of all this. While the Treasurer is swanning around his department he should take some time to look at the operations of the State Revenue Office. This is not the first time I have had matters of concern about the operations of this particular part of the Treasury brought to my attention, and the Treasurer has an obligation to make sure it is operating efficiently. After all, we are talking about two people who have been dragged into the land tax net — among an ever-increasing number of people who are paying ever-increasing amounts of money, despite the claims of the Treasurer.

We know that the land tax receipts of this government are pointing skywards. Claims that land tax is being cut are simply a furphy and, as has been described in this debate, smoke and mirrors. I want to protest in the strongest possible way about what has been done to my constituents in this particular matter and to say that I support their claim that there would be other people throughout the rest of the state who are being dealt with just as badly.

This is an issue that the Treasurer needs to take up personally. He should not be just sitting back and

assuming that somebody in his department might read what I have to say in the hope that something might happen. He should be taking this matter up to ensure that it is resolved for my constituents and, more importantly, that nobody else is being dealt with as harshly as they have been. If the Treasurer wants to contact me, and I look forward to his contact, I will be happy to make a copy of this letter available to him so that he can follow the matter up personally and get back in the first instance to my constituents.

Ms NEVILLE (Bellarine) — I am pleased to speak in support of the State Taxation (Reductions and Concessions) Bill, which will implement some of the tax and concession reforms announced in last week's budget. It is worthwhile reflecting on the government's record on taxes. I do not think there is any question that it is a good record and one we can be proud of. Let us go through it quickly. There have been payroll tax cuts and land tax cuts. The government has abolished duty on non-residential leases, the financial institutions duty, the duty on quoted marketable securities, the duty on unquoted marketable securities, the duty on mortgages and the bank account debits tax. It has also introduced a maternity leave exemption for payroll tax, and we will see earlier next year a business rental duty. Of course on top of that there have been three consecutive years in which we have reduced WorkCover premiums by 10 per cent.

It is this government that has taken Victoria from having one of the highest numbers of business taxes to having one of the lowest. Despite the outrage of the opposition about more taxpayers coming into the net, we need to remember that it was the previous government that lowered the land tax threshold, seeing more than 70 000 new land-holders caught in the land tax net. I think it was in Parliament today that the Treasurer reminded us that because of the changes we have implemented in this budget and since 1999, taxes in Victoria as a share of gross state product (GSP) are actually below the national average. He reminded us that in fact it was under the previous government that the share of GSP was above the national average. That record speaks highly of this government and its commitment to continue responsibly reducing business taxes to ensure we have a vibrant economy.

The budget and this bill give effect to some significant changes. In terms of payroll tax, since this government was elected we have seen a reduction in the rate from 5.75 per cent, and it will be reduced to 5 per cent over the next couple of years. Added to that is the fact that we have also raised the threshold to \$550 000. In respect of businesses that have a payroll between \$2.7 million and \$11 million — the Treasurer reminded

us of this again today, and it is important to reiterate — we are the lowest taxing state in terms of payroll tax. This is good for small and medium-sized businesses, and this government is focusing on supporting those businesses.

Land tax is another good news story. Again the government has brought forward land tax cuts, which will see the top rate reduced to 3 per cent from 5 per cent, which was the figure under the previous government. We will also see cuts to the middle rates. Since we have been in government we have increased the threshold from \$85 000 to \$200 000, and we have also introduced a cap on increases in land tax liabilities to ensure that in any one year they are no greater than 50 per cent. People with property worth \$380 000 to \$3.4 million — and that is very much the ordinary investor, including the ordinary family that has had an opportunity to invest in additional property — will actually pay the lowest land tax rate in Australia.

Earlier we heard the Leader of The Nationals quoting figures to show that despite the cuts the actual dollars collected by the government continue to increase. These are two different things. Yes, we are continuing to cut, but when you have good economic times you will obviously always have increases in the actual tax dollars collected — and that is a good news story, because what we have are opportunities for families to invest in property. We have increasing and improving employment opportunities; therefore, payroll tax collection will go up. Individuals will be paying less proportionately, but overall the collection will continue to increase as economic times continue to improve.

On top of that we have population growth. We heard today that one in three migrants to Australia comes to Victoria, so obviously as the population grows we have more taxpayers. It is therefore not unreasonable to assume that the actual dollars collected will continue to increase, but the government will continue to reduce taxes to ensure our businesses are competitive.

We have also heard from the opposition that we are a high-taxing, high-spending government. Let us put aside the facts I have already mentioned that show we have actually decreased taxes, we are lower taxing than the previous government and our taxes are lower than the national average in terms of GSP. Let us also put aside the claim that we are high taxing and look instead at the claim of high spending. Yes, we are, but are we making an apology for that? Are we making an apology for investing record amounts in infrastructure like schools, hospitals and public transport, and in the maintenance of our schools? Are we making an apology for employing more teachers and more nurses?

Of course we are not. I am not apologising, and members on this side of the house are certainly not apologising. Yes, we are using the revenue that is collected through taxes to reinvest back into our communities for the things that matter to Victorians.

When members of the opposition talk about high spending and high taxes, they raise the question of what the opposition is going to cut. Are we talking about Newcomb Secondary College in my electorate, which got \$8 million? Would that be the sort of project that would get cut in order to reduce spending on services? Would it be the extra 16 police in my electorate?

Dr Napthine — On a point of order, Acting Speaker, the bill before the house is a state taxation bill to deal with certain changes to the first home owners grant, land tax and payroll tax and duties. It is not an opportunity for members to do a general appropriations debate — there is the opportunity to do that on the budget. I ask you to bring the member back to this bill, which is about specific changes to taxation in the state of Victoria and not a general commentary on the budget or other matters.

The ACTING SPEAKER (Ms Barker) — Order! The member was referring to possible changes if taxation systems were changed by the opposition. However, I do remind her that it is a narrow bill and she should confine her remarks to it.

Ms NEVILLE — Earlier the shadow Treasurer said this bill does not go far enough in terms of cutting taxes. He referred to the need to look at further reductions in taxes. The bill the government has put before the house is looking at responsible ways of providing tax relief for businesses. It will make a real difference to them — I think savings of around \$1.4 billion will make a real difference to them — but it will also ensure that as a state we are able to fund the important services and infrastructure we need to support our communities. That is important to ordinary working families here in Victoria.

We have heard in recent days, and we will probably hear more this afternoon when we talk more broadly on the budget, lots of contributions by opposition members. Often in this Parliament, through notices of motion, members statements et cetera, they condemn the government for not funding X, Y and Z, and for, as we have heard in debate on this bill, not cutting taxes even further. I do not know how you achieve that balance. On the one hand they want to get X, Y and Z and all these services we have not funded, but they also want further tax cuts. In my mind there is some link between revenue, the level of tax cuts and the capacity

of governments to deliver and provide the services and infrastructure communities want. It is easy to say you want this and you want the cuts when you are in opposition and do not have to do the balance sheet at the end of the day.

This bill is extremely balanced and responsible. It ensures we have a competitive business environment while still delivering those high-quality services and the infrastructure improvements my community and Victorian families generally want and need. It also delivers ongoing surpluses here in Victoria. I commend the bill to the house.

Mr MAUGHAN (Rodney) — I have been listening with a great deal of interest to the member for Bellarine, and I will make a comment about that in a minute. However, essentially The Nationals are not opposing this legislation. We welcome any reduction in taxation but we would argue that the reduction is insufficient in this case.

That brings me to the member for Bellarine and her comments. Clearly we do need to balance revenues with expenditures. I think what she says is right: we cannot have one without the other. However, our constituents are demanding that. I think the argument here is whether the balance is right. I want to confine my remarks to payroll tax. I would argue that there the balance is not right. I think payroll tax is an iniquitous tax. I think it is a tax on employment.

Having been an employer myself I know that when as an employer you start to get towards that threshold you look at whether you are going to put on more staff. There was a period when we were not encouraging employment because of the impediment of payroll tax. The member for Bellarine said we need to get this balance right. However, if we had a lower level of payroll tax, that could encourage employment and economic activity in this state and we could then generate the revenue to provide all those human services our constituents quite rightly require.

I will now quote a few figures from page 39 of budget paper 4 — the Statement of Finances. It indicates that the expected payroll tax take for 2006–07 is nearly \$3.5 billion. Yes, we welcome a small reduction, but bracket creep will take up most of that. There is also an insidious creep. I am not sure how many members are aware of this but I point out that the government has recently clarified what it regards as being the definition of a contractor. This will apply to a whole range of industries that employ contractors. These are people who have a high level of skill and could be in the building industry, the mining industry, the construction

industry or even in medical practices where people are employed on a contract basis.

I have an organisation in my electorate which was advised by its accountant in the past couple of weeks that its contractors are now deemed to be employees — ‘Sorry, mate, but your taxation bill for payroll tax in this current year will be \$130 000 to \$160 000 more than you were anticipating’. A number of businesses that employ highly paid contractors will have that shock coming to them. I am not sure whether that has yet struck the community. This is a real disincentive to employment. It is the government being a bit sneaky about these things. What is perfectly legitimate and has been accepted as such for many years is now being tightened up. Some industries and some employers will get a very nasty shock when they get their payroll tax bills.

I am arguing that payroll tax is an iniquitous tax. We should be doing far more than we are, particularly when the state is going well, as the Treasurer and the Premier are telling us it is, to reduce payroll tax at an even faster rate. I think that in its more honest moments the government would acknowledge that the receipts that are coming in from the GST are far in excess of what it had predicted and far in excess of what it was expecting when it was in opposition. The Labor Party said the GST was an iniquitous tax. It said the tax did not have any merit at all, yet each year the Victorian government reaps about \$8 billion from the GST — let me repeat that: \$8000 million each and every year — and that is increasing. Here we have a growth tax that is financing many of the services the member for Bellarine spoke about. Therefore I think we should look far more seriously at reducing payroll tax.

The leader of my party has already spoken on this bill and set out The Nationals’ point of view. I simply wanted to make those points about payroll tax. It is an iniquitous tax. We welcome the reductions but we believe there should be far more significant reductions. As the GST continues to flow through to this state I would like to see payroll tax abolished in its entirety. It is a tax on employment. It is an iniquitous tax and the sooner we get rid of it the better.

Mr PERERA (Cranbourne) — I have pleasure in supporting the State Taxation (Reductions and Concessions) Bill 2006. This bill amends the Duties Act 2000, the First Home Owner Grant Act 2000, the Land Tax Act 2005 and the Pay-roll Tax Act 1971 to provide the tax relief announced in the 2006–07 budget.

The budget provisions build upon the tax reforms of previous years and provide further tax reductions and

concessions. This will significantly improve Victoria’s business competitiveness and attract interstate and overseas businesses to Victoria. Since 2001–02 budgeted total taxation in Victoria has grown by 28.8 per cent — far less than the gross state product, which grew by 40.7 per cent. In the same period Victoria’s total revenue base grew by only 36.8 per cent, as opposed to that of the commonwealth which grew by 43.2 per cent. The Bracks government has announced tax cuts of over \$4 billion. The opposition has no credibility in taxes and charges. They are the high-tax experts.

They might argue that these reforms are not going far enough, but when they were in office they were the high tax experts. The Kennett government lowered the land tax threshold, which pushed more than 70 000 new land-holders into the land tax net. Even though the payroll tax rate was lowered, they also changed the payroll tax system to include superannuation in the tax base. What happened? Some 2556 extra Victorian employers were facing a payroll tax bill for the first time. During the seven years of the Kennett government only one tiny business tax was abolished.

By contrast, the five years of the Bracks government has brought massive tax relief to businesses, cutting payroll tax, cutting land tax and cutting WorkCover premiums. With the construction of EastLink, industry and business in Carrum Downs is booming — just ask local real estate group Crowders. On many occasions Mr Crowder has gone public to champion the construction of EastLink. Also, on many occasions his firm has sold industrial parcels of land in Carrum Downs for record prices. These industries and businesses will enjoy massive tax relief from the Bracks Labor government.

The Bracks government is also abolishing a number of taxes such as duty on mortgages, bank account debits tax, non-residential leases and the business rental duty from 1 January; and the list goes on. The Bracks government has taken Victoria from being the state with the highest number of business taxes to the one with the lowest number. The Bracks government has abolished more taxes under the GST agreement than has any other state.

In this budget the Bracks government delivers further payroll tax relief, land tax relief and WorkCover premium reductions. It re-enacts the conveyance duty exemption scheme for families and increases their conveyancing duty concession exemption. The amendments to the Duties Act 2000 provide exemptions and concessions to two of the most vulnerable groups that seek shelter over their heads —

that is, the pensioners whose incomes have been decimated since retirement; and the first home buyers who are starting a family not long after they start work.

The Bracks government is funding over \$1 billion worth of assistance to first home buyers over the next four years. The Cranbourne electorate consists of many families building their matrimonial homes in Skye, Langwarrin, Carrum Downs, Cranbourne, Cranbourne East and Cranbourne West. Potential first home buyers in the Cranbourne electorate will certainly welcome these reforms.

The Victorian government now fully funds the \$7000 first home owners grant, which is provided to all first home buyers irrespective of their background. The first home bonus is available for homes purchased between 1 January 2006 and 30 June 2007. Together with the existing \$7000 first home owner grant, the total package available to eligible home buyers from 1 January 2006 until 30 June 2007 will be \$10 000.

The bill will also cease the suspension of the conveyance duty exemption scheme for first home buyers back to the date the bonus was reduced — that is, transactions entered into on or after 1 January 2006. Eligible first home buyers will now have the ability to elect to receive either the first home bonus or the duty exemption concession. For example, an eligible first home owner with a family, purchasing a home valued at \$145 000, will receive an additional duty concession of \$1360 by electing to receive the duty exemption.

Up until the end of April 2006, around 65 000 first home buyers have benefited from the first home bonus scheme. During 2005 in Victoria, 40 214 first home buyers bought their first homes as opposed to 39 713 people in New South Wales who bought their first homes during the same period.

The government is also expanding assistance to pensioners and concession cardholders from July 2006. The threshold for a full conveyance duty exemption will increase from \$250 000 to \$300 000, and the threshold for a partial exemption will be increased from \$350 000 to \$400 000. On the purchase of a home valued at \$300 000 an eligible pensioner will receive a duty exemption of \$13 660. This will make Victoria a place to retire to. This concession will benefit an estimated 2000 pensioners and concession cardholders every year, including 400 extra pensioners and concession cardholders who would not have qualified under the old thresholds. This will benefit my constituents enormously, especially those who have chosen to retire into areas like Carrum Downs and Cranbourne.

The bill amends the Pay-roll Tax Act 1971 to enact the progressive rate reductions for the next three years, from 5.25 per cent to 5 per cent, as announced in the budget. The first reduction of 0.1 per cent represents a \$61 million saving for business and will apply to wages paid from July 2006. Overall, Victorian businesses will save \$533 million over four years due to these cuts.

These changes represent direct massive savings for Victorian businesses. Victoria's payroll tax rate will be 13 per cent lower than it was when the Bracks government came to power in 1999. This reinforces Victoria as having the second-lowest payroll tax rate in Australia and brings its rate to within 0.25 percentage points of Queensland. In New South Wales the payroll tax rate is 6 per cent.

Further, despite Victoria's higher rate, the way payroll tax is calculated in Queensland means that, following the reduction of payroll tax to 5 per cent in Victoria, that Victorian businesses with payrolls between \$1.95 million and \$11 million will pay less payroll tax than their Queensland counterparts. This reduction brings total payroll tax cuts by the Bracks government to 13 per cent since being elected, with benefits to over 23 000 businesses. For example, small to medium businesses with a payroll of \$5 million will save \$4450 from 1 July 2006 with the payroll rate of 5.15 per cent, and \$11 120 at the rate of 5 per cent after 1 July 2008. By 1 July 2008 businesses with similarly sized payrolls in Queensland will pay \$237 500 payroll tax; in New South Wales, \$264 000; but in Victoria, only \$222 500.

The 2006–07 budget continues the substantial reform of Victoria's land tax system in the last two budgets by providing further land tax relief worth \$167 million over the next four years. This is on top of the already extensive land tax reforms announced in 2004–05, which totalled \$1.8 billion over five years. This will provide relief to the taxpayers who have experienced large increases in their land tax liabilities.

Victoria has the lowest land tax of all states for virtually all small businesses with landholdings valued between \$380 000 and \$3.4 million. A property valued at \$3.4 million will pay land tax of \$50 600 compared to \$89 880 under the previous Liberal government. This government has a proud record of taxation reform that benefits large and small businesses, and ordinary Victorians. These reforms will make Victoria the best place in Australia to do business, buy their first home, and retire. I commend the bill to the house.

Mr THOMPSON (Sandringham) — I rise to make a few brief comments on the State Taxation (Reductions and Concessions) Bill 2006 with the

benefit of my insight as the representative of the electorate of Sandringham.

The first comment I make is about land tax, which issue the bill addresses. The bill fails to respond to the concerns of many self-funded retirees and business owners in my electorate and across Victoria who have been knee-capped by the usuries rates of land tax which are the product of the failure of the Labor Party to appropriately adjust land tax scales to take into account property price increases through inflation. There is a range of adverse outcomes. The Tulip Street tennis centre is a case in point. It has been hit with a very significant increase in its land tax. The key point to note in relation to land tax is that it is a static asset and in some cases, a non-income producing asset, which is subject to a significant charge or fee.

It was regarded as outrageous, when this matter was debated earlier this year, that a Labor member of Parliament suggested that land tax was a well-targeted tax because a finite group of people were subject to it. That may be the socialist thinking of the ALP, but many people's livelihoods are seriously impacted upon as a consequence of the recurrent fees charged by the Labor government. Government members only need turn up to the annual general meetings of suburban accountants or CPA Australia or other accounting bodies that deal with mums and dads, self-funded retirees and small business people to understand the significant impact of this impost. There was an example in the press early this week of one small business person who had had a tenfold increase in their land tax bill on a recurrent basis, which they will be obliged to pay. That story is replicated, suburb by suburb and family by family, across the state.

While the title of the bill before the house refers to reductions and concessions, it applies limited concessions to people who are adversely affected by the abject failure of the Labor government to take into account the inflationary pressures and increases in real estate prices that are now catching a much wider grouping of taxpayers and householders than was originally intended.

The second remark I make relates to stamp duty. Again because of property price increases a range of Victorians are, on acquiring businesses in the state, obliged to pay much higher levels of stamp duty according to the ad valorem scale. Labor is quite attached to the scale, and I have mentioned in this chamber on a number of occasions people's exasperation in the late 1980s at the application of duty on the purchase price of new businesses according to that scale as a way of shoring up the state budget. The

government sees this as fertile ground for taxing Victorian families.

One interesting observation I make in relation to stamp duty is that many self-funded retirees and senior members of the Victorian community own their own home and would, for example, like to downsize from the family home they might have lived in for 20, 30 or 40 years. But when they go through the arithmetic of what it will cost them in sale expenses, removal expenses and relocation costs, they become very reluctant to spend of the order of \$40 000, \$50 000 or \$60 000 on stamp duty on a new property as a result of the aspiration to downsize, change their lifestyle and move into a town house or unit. This is something Labor has failed to take into account. It is happy to rip money out of the Victorian community and take money off families who wish to adjust their accommodation.

The State Taxation (Reduction and Concessions) Bill is an absolute misnomer for those Victorians who are paying far more than they have in the past and far more than they otherwise would have on a proportionate basis for their land or property holdings or for moving from their principal place of residence when they want to downsize.

Mr DONNELLAN (Narre Warren North) — I will make a couple of comments. It appears that the Liberal Party is telling us that as the value of a person's property increases, their land tax should decrease, or something like that. I find it very difficult to understand why, when the value of people's property investments — not their houses, but their investments — increases by 50 per cent, somehow or other their land tax should drop. I do not understand how the Liberal Party will fund its promises, because it obviously will not be through land tax. I have to assume it will be with fresh air! Opposition members believe no-one in society should contribute tax, full stop. Land tax applies a bit of economic discipline — —

Dr Napthine — Socialism.

Mr DONNELLAN — No, it applies discipline to the way a property is used. Having been a valuer, when I look at a bit of land I look for the highest and best use. If people are sitting on a block of land worth \$10 million and on it they are running a business which generates bugger-all of diddly-squat, maybe it is time to sell the land, realise the investment and look at other things. As a business person it is no use sitting on a big, high-value block of land and making no money out of it.

We have been given thousands of examples of people crying poor who are sitting on land valued at \$10 million. I had a person, who happens to be a friend, come up to me the other week and tell me he was disgusted that his parents had to pay land tax. They had holdings of something like \$6 million, and this guy was suggesting to me that it was virtually a crime. I looked at him and said, 'Go and cry on another shoulder'. I had never heard anything so ridiculous in my bloody life.

Honourable members interjecting.

Mr DONNELLAN — At the end of the day — —

Dr Napthine — Whose electorate was it in?

Mr DONNELLAN — It wasn't in my electorate.

Dr Napthine — That's for sure!

The ACTING SPEAKER (Mr Ingram) — Order!
The member for South-West Coast!

Mr DONNELLAN — I hope the member for South-West Coast is not being derogatory about my constituents.

We are starting to get this attitude in society that people should not contribute any tax at all. We live in a society; we are civilised, hopefully. We try to build roads and we try to build schools, and at the end of the day taxes are what fund that.

The government has reduced the tax burden on small business substantially. We have had a 30 per cent reduction in WorkCover premiums over three years, and we have had reductions in land tax and reductions in payroll tax. We have reduced the burden on small business, and that will go a long way in my electorate of Narre Warren North and for the residents of Casey. I have many small business people and contractors in my electorate who will gratefully accept the land tax cuts and the payroll tax cuts and the WorkCover cuts that this government has put through — —

Mr Plowman — On a point of order, Acting Speaker, I was in my office and happened to hear the member for Narre Warren North. I was quite enjoying his speech, but he used the phrase 'in all of my bloody life'. You might remember that during 90-second statements the member for South-West Coast used that word and said that it is a word that is commonly used in the English language by Australians and therefore should be accepted in this house. The Speaker took exception to it and demanded that the member withdraw the word.

I do not happen to agree with that ruling, but I just wondered whether you would rule on that earlier ruling as to whether that is admissible language in this house or whether it is not.

The ACTING SPEAKER (Mr Ingram) — Order!
I was here when that discussion was raised earlier by the Speaker. The ruling the Speaker gave was that it was inappropriate language for the house. If the member made that comment, I ask him to withdraw.

Mr DONNELLAN — I withdraw happily.

This is a good budget. It delivers to my electorate in spadefuls. If you look at the land tax cuts specifically, you see there has been a 20 per cent reduction in the middle land tax rates, cutting the 1 per cent rate, which starts at \$900 000, to 0.8 per cent; cutting the 1.5 per cent rate, which starts at \$1.9 million, to 1.2 per cent; and cutting the 2.25 per cent rate, which starts at \$1.62 million, to 1.8 per cent. This takes us to the lowest land tax rate in the country for holdings between \$380 000 and \$3.4 million. I mentioned previously my friend who came up to me and whom everyone thought was rather hysterical when he told me that his family had large land tax holdings and got a bit upset about paying land tax, but it is the lowest in the country for holdings up to \$3.4 million. I did not feel particularly sorry for the person at the time, and I still do not to this very day.

As mentioned previously, there are payroll tax cuts, which will assist many businesses in my electorate. Payroll tax will be 5.15 per cent from 1 July 2006, 5.05 per cent from 1 July 2007 and 5 per cent from 1 July 2008. In many ways this government is leading the way in terms of reform by reducing taxation and increasing competition. Our tax take is growing slower than the rate of our gross state product. If you compare Victoria with that of the federal government, you see that its tax take is actually increasing faster than GDP. We are reducing what we are taking out of the economy as it is growing, whereas the federal government, which is ahead of the growth of the economy, is taking more tax on a consistent basis.

While we are reducing tax we are also investing enormously, with some \$4.9 billion in this budget for infrastructure on top of the \$13 billion we have already put in over the last six and a half years. We have a population growth which is exceeding the national average, and our business capital investment is also above the national average. Our growth rate for this budget is expected to be about 3.25 per cent and our debt level as compared to the gross state product, which was 3.1 per cent in 1999 when we came to office, is

now about 0.9 per cent of GSP and will rise in 2009–10 to 2.5 per cent. This is a good budget and a great act. It actually reduces the burden on small business, and I commend the bill to the house.

Mr Andrews — Bloody good speech!

The ACTING SPEAKER (Mr Ingram) — Order! The member for Mulgrave will apologise to the house.

Mr Andrews — Acting Speaker, I apologise to the house.

Dr NAPTHINE (South-West Coast) — I rise to speak on the State Taxation (Reductions and Concessions) Bill and will bring some reality to the debate on this bill and fundamentally expose the myth about these so-called tax cuts. They are nothing more than Clayton's tax cuts, and the budget shows that to be the case.

Let me refer specifically to some parts of the bill. I refer to part 3, which deals with the first home owner grant changes. What this does is abolish the state government's first home owner grant. Currently the state government provides a first home owner grant of \$3000 in addition to what is provided by the federal coalition government, which is a very generous first home owners grant. This amendment in the bill fundamentally abolishes the state's first home owners grant. So they are withdrawing their support for first home owners in Victoria at exactly the same time as stamp duty in this state is going through the roof.

Let us look at the figures for a \$350 000 home; in many parts of Victoria that is not an unreasonable amount for a first home that people would be aspiring to buy. In New South Wales the amount of stamp duty a first home buyer would pay on a house of that value would be zero; in Queensland they would pay \$3250 in stamp duty; but in Victoria a person buying their very first home would pay \$16 660 in stamp duty. Part 3 of this bill abolishes the little assistance they used to get from the state government, the first home buyers grant of \$3000. So the message to first home buyers in Victoria is clearly that the Bracks Labor government simply does not want them to have their first homes in Victoria. It is not trying to encourage young families to buy their first home; they are trying to make it harder for them to buy their first home, and this legislation says that in black and white and very clearly.

Let us talk about land tax. This is a Clayton's tax cut. One only has to look at budget paper 4.

Mr Maxfield interjected.

Dr NAPTHINE — I suggest the member for Narracan read page 39 of budget paper 4 because it shows clearly that under this government's budgets for 2006–07, 2007–08, 2008–09 and 2009–10, each and every year the land tax collections will increase after these so-called tax cuts. So this government is not collecting less land tax; it is going to collect more land tax. These are Clayton's tax cuts.

Mr Maxfield interjected.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Narracan!

Dr NAPTHINE — Let us contrast that to what happened under the Kennett government — something people keep talking about. The most significant reform in land tax in Victoria's history took place under the Kennett government, because the Kennett government — —

Mr Maxfield — You pushed it up!

Dr NAPTHINE — The member for Narracan does not know his history and is not even prepared to learn it. The Kennett government abolished land tax on the principal place of residence, which was the most significant reform to land tax in Victoria's history.

The other thing that is important to recognise about the Kennett government is that when it left office in 1999 the collection of land tax in dollar terms and in real terms was lower than it was when it came to office in 1992. After seven years in office the actual dollar amount the Kennett government collected in land tax was less than what it collected in 1992, because that government reformed land tax by abolishing the tax on the principal place of residence.

This government purports to introduce land tax cuts, yet budget paper 4 shows that land tax will increase in each and every financial year from 2006–2007 to 2009–2010. That makes an absolute lie of the government's saying to the people of Victoria that it is reducing land tax. It is an absolute furphy, it is a myth and it is a lie.

Let us come to payroll tax, and here again the government is perpetrating a lie on the people of Victoria. It claims that there are cuts also to payroll tax in the budget. Let us look again at page 39 of budget paper 4, the *Statement of Finances 2006–07*.

Mr Maxfield interjected.

Dr NAPTHINE — People might say this is about fairies at the bottom of the garden, but these statistics actually come from the government's own budget

papers. If the member for Narracan thinks the statistics are fictional, he ought to stand up and say so.

Mr Maxfield — What you're saying is fictional.

Dr NAPTHINE — I am quoting from budget paper 4.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Narracan!

Dr NAPTHINE — Budget paper 4 makes it very clear that payroll tax as well as land tax will increase each and every year from 2006–2007 to 2009–2010. The increase will be over 12 per cent in those years. The government is actually going to collect more payroll tax when it is claiming there are payroll tax cuts.

Let me make a couple of points on the general issue of payroll tax. I think payroll tax is one of the worst and most insidious and inappropriate taxes in our taxation system. It is a tax on employment, and any tax on employment is a bad tax.

Honourable members interjecting.

Dr NAPTHINE — Both sides of the house ought to work very assiduously to abolish payroll tax over time.

Mr Maxfield interjected.

Dr NAPTHINE — I understand it is important to the — —

The ACTING SPEAKER (Mr Ingram) — Order! If the member for Narracan does not cease interjecting in that manner, I will be forced to call the Speaker.

Dr NAPTHINE — Payroll tax is a bad tax. I understand the need for taxes, but this is not a good tax. It is a tax on employment at a time when we should actually be making it easier to employ people, not more costly.

The second reason it is a bad tax is that it actually puts lead in the saddle bags of our exporters, because they have to add that payroll tax to their input costs, which makes them less competitive in an increasingly competitive world market. That puts us at a significant disadvantage. Whether in the food industry or the services industry, if we are paying payroll tax on inputs in Australia, we are putting ourselves at a significant disadvantage in relation to overseas competitors who do not pay payroll tax. Irrespective of which side of politics you are on, I think you have to admit that payroll tax is one tax we should work to get rid of. We

should try to devise a reform of our taxation system that gets rid of payroll tax.

On top of all that, this government has made some changes to payroll tax which have made it worse. At a time when we should be encouraging skills development, this government has added apprentices and trainees to the payroll tax system. At the very time when we need more skilled workers for the work force, this government has made it harder for employers to take on apprentices and trainees — and now the government is extending it to contractors as well. This high-taxing government's record on tax is appalling. It is a government that is taxing Victoria far too much, and it will cripple the Victorian economy.

Let us just look at some of the taxes that have been introduced by the Bracks government. There is the \$80 motor vehicle registration fee for pensioners and health care card holders; the \$54 motorcycle tax; the 5 per cent tax on water; the car parking tax; the tax on new land for young home buyers disguised as a metropolitan improvement levy; the annual increases in fees, taxes and charges introduced by Treasurer Brumby; the massive increases in forestry royalties; the removal of payroll tax exemptions for apprentices and trainees, with contractors also now to be included; the Scoresby tolls; the 100 per cent increase in brown coal royalties; the new levies on electronic gaming machines; the new Growth Areas Authority tax on subdivisions, which was passed by the Parliament this year and which again has increased the price of land and houses for young home buyers; the caps on multipurpose taxis, which are effectively a tax on the frail and disabled in our community; and of course the speed camera tax, which has gone from \$100 million in 1999 to \$416 million now.

This government has introduced 14 new taxes and charges at the rate of two a year — as well as massive increases in land tax, payroll tax and stamp duty. At the same time the government is getting massive increases in receipts from both existing taxes and the plethora of new taxes. Yet this government still cannot manage, so it has to send Victoria back into a debt spiral, taking debt from \$1.5 billion to \$7 billion in five short years. This government simply cannot manage money, and this bill is another example of that.

Mr HOWARD (Ballarat East) — I am certainly pleased to make my contribution on the State Taxation (Reductions and Concessions) Bill. The budget was certainly well received by members of this side of the house and, it seems, by the broad sector of the Victorian community — other than those on the other side of the house.

Like other Victorians, members on this side want to see that we have a prosperous economy, and I want to see that we have a prosperous economy within the electorate of Ballarat East. I have been pleased by the very positive feel over the last few years amongst most businesses within my electorate. While some are facing challenges in terms of overseas competition and so on, businesses in my electorate certainly have been pleased by a number of decisions this government has taken to support business in a range of ways. However, in this bill we are concentrating on reductions to two taxes in particular, those being the payroll tax and land tax.

This bill provides the ability to actually implement the tax reforms that were announced in the budget. With regard to payroll tax we see a progressive reduction which will take place over the next three years, reducing the already low payroll tax level, compared with the other states in Australia, of 5.25 per cent to 5 per cent. In some ways that does not seem a lot, but it means that businesses across this state for the next four years will save \$533 million. That is a substantial amount, and I know from attending a budget breakfast for business people soon after the budget was announced that there was a good feeling and a positive response to that change.

Likewise we have heard much about land tax. Land tax in my electorate rarely affects private property because it only cuts in once the property value is over \$900 000, and there is not a lot of residential property in the Ballarat East electorate that would be above that amount. But obviously reductions are significant for businesses. We see a range of cuts of between 1 per cent and 3.5 per cent in each of the categories of land tax, and again there are already indications that those reductions will be well received across Victoria and within the Ballarat East electorate by businesses which pay land tax.

From talking to business people I also know that many of them were concerned that the WorkCover levies were high when we were first elected. They have been pleased to see this third successive 10 per cent reduction in the WorkCover levy, and all the businesses affected are also very pleased to see how well managed the WorkCover authority has been under this government. Business knows that it is doing very well under this government and all the figures show how businesses are growing in Victoria and how new businesses coming to Victoria are doing very well. That is certainly a pleasing thing to see in my electorate, and I trust that in a range of ways, through Business Victoria and Regional Development Victoria, we will continue to work with businesses across my electorate to support them in a range of ways. These tax

reductions also provide a significant underpinning to a good, sound base for business to ensure that business in Victoria continues to be attractive.

Looking also at residential property issues, we see that this bill contains concessions associated with stamp duty, particularly for concession card holders and aged pensioners when they change over a property later in life. We know that stamp duty was waived for all properties below \$250 000, and we have now increased that to \$300 000, with partial concessions for properties valued at up to \$400 000 as opposed to \$350 000 in the past. That is going to be of great benefit to some of those age pensioners who, even in my electorate, are occasionally finding that they have been caught because their properties have risen in value above the \$250 000 mark. Those people will be pleased with that change, although it would be more likely to affect people in the metropolitan area than within my electorate, but some of their properties will certainly be affected.

I want to say that I am very proud of this government's record in recognising that we need to provide the underpinnings to ensure that business can progress well in this state, and in recognising that we need prosperity that will be driven by business in this state. Certainly the record of this government is one that has reassured the business community, which clearly supported Labor very strongly at the last state election in 2002 after the first term of the Bracks government. I am confident that with the changes in this and previous budgets and with the other actions of this government it will continue to see that this government is very supportive of business initiatives and recognises the issues that arise relating to difficulties in the business climate. I am very supportive of this bill and the overall budget.

Mr MAXFIELD (Narracan) — I rise today to speak in support of the State Taxation (Reductions and Concessions) Bill. May I say that I sat here and listened to the member for South-West Coast's rather bizarre interpretation of history. It is very interesting when someone tries to pretend that black is white, because the reality is that there have been serious and significant cuts to business taxes by this government compared to his party's seven dark years of government during which it abolished one little tax. Our statistics are in fact quite powerful. Let us look at the comparison between the federal Liberal and Nationals government and the Bracks government. What has been the percentage increase in taxation? Commonwealth revenue has gone up 43 per cent.

Mr Jenkins — How much?

Mr MAXFIELD — Forty-three per cent! Actually 43.2 per cent. At the same time the total Victorian tax revenue, including GST, has gone up by 36.8 per cent.

Which is the higher taxing government? It is clearly the federal Liberal-National government. To add final insult to injury, for every dollar of GST money we put in we get a tad over 80 cents back. We have been completely and utterly abandoned. Will the member for South-West Coast stand up for Victoria and insist on a better share? No, he will not because he is quite happy to see Victorian money shipped all over the country, but not spent here. What a traitor to Victoria.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Narracan should speak on the bill.

Mr MAXFIELD — The issue of taxation and where our taxation money is being spent is important, but of course we need to get a fair share from the federal government because that impacts on the taxes that are charged to businesses in this state.

In Victoria we have gone from having the highest number of business taxes to having one of the lowest. We have abolished more taxes as part of the GST agreement than any other state. That really sums up what the government has done in this area. Looking at some of the information, I note that payroll tax will be reduced to 5 per cent over three years, which is worth \$533 million. There has been a 13 per cent reduction in the payroll tax rate since 2001, which means that Victoria now has the second lowest payroll tax rate in Australia, and we are the lowest in some areas of the payroll tax regime. There will be cuts to land tax worth \$167 million over four years. Victoria can claim to have the lowest land tax payable of all states, and for virtually all companies with land-holdings valued between \$380 000 and \$3.42 million. That is the very impressive record of a government that is bringing down business taxes.

Let me turn to WorkCover. What a proud record we have there. Not only are we increasing the benefits to workers and returning the right to common law for seriously injured people, but we have had the third consecutive 10 per cent cut in average WorkCover premiums. The latest 10 per cent cut will save businesses an average of \$520 million a year.

The ACTING SPEAKER (Mr Ingram) — Order! The bill is fairly specific about a number of taxes. I remind the member to focus on the bill.

Mr MAXFIELD — Acting Speaker, I must confess I get quite excited by the way we are cutting business taxes in this state, and sometimes I have trouble

resisting the urge to say what a fantastic and wonderful job we are doing in supporting businesses and bringing down taxation.

It is important to highlight the benefits of the bill and the reduction in taxation for businesses, as well as the stamp duty exemptions for first home buyers, the exemptions for health care card holders in terms of discounts and so on. We have seen significant cuts in taxes right across the board. Compare that to the opposition when in government. That government increased the top land tax rate to 5 per cent. It also changed the payroll tax rates which resulted in 2556 extra Victorian employers facing a payroll tax bill for the first time. It massively widened the payroll tax take across Victoria for businesses.

Under the Kennett government we found significantly increased numbers of businesses being hit with payroll taxes. The Kennett Liberal government was a heavily taxing government, and for seven years members of that government sat silently while it taxed the daylights out of businesses in this state. What we have seen here is record economic growth, and our businesses are employing people like never before. This government is backing business in a strong way.

The federal government, supported by its colleagues in the Liberal Party and The Nationals in Victoria, wants to not only slash wages and working conditions but also massively increase the regulations on small business via the industrial relations changes. It is a shameful and sad record. The federal government is not only going after workers in this state, but it is also going after small business, desperately trying to look after its mates and trying to pick up a few more donations from big business. It is a shameful record. In concluding my remarks I commend the government on a magnificent bill and its fantastic record.

Mr NARDELLA (Melton) — Opposition is a bitch, it really is! Here we have an opposition that says good news is bad news. It says tax cuts are tax increases and says a reduction in land tax is actually an increase. That ultimately leads to a position where the opposition says that the polls that show it going into oblivion are not true. That is the situation we have with this bill and with the budget debate that has been ranging in this house.

The land tax bill demonstrates what the Bracks government is putting back into the Victorian economy and putting back into communities. I will come to The Nationals in a moment. The previous Kennett Liberal government had slash-and-burn policies. It sacked 9000 teachers and got rid of nurses. It promised

1000 new police but cut the numbers by 800. This tax bill before the house is about restoring those numbers in the Victorian community. But we go further in regard to the benefits we bring to country Victorians.

I listened intently to the drivel spoken by the Leader of The Nationals in this house. He will lead his party into losing their white, chauffeur-driven cars and losing their party status at the next state election. He said the Regional Infrastructure Development Fund, which he supported but which was opposed by the Liberal Party when it came into the house back in 1999 — —

Dr Napthine — On a point of order, Acting Speaker, not only is the member misleading the house, but he is straying far and wide from the bill. I ask you to bring him back to being relevant and to speaking on the bill.

Mr NARDELLA — On the point of order, Acting Speaker, I was here when the Leader of The Nationals spoke on this bill and talked about the Regional Infrastructure Development Fund and country Victoria and the effects this bill will have on country Victoria. I am responding to the Leader of The Nationals.

The ACTING SPEAKER (Mr Ingram) — The member for Melton understands that lead speakers have wider scope to touch on issues outside the direct scope of the bill. Other members are required to keep their comments to the scope of the legislation before the house, so I uphold the member for South-West Coast's point of order.

Mr NARDELLA — The Regional Infrastructure Development Fund is a terrific program that we put in place for country and provincial Victoria. It was a program that recognised the disadvantage in rural and country Victoria. This bill continues that funding program which was criticised by the Leader of The Nationals. It is an absolute credit to this government and to the Victorian community. This bill reduces taxes.

From memory we are reducing taxes by something of the order of \$1.4 billion with this bill. It is very important to understand that when you are trying to drive the economy, when you are trying to drive the creation of jobs in the economy and when you are trying to deal with an aggressive federal government that is taking away money from Victorians, these tax cuts, specifically the tax cuts for business — and I will talk about pensioners in a moment — are extremely important. This is the third time there has been a 10 per cent reduction in WorkCover levies — —

Dr Napthine — On a point of order, Acting Speaker, you have ruled previously in this debate, and I understand that the member for Melton was in the house at the time, that this bill has nothing to do with WorkCover levies. This bill is specifically about changes to certain taxes and duties, and I ask you to rule that the member restrict himself to the contents of the bill.

Ms Lindell — On the point of order, Acting Speaker, in his contribution to the debate the member for South-West Coast was talking about the multipurpose taxi program, the motor registration concession and several other topics that have nothing to do with the bill in front of us. We need some consistency and a little less hypocrisy from the member for South-West Coast.

The ACTING SPEAKER (Mr Ingram) — Order! I uphold the point of order raised by the member for South-West Coast. Members may make some passing comments but are required to restrict their contributions to the scope of the bill. I ask the member for Melton to remain on the legislation before the house.

Mr NARDELLA — The bill before the house does those things. Let us talk about the concessions that the honourable member for South-West Coast talked about. For pensioners here in Victoria this government has put in place a wide range of concessions, especially for the times when they go through changes in their lives. This bill reduces conveyancing costs for pensioners. When people get older and need to scale back their housing, this bill means they will pay less in stamp duty, and in some instances it will be eliminated altogether. That is the type of program the Bracks government is putting in place.

There are quite a number of other initiatives in this bill that demonstrate that we have a commitment to Victorians. We have a commitment to making sure that businesses are able to operate, able to make decisions to expand here in Victoria and able to continue to grow the Victorian economy. They were things that were stalling under the previous government. We have made sure that the Victorian economy does not stall and does not go back to the seven long, dark years we faced in the past.

Honourable members interjecting.

Ms Lindell — They hate good news! They hate it.

Mr NARDELLA — Yes, they do hate it, as the honourable member for Carrum said. We have got to a position where people can run their businesses and where jobs and employment can increase. We are

driving the economy forward to make sure our young people have opportunities to gain skills and to have a life like all of us in this chamber have had. That is what this bill before the house is all about.

As I said at the beginning, it is difficult for opposition members, because they have to try to find ways of putting bills in a negative light, but this bill shows that the taxing policy of the Bracks Labor government puts us ahead of any other state government and certainly ahead of the federal government when it comes to looking after communities. That is what we are about. It is about looking after communities, it is about looking after families, it is about looking after our young people and it is about looking after older people in our society.

This bill really does that. Whether it is the duty on mortgages, the bank account debits tax or any of the raft of taxes that we have taken off and are taking off with this bill, or whether it is the great news in this bill for small business, we are doing it. We are in the front line of making sure that we are growing the whole state. We are looking after country Victorians, we are looking after provincial Victorians and we are providing services to all people in Victoria. They deserve the best, and we are giving them the best — and they certainly have no alternative in the opposition.

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

Ms BEARD (Kilsyth) — What a great privilege it is to follow members from this side of the house in speaking on the State Taxation (Reductions and Concessions) Bill. The Bracks government stands up for families and for all Victorians. It is also the government for business in Victoria. The government will deliver savings of \$1.4 billion to businesses over the next four years. Business benefits greatly from this budget through cuts to payroll tax, land tax and WorkCover premiums. Payroll tax will be reduced to 5 per cent over three years, a saving of \$533 million to business. That represents a 13 per cent reduction in payroll tax since 2001, and it reinforces Victoria as the state with the second lowest payroll tax in Australia.

Business will also benefit from cuts to land tax worth \$167 million over four years. Of all the states Victoria will have the lowest land tax payable by virtually all companies with landholdings valued at up to \$3.4 million. This is the third consecutive 10 per cent cut in average WorkCover premiums. WorkCover rates were an item of great controversy years ago. The latest 10 per cent in this budget will benefit businesses greatly, cumulatively saving them around \$520 million a year.

The Bracks government is also the government for families, pensioners and concession card holders. They will benefit from the new stamp duty regulations when buying a new home. We have increased the threshold for full and partial conveyancing duty exemptions for pensioners and concession card holders from \$250 000 to \$300 000 and \$350 000 to \$400 000 respectively.

Re-enacting the conveyance duty exemption scheme for first home buyers will provide a full conveyance duty exemption for homes worth up to \$150 000 and a partial exemption for homes worth up to \$200 000. This will be a great benefit to people in the electorate of Kilsyth, where the cost of housing fits into those categories.

There have been changes to many taxes, which have been spoken about by other members. We have cut payroll tax and land tax and abolished a whole range of other taxes.

Mr Helper — A raft of other taxes.

Ms BEARD — We have abolished a raft of other taxes, including the duty on non-residential leases, the financial institutions duty, the duty on quoted marketable securities, the duty on unquoted marketable securities, the duty on mortgages and the bank account debits tax, which we all remember. Anyone who has ever acted as a treasurer will know what effect the debits tax had on even small accounts.

The Bracks government has taken Victoria from the state with the highest number of business taxes during the seven dark years of the Kennett government to a state with one of the lowest numbers. We have abolished more taxes under the goods and services tax agreement than any other state. In its first term the Bracks government transformed Victoria's state taxation regime after conducting the most comprehensive review of Victoria's taxes in over a decade. In its second term it has announced the largest ever series of cuts to business taxation. These reforms create a more competitive business environment, driving new investment and creating job opportunities for Victoria. The Bracks government is good for small businesses, and I have outlined a few of the changes which will provide up to \$4 billion worth of cuts to small business in Victoria.

It is only right to reflect on the opposition's record on tax while discussing this bill. It is not a pretty picture. The opposition has no credibility on taxes and charges, because it was the high tax expert. In seven years only one tax was abolished under the Kennett government. Rather than provide taxation relief the previous

government lowered the land tax threshold, which included 70 000 more landowners in the land tax net.

Even though the payroll tax rate was lowered, the Kennett government changed the system to include superannuation in the tax base, resulting in 2556 extra Victorian employers facing payroll tax bills. When the shadow Treasurer was the parliamentary secretary to the Treasurer under the Kennett government the top rate of land tax was increased to 5 per cent. The reality is that the opposition had seven years in government to provide real taxation relief for Victorians and it only abolished one tiny business tax — hardly an impressive tax record.

Commonwealth-state relations are always a hot issue, and we hear about that often from our Treasurer. Victoria and New South Wales continue to shoulder the burden of subsidising the rest of Australia. In 2006–07 this cross subsidy will amount to \$3.6 billion. Victoria effectively receives only 86 cents for every dollar it pays in GST. The Victorian government of course is always keen to open a dialogue with other governments in relation to this and to speak out on behalf of the Victorian people, unlike our members opposite. I commend this bill to the house.

Mr SEITZ (Keilor) — I rise to support the State Taxation (Reductions and Concessions) Bill before the house, which introduces reductions in our taxation. The bill amends the Duties Act 2000 to extend the exemption for pensioners to property transactions up to \$300 000 for a full exemption and \$400 000 for a partial concession. Additionally the bill amends the act to remove the temporary suspension of the first home owner exemption or concession from 1 January and introduces a new provision allowing eligible first home owners to elect to receive either the exemption, the concession or the additional first home owner grant.

The bill consequently amends the First Home Owner Grant Act 2000 to take account of the election now available to eligible first home owners under the Duties Act 2000. It amends the Land Tax Act 2005 by including significant amendments that reduce actual rates of land tax and cap potential tax increases for the 2007 land tax year. The bill also amends the Payroll Tax Act 1971 specifically through rate reductions for the period from July 2006 to July 2008. That is a general overview of the bill.

Part 1 of the bill outlines the purposes of the bill and contains the commencement provision. The explanatory memorandum to the bill states:

Clause 1 outlines the purpose of the bill noting that it gives effect to initiatives in the 2006–07 state budget.

I will not talk about the budget, because that will be debated later. Clause 2 provides for the bill to come into operation on the day after the day on which it receives the royal assent.

Despite what members of the opposition have said during this debate, the bill reduces taxes; otherwise, Victorians would face much higher taxes, particularly land tax. Land tax affects people in different areas in different ways, and the government has been consistent in reducing land tax for the benefit of big land holders who want to subdivide now or in the future. Their rate of land tax will be reduced so that cost is not transferred to the first home owner who buys the land. This makes holding and developing land cheaper for big organisations, but it also affects people with smaller land holdings who have several smaller parcels of land; the reductions will make life easier. The government has reduced the land tax burden in real terms.

Earlier, as I listened to members of the opposition, I was reminded of the bed tax that was imposed during the days of the Bolte Liberal government.

Ms Lindell — I remember the bed tax.

Mr SEITZ — People have forgotten a lot of things that were imposed in the past. A lot of taxes were removed by the former Cain government and by the current government. This government is about encouraging small business and encouraging our community to save.

This bill amounts to a big windfall for pensioners, who often are caught and in many cases forced to downsize or move into retirement villages. In my electorate it used to cost you \$120 000 or \$200 000 to buy into a retirement village; nowadays it can be up to \$400 000 if you want to have all the associated comforts, depending on which retirement village you move into.

The land tax exemptions and concessions for pensioners in the budget amount to a great saving and advantage for the community. The only problem is that even if many people in my electorate sell their homes, they will not end up with sufficient money to buy into some of the upmarket retirement villages. It is unfortunate that they will not see a great deal of benefit from the exemptions and concessions, but I am sure people in other electorates where land and property values are a lot higher will benefit.

I have commented on the concessions and savings in land tax for pensioners who want to downsize. Payroll tax rates will also be reduced. People throughout Victoria will benefit from this government's concessions, particularly with the reduction in

WorkCover premiums. Since the Bracks government came to office the Treasurer has been working on reducing taxes, fully understanding that had they not been reduced, people would have been a lot worse off financially as the rate of inflation increased. This government is helping to meet the needs of the Victorian community.

Mr KOTSIRAS (Bulleen) — I was not going to contribute to the debate on the bill, but I had to because of the garbage I have been hearing from members on the other side of the house. I cannot believe they can actually stand up and talk about the State Taxation (Reductions and Concessions) Bill with straight faces, when they are only repeating what other speakers have said.

This bill is about more tax, and it is about hurting people in my electorate. There are many working-class people who will be hurt by this legislation. It is going to hurt young Victorians who wish to undertake apprenticeships and traineeships, because the payroll tax exemptions have been removed. This will cause enormous damage.

Part 3 of the bill abolishes the first home owner grant of \$3000. In my electorate, and, I am sure, in the electorates of Labor members, that will have an impact.

Land tax, which is covered in part 4 of the bill, will increase over the next four years. In the 2006–07 budget it will go up to \$747.6 million; in 2007–08, \$758.4 million; in 2008–09, \$786.8 million; and in 2009–10, \$774.3 million. Whichever way you look at it, land taxes will be increased. That will have an impact in my electorate and will hurt a lot of people.

The levels of payroll tax will be increased under this legislation over the next four years. The 2006–07 budget will increase it to \$3418.1 million; in 2007–08, up to \$3497.7 million; in 2008–09, up to \$3607.9 million; and in 2009–10, up to \$3787.3 million.

People are going to hurt, employers are going to hurt, there will be fewer jobs for our young Victorians and there will be no money for first home buyers. It is going to hurt residents in my electorate. It is a shame that members opposite are just standing up and repeating what other members have said without questioning the minister and without actually reading the bill and seeing that what are called reductions will actually be increases, because under this government taxes have increased. More taxes are now imposed on Victorians than was the case back in 1992 — even more than there were in 1999.

It is unfortunate that members opposite are not truthful and are not able to stand up and say that taxes under this government have actually increased. It is a shame.

Mr JENKINS (Morwell) — It gives me a great deal of pleasure to contribute to debate in support of the State Taxation (Reductions and Concessions) Bill. This bill is part of a finely crafted state budget that makes Victoria more and more a great place in which to live, work and raise a family.

A lot of people talk about that being a cliché but it is not a cliché. I would like to inform the house that at 3 minutes past 5 this afternoon Donna and Michael Jenkins-Edwards gave birth to my nephew, adding to a great family. This is an indication of what this government is doing to make sure families have the sort of confidence you need to have to make those brave decisions and move forward. They, like the rest of us, will be living in a Victoria that is well prepared to meet the challenges that lie ahead.

It is a great budget and a great bill on taxation. I am absolutely astounded that the member for Bulleen would stand up here and indicate that he is not going to support — that was reasonably clear from what he said — a reduction in the rate of land tax. He is not going to support the government's decision, as encompassed in this bill, to reduce land tax to 3 per cent. It is absolutely outrageous. This government is setting the foundations not just for part of Victoria, not just for the city, but for moving forward in provincial Victoria and making provincial Victoria a great place to live, work and raise a family. It is also making it easier for people who are purchasing property and will be paying tax on that property by making real reductions — and not only real reductions in land tax but also real reductions in payroll tax. I am astounded that the indications from the opposition benches are that they will not support the government's intention to reduce taxation.

I suppose their record stands for itself. When they were in government they raised taxes. They raised land tax up to 5 per cent. They did nothing to reduce payroll taxes. The member for Bulleen clearly indicated that he does not support the government's intention in this bill to reduce payroll tax to 5 per cent. This means payroll tax will have been reduced by 13 per cent over four years, from 5.7 per cent to 5 per cent. The Treasurer needs to be congratulated for the work he has put into making Victoria and Victorian businesses so successful and into making taxes fair. As we know, fair taxes make for a fairer Victoria. This is a great indication that this is a fairer Victoria.

I know the house would not like me to stray very far away from the taxation bill, but this makes it much easier to employ people. That is what we are doing in Victoria. Rather than people leaving Victoria for other states they are coming in because they will be paying less land tax here than they do anywhere else and they will be paying less payroll tax. We have had three successive 10 per cent premium reductions in WorkCover — the system we repaired and made fairer for employers and employees.

We are still there maintaining the advantage in Victoria. This bill maintains the advantage. The federal government continues, with the support, it seems, of those people in the state Liberal and National parties, to give Victorian people back only 86 cents for every \$1 they pay in federal taxes. The rest of the money is going elsewhere and providing services in Queensland rather than Victoria. If we are going to have the sort of services we get from this taxation, if we are going to ensure that Victorians have a healthy future —

Mr Helper — Bingo!

The ACTING SPEAKER (Mr Ingram) — Order! The member for Ripon!

Mr JENKINS — We will have to continue to make these sorts of improvements to the taxation system, the business environment and this state to ensure it continues to be a great place to live, work and raise a family. I commend the bill to the house.

Mr PERTON (Doncaster) — I would like to join the debate. Like my friend the member for Bulleen I would like to try to provide some perspective on this debate. This piece of legislation acts against the interests of the community. My friend the member for Bulleen said it is against the interests of the working class but it is against the interests of every Victorian, whether they are young and trying to save a deposit for a home, whether they are a person who has invested in land or whether they are a person employing people and either growing their business and coming close to the payroll tax threshold or already well within the payroll tax threshold.

The first and very odd part of this bill is the repeal of the First Home Owner Grant Act. At a time when housing seems ever less affordable to young people it seems to me that government is sending out the wrong signal. Stamp duty is a major impost on people in this community. As my friend the member for Bulleen said, people are downsizing. For people who are moving out of a family home into a retirement home, for those who are changing their circumstances, for those who need to

move home for the purposes of changing a job, it seems to me that stamp duty is an impost which is excessive in this state. It is an impost which is much higher than in other states, especially when one compares it to the rates of stamp duty paid in Queensland.

It seems obscene that in this state, where home ownership has traditionally been strong and where community members expect that their children will be able to work hard, save money for a deposit and own their own home, the impost of stamp duty is becoming ever more severe. In this environment, for a very long time now, federal and state governments have offered stamp duty relief to young people. Personally I would offer a great deal more stamp duty relief right across the community. Perhaps if the GST had been introduced in its full form and had not been stymied by the Democrats, there would be a single source of tax and we would not need to be having these debates about rates of land tax and stamp duty and we would have one sensible system of tax imposition on the community to fund the states.

The abolition of the first home owner grant is a sad blow for many young people. That little bit of extra cash, those few thousand dollars, makes it easier to fund the purchase of that first home. When I go back to my electorate I will make it clear to the young people of my electorate that it is the Labor government that is abolishing this great piece of assistance to young people seeking their own homes. I am sure they will take their revenge at the ballot box in November.

Mr Hulls — We are going to miss you.

Mr PERTON — I thank the Attorney-General for saying he will miss me. I am sure I will miss many of you.

Mr Hulls interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The Attorney-General!

Mr PERTON — I appreciate the very pleasant comments from my colleagues on the other side of the house.

I turn now to other serious elements in this bill. One is with respect to land tax. We have heard amazing speeches from my colleagues around the house, as if some great thing is being done for the community in this bill and the impost of land tax will be reduced. One only has to have a look at the budget estimates provided by the government to see that over the forward estimates the impost of land tax will become heavier, not lighter.

It is estimated in the budget that \$747 million will be collected in 2006–07 by way of land tax, and that in 2009–10, \$774 million will be collected. We can make some calculations as to what the rate of inflation will be but it seems to me pretty plain on those figures that there will be no reduction in the impost of land tax on the community. In a community like this we rely on the private sector to provide jobs and we expect people to provide for their own retirement. Many people have a preference for investing in land rather than through the stock market or superannuation funds which are out of their control.

It seems to me that this is discrimination against those who own land. There are Labor Party members on the other side who, through astute investment, have built quite large land-holding portfolios. At least one member on the other side, unless he has some unusual arrangement, is probably paying more than his fair share of land tax. Nevertheless the Labor Party's philosophy is still rooted in socialism, and the general antipathy to property owners and the inclination to impose ever higher imposts on those who own property show through, both in the general treatment of land tax and in this legislation. It is a false assertion made by a number of Labor Party members, speaking from their script, that there is any relief from land tax in this legislation. All one has to do is look at page 39 of budget paper 4, the statement of finances, to see their own Treasurer and Treasury officials put the lie to the line they are putting.

Ms Lindell interjected.

Mr PERTON — The member for Mordialloc says by interjection that the GST is a growth tax. Indeed it is. This is a government that is swimming in money. It has been well put by both the former Leader of the Opposition and the current Leader of the Opposition that with this massive increase in revenue that has come to this state — —

Mr Lupton interjected.

Mr PERTON — The constituents of the member for Prahran will be thinking this too. With this massive increase in revenue that has come to this state government, one should really expect better. The Treasurer in his speech pointed to storm clouds ahead and the forces of globalisation. He said that our young people will be competing against hardworking, well-educated people from India and China and other countries that we have considered Third World. With the incredible amount of revenue the government has obtained we have not seen the improvement in education standards that one would have hoped for; we

have not seen the improvement in literacy and numeracy rates.

Ms Lindell — On a point of order, Acting Speaker, this debate has been run on a very tight interpretation of the bill. Numerous speakers have been pulled up by points of order being raised about straying from the bill. Therefore I ask you, Acting Speaker, to bring the member for Doncaster back to the bill.

Mr PERTON — On the point of order, Acting Speaker, I am moving on to a payroll tax issue now.

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

Honourable members interjecting.

Mr PERTON — I thank the member for Prahran for his defence of me, but it is sad that in a debate which is potentially so wide reaching we are restricted to very narrow matters. From my perspective payroll tax is one of the most bizarre taxes in this day and age. It was originally imposed to improve investment in capital and at a time when there may have been labour shortages to give some incentive to people to employ greater amounts of capital and less amounts of labour. In this day and age it seems to me ridiculous that we impose such an impost on those people wanting to employ more people. Payroll tax has outlived its usefulness. It was appropriate in its early days. The theoretical underpinnings for it were fine, but in 2006 to tax people for employing people is absolutely stupid.

This piece of legislation does not provide appropriate reform. Page 39 of budget paper 4 indicates that over the period of the budget there will be an increase in payroll tax and an increase in the disincentives for employers to employ more Victorians. In that sense this legislation is a failure. It fails to provide the tax relief that Victorians deserve.

Mr LUPTON (Prahran) — The Bracks Labor government is a government that believes in creating jobs in Victoria. It believes in economic growth, in innovation, in driving investment and in driving a competitive business environment that underpins all of those economic incentives and job growth.

The State Taxation (Reductions and Concessions) Bill is part of that economic management program that this government has set in train during its term of office, and will continue to make Victoria the best place to run a business, employ people and to generate the economic growth and jobs that working families here in Victoria need. That is the environment that enables the Bracks Labor government to provide the key services

that Victorians need and expect. I refer to health, education and community safety which were devastated under the former Kennett government but which this Bracks Labor government has been building so successfully since it came to office.

Dealing with the specifics of the taxation reductions and concessions contained in the bill, I am delighted that the government through its sound economic management has been able to make these important reforms which will benefit a wide range of people. Specifically the exemption and concession for pensioners where they transfer property will be a great benefit to many people. Pensioners, whether they move because they relocate from one part of Victoria to another or because they are moving to smaller homes as their family is no longer living with them, will benefit from the reductions that the bill contains by a very significant amount. Property transactions up to \$300 000 will now qualify for a full exemption from stamp duty and a concession rate will apply between \$300 000 and \$400 000. That full concession up to \$300 000 is an increase over the current rate of \$250 000. It reflects the changes in the property market that has occurred in recent years and is able to be done because of the good economic management of the government.

The bill also enables pensioners who may qualify for the stamp duty exemption or concession to elect in the circumstances if applicable to them to receive the first home buyers grant instead. Some pensioners may be in the situation where they will buy their first home in their own name. In those circumstances, being able to elect either of those benefits or exemptions is an important taxation reform and one that I welcome.

In Victoria the Bracks government has taken great steps to reduce tax and to reduce the taxation on business. That will continue to have great benefits in terms of jobs, and working families will continue to reap the benefits of that as we move forward.

In the budget delivered by the Treasurer last week we have seen cuts to payroll tax, cuts to land tax and cuts to WorkCover premiums. Payroll tax has been reduced to 5 per cent over three years and those cuts are worth \$533 million. They are real cuts and real dollars. This represents a 13 per cent reduction in payroll tax rates since 2001 and reinforces Victoria as having the second lowest payroll tax rate in Australia. When the difference in the way payroll tax is calculated in Victoria and Queensland — the state with the lower rate — is taken into account, Victoria has a lower effective rate for most businesses.

Cuts to land tax worth \$167 million over four years have been announced. This means that Victoria has the lowest land tax payable of all states for virtually all companies with land holdings valued between \$380 000 and \$3.42 million. Something the government can be very proud of is a third consecutive reduction of 10 per cent in the WorkCover premium, which will mean a cumulative saving to business of \$520 million per year. These are very important cuts to business costs. This government supports business, particularly small business. We understand that it is a driver of jobs and economic growth in this state. We have done more than was required under the GST agreement to reduce taxes in the state; we have done more than any other government in the country.

It is important to reinforce the point that the opposition has no credibility in this Parliament on taxes and charges, and the people of Victoria know that. When the Liberals and The Nationals were last in government they were the high tax experts. Rather than producing taxation relief, the Kennett government lowered the land tax threshold, which saw more than 70 000 new land-holders in the land tax net. It increased the number of people paying land tax; this government has reduced that number. Although the Kennett government lowered the payroll tax rate, it also changed the way the payroll tax system was calculated by including superannuation in the tax base. Of course that was sleight of hand, because it resulted in 2556 extra employers facing payroll tax for the first time. These are examples of the way in which the Liberals and The Nationals approached taxation when they were last in government.

And they have not changed. They operate on the basis that they oppose, they oppose, they oppose, but they never say what they would do. We can only go to the record. We know their record from when they were last in government. They cut services, and that is what they will do in the future. They cannot be trusted to run the state in a way that is fair to working families. I am quite confident that at the next election the people of Victoria will remember that, will see the Liberal Party opposition for what it is and will provide another overwhelming vote of confidence in the Bracks Labor government.

Ms MUNT (Mordialloc) — I am very pleased to make a contribution to the debate on the State Taxation (Reductions and Concessions) Bill. The bill will of course have an effect on the whole of the state, but I will concentrate on the effect on my electorate of Mordialloc.

I occasionally mention that when I was elected I found out that there is more business in the arc between Dandenong and Cheltenham East than in Perth and Adelaide combined. It is a multibillion-dollar powerhouse of the Victorian economy, and it takes in parts of my electorate in Braeside and Cheltenham East. These tax reductions are fantastic for businesses in my electorate and also great for local residents, because if businesses prosper they will provide jobs for young people and for people with families in my electorate. As the member for Prahran mentioned, we do our best for working families and understand their challenges. Healthy business also provides a great standard of living for everyone in Victoria. It drives investment and business innovation.

I have visited businesses in Braeside that are fantastic innovators and exporters. These tax cuts will be very important for them. In particular I refer to the cut to payroll tax which will be reduced to 5 per cent over three years. That represents a 13 per cent reduction to the payroll tax rate since 2001 and is just fantastic for business. I also refer to cuts to land tax worth \$167 million over four years and a third consecutive 10 per cent cut to the WorkCover average premium rate, which in my electorate alone is worth \$4.8 million in savings for local businesses. That is money they can use for further investment, jobs, innovation or a whole range of other purposes.

It is also important to note for the people of my electorate that these cuts have been achieved without cutting back on the services we provide to Mordialloc or the people of Victoria. We have provided record investment in schools, hospitals and the number of police on the beat to keep people safe. We are doing that in a way that is economically responsible — in a way that keeps a balanced, good budget. Not only is the government providing services, but it is also cutting taxes to allow businesses to do what they do best — that is, to do business. I commend the bill to the house and am very proud to have been able to speak on it.

Mr DELAHUNTY (Lowan) — I rise on behalf of the Lowan electorate to speak on the State Taxation (Reductions and Concessions) Bill. On behalf of the electorate I am pleased to say that like my colleagues in The Nationals I am not opposed to these modest reductions to taxation in Victoria. The bill amends the Duties Act, the Land Tax Act and the Pay-roll Tax Act, and I also understand this bill clarifies the First Home Owner Grant Act.

Talking about the first home owner grant, I remember purchasing my first home. It was an enormous challenge, and I think it still is an enormous challenge

to young people today, with the price of land and construction and, importantly, the cost of the taxes applied by state and local government. It is becoming a very big, costly burden for young people to buy their first home. I think we all had those dreams of purchasing our first car, purchasing our first home and getting married — sometimes in that order and sometimes in another order.

The rate of the increase in costs is getting to the stage where young people will not be able to afford to buy their first home, and will unfortunately have to rely on the rental market. The rental market is becoming very expensive, and it is becoming a problem not only for the people who might have received the first home owner grant but also for people who are not in that position but who have to rent privately or live in public housing. No doubt the Minister for Housing is finding it difficult. The sum of money allocated in the budget for public housing is very disappointing, particularly for the electorate I represent.

It is interesting talking about reductions in payroll tax. As has been said in this house before, although there are modest percentage reductions, there will be an increase in payroll tax revenue.

Ms Lindell — It is a growing economy.

Mr DELAHUNTY — That is correct. The reality is that it is still a growing tax — like we have to do —

Honourable members interjecting.

Mr DELAHUNTY — Not too many services will come out of the budget. The reality is that payroll tax is a big burden on people who employ staff. If we want to employ staff, payroll tax is one of those things we need to reduce altogether. Governments of every ilk have grappled with trying to reduce payroll tax, which does not apply to every business; it depends on the number of people a business employs and their payroll, but it is a tax on employment. One of the great challenges we all face — it does not matter what side of politics we are on — is the unfortunate situation where we have to tax employment to cover the budget in this state, and in other states, for that matter.

The Nationals are pleased to say that it has had somewhat of a win on land tax in so far as objections to council valuations are concerned. Normally people object to valuations when they get their rate notices, but some do not pick up on that until they get hit with the land tax. I am pleased that my colleague the Honourable Bill Baxter, a member for North Eastern Province in another place, moved an amendment to that bill when it was being debated in the Legislative

Council even though it was pooh-poohed and thrown out by the government.

The member for Rodney has just walked into the chamber. He will support me.

Mr Maughan interjected.

Mr DELAHUNTY — The Nationals got this through. There are now two lines in the budget papers that provide the opportunity for people to object to valuations on their land when they get their land tax notifications, so we have had some wins for the people in rural and regional Victoria.

I know other members want to speak in debate on the bill. These are very modest reductions; Victoria is still very much a high-taxing state. When I hear this state being compared to New South Wales, I think we have nothing to be proud of. With those few words, I will not be opposing this legislation.

Ms LINDELL (Carrum) — There is one thing on which you can rest assured: when the Liberal Party comes in here and starts talking about taxation, its members are talking about cuts to services; that is what they mean. This bill actually cuts business taxes. It will be absolutely and fundamentally important for small businesses throughout Victoria, yet still the Liberal Party whinges and says the tax take is too great.

This government is reducing business taxes — but, no, that is not good enough. Why? Because the opposition will revert to form, given any opportunity, and will cut services. If there is one thing that is a hallmark of the Bracks government, it is that it has been able to grow the economy and grow the tax base at the same time as it has reduced business tax rates. It has grown the overall economy and at the same time has increased services. It has put Victoria on a sound financial basis so young people can have good jobs and good incomes, buy homes and establish families. They can be supported by good services, such as first-class kinders, schools and health services.

We are very proud of the changes we have made. It is unbelievable that in today's age the Liberal opposition should come in here and oppose a bill that cuts business taxation. Victorians need to be warned — when the Liberals talk about taxation, they mean cuts to services.

Mr JASPER (Murray Valley) — I have been encouraged to join the debate — —

Mr Hulls — Can we discourage you?

Mr JASPER — I acknowledge the comment made by the Attorney-General, but I repeat: I was encouraged to join the debate and make some comments after the house heard some of the comments made by the members for Carrum, Narracan and Morwell. They are not in the real world, given some of the comments they have made. What they need to do is go out and talk to people in business. They need to talk to the people who are the economic generators of wealth within Victoria, because they will present a different view to them.

The fact is that these reductions are accepted by the community, including the business community, and whilst The Nationals will not be opposing the legislation before the Parliament, I suggest it does not go far enough in addressing the sorts of issues that are of major concern to business and industry within the state.

I think it was the member for Narracan who said there is less regulation within the state of Victoria for businesses to operate. I challenge him to come into this house and tell us where there has been a reduction in regulations in the state of Victoria. I have an indirect involvement with a business at Rutherglen and Corowa — —

An honourable member interjected.

Mr JASPER — I am quite happy to indicate to the house that I have grown up in business and understand it.

Mr Hulls — Is it declared and registered?

Mr JASPER — Everything is declared. The Attorney-General might wish to check. I want to be absolutely clear to make sure that the house and the Parliament understand that I have an indirect interest in a family business. Because I have that indirect interest, I know what is going on in business and industry. I hope the Attorney-General who is based in Melbourne comes up to the border occasionally so he can understand the difficulties for people living on the border between Victoria and New South Wales. I am not going to enter into a debate on border anomalies on this occasion, but I will on other occasions.

I return to my initial comments — and I do not want to be distracted by the Attorney-General. Some members of the government said the government is reducing red tape or regulations. That is not the case. Those members should go and talk to people in business and industry. The federal government has a responsibility in this as well. With the combined regulations of the federal, state and local governments there are enormous

responsibilities on businesses trying to operate effectively and profitably.

Payroll tax is an iniquitous tax; it is a tax before profit. You need to talk to people who pay payroll tax to understand that a business could be in a loss operation but still pay payroll tax. That situation needs to be changed. All governments talk about the particular issues involved in payroll tax. I acknowledge the fact that there will be reductions over three years.

I have a few minutes to spend on my contribution to the debate, and I am going to use them, because it is important for the government to understand my position and the fact that I have an understanding, having grown up in business and having an indirect involvement in business. I have also talked to people in my electorate who are involved in business and industry. As I indicated earlier, they are the people who are the wealth generators within the state of Victoria.

We need to understand that payroll tax is an iniquitous tax. The action taken by the Treasurer last year to include the salaries paid to apprentices in the calculation of payroll tax was totally wrong. We need to be encouraging businesses to take on apprentices. The government talks about apprenticeships, and of course we need trade-trained people, so I suggest the government should not discourage businesses by stipulating that whatever they are paying to apprentices will be taken into account in the calculation of their payroll tax.

Do members know what the Treasurer said when he spoke on this aspect in the house? The justification was that New South Wales does it. In this house government members compare Victoria with New South Wales and Queensland all the time. They say we are in a better position than those two states, but if they want to claim something as a credit, they say, 'They are doing it in the other states. We will do exactly the same thing'.

There was more discouragement when the Treasurer said, 'You must have three employees as apprentices before you can claim any payment from the state government'. That is absolutely ridiculous. Small businesses usually employ one or two apprentices, not three or four or half a dozen; that number is employed mostly by the bigger employers. That provision is a total discouragement to businesses putting on apprentices.

The federal government still provides related funding. I acknowledge that the state government is looking at assistance in the form of payments to apprentices after

the first six months and at the end of the first year — and of course I support that — but the government is taking away one thing and putting it back on in another way. I think employers should be encouraged; they are the people who take on the apprentices. Good judgment needs to be applied to this.

Yes, I accept that in this piece of legislation there is a reduction in payroll taxes, but the government is not saying that more money will be coming in because of the escalation in wages being paid generally. There is bracket creep in this already. This matter is being addressed by the federal government as it looks to reduce the general taxation levels for Australian workers. I applaud that. This bill is a step in the right direction, but the government should not take all the credit for certain changes, and it should not say that it is absolutely correct — that this is the best thing that has happened to the state — if it will not acknowledge other issues and other problems.

I listened to one of the opposition members speaking on the first home buyer scheme. I think he got it a little wrong, quite frankly. An amount of money will still be paid, and the provisions in this legislation are correcting one or two of the anomalies. I accept that, and I accept that if there are anomalies we should correct them. But the government should make sure when it is looking at these things that it looks across the board. It should not just claim that everything is right if it knows that that is not the case.

The state government should also be giving some credit to the federal government; it never gives any credit to the federal government. If the federal government's actions were that wrong, it would not be in power right now. The coalition at a federal level is in power because it is generating what is happening with the Australian economy generally.

I also take exception to instances when we have particular allocations of funding — and we see this in the budget papers — and the state government says that \$X million is being provided to a particular project — say, a water project — but it does not say that funding from the federal government is included in that allocation. The state government also says, 'We will provide that money provided there is a matching allocation from the federal government'.

Mr Stensholt — It's in budget paper 2, chapters 5 and 7.

Mr JASPER — I would be interested to talk to the member for Burwood privately, because he does have some knowledge of these issues, but I say across the

house to the member for Burwood that the government should be fair about it, give credit where it is due and say, 'We have done this. We understand that we are going to get more money, but the aim is to reduce that over a period of time'.

From my point of view I look at this legislation and see the changes that have been introduced, and I accept them. We in The Nationals say, 'Yes, this is a move in the right direction', but let us make sure that there is honesty in the presentation of these facts and figures and that the government takes account of the responses of business and industry.

The government should not come into the house and say, 'Small business thinks this is great'. Small business does not! Small business, and business generally, will take exception to the comments made by many of the backbench members of the government and would not agree — and I do not agree — with some of the comments being made which do not truly reflect the position in Victoria.

I say again that we need to understand that the wealth of Victoria is promoted and developed by private enterprise, through the encouragement of people in business and enterprise. I hear the Treasurer speaking on this on many occasions when he comes into the house and talks about what is being done. For instance, we might get an increase in employment in a particular industry, yet the Treasurer will not mention what has happened at Kraft Foods in Strathmerton. He alluded to it in question time yesterday and said, 'Yes, we are doing something at Tatura'. Do members know how far Tatura is from Cobram? It could be 150 kilometres — or not quite that — but it is a long way. That relates to this sort of question.

I think the government should be making sure that it recognises the importance of business in the provisions within this legislation. The question of home buyers is another issue. The government needs to be clear so that people understand where the pluses are and recognise that there are some minuses for some people. The government should come back to the people who can provide information on whether it is good or bad legislation and good or bad for business and industry within the state of Victoria.

The Nationals will not be opposing the legislation, but let us have honesty when we present any legislation in the Parliament.

Mr LANGDON (Ivanhoe) — I will make an extremely brief contribution, because of the time constraints before the house — and I am aware that I

have summoned ministers in to make second-reading speeches. The Bracks government has made extraordinary attempts to bring down taxes and to bring in great budgets. I commend the bill to the house.

Mr HULLS (Attorney-General) — In summing up, I want to thank all contributors to the debate on this bill. This is a very important bill. It is about land tax reductions, payroll tax reductions and extending pensioner concessions. These are real reductions, this is a real extension of concessions and this will be welcomed by the Victorian community — as opposed, I have to say, to the sham of a speech by the Leader of the Opposition on tax reductions. He was on the front page of the *Age* saying that he is going to ensure that there are land tax reductions, yet in his budget response in this place he was really Marcel Marceau on that particular issue. I welcome this bill and wish it a speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

CORRECTIONS AND OTHER JUSTICE LEGISLATION (AMENDMENT) BILL

Second reading

Mr HOLDING (Minister for Corrections) — I move:

That this bill be now read a second time.

This bill will give effect to a recent government commitment to provide new powers to prevent offenders subject to extended supervision orders under the Serious Sex Offenders Monitoring Act 2005 from changing their names for improper purposes.

The bill will also make a series of amendments to the Serious Sex Offenders Monitoring Act 2005, the Corrections Act 1986 and the Firearms Act 1996. These amendments, which are primarily of a minor or technical nature, will facilitate the effective operation of these acts.

Powers to prevent improper name changes

The government recently made a commitment to provide for new powers to prevent offenders who are subject to supervision under the Serious Sex Offenders

Monitoring Act 2005 from making name changes for improper reasons.

The Serious Sex Offenders Monitoring Act 2005 was introduced by the government last year to provide for significant new powers for the extended supervision of serious child-sex offenders in the community after they have completed their sentences.

Under the act, an application for an extended supervision order can be made to the court by the Secretary to the Department of Justice. An application must be supported by a clinical assessment report outlining the risk that the offender will re-offend. The court can impose an extended supervision order for a period of up to 15 years if it is satisfied that the offender is likely to re-offend. The making of such an order is subject to a number of safeguards, including rights for the offender to appeal against the making of the order and regular court reviews of the ongoing need for the order.

An offender who is subject to an extended supervision order remains under the strict supervision of the Adult Parole Board in the community. As part of this supervision, the offender can be required to comply with a range of supervision requirements. These include curfew requirements, prohibitions on contact with children and obligations to undertake further clinical treatment.

These supervision powers provide an important new tool in reducing the threat posed by serious child-sex offenders to the safety of our children in the community.

Currently, an offender on an extended supervision order can apply to the registrar of births, deaths and marriages to change his or her name in the same way as other members of the public.

Concerns have recently been highlighted that offenders who are subject to extended supervision orders may seek to change their names in ways that may be offensive to victims of crime and the community more generally. Such name changes may create additional distress to victims who have already experienced a significant impact on their lives due to the criminal actions of these offenders.

To address these concerns, the bill will provide for new powers for the Adult Parole Board to scrutinise and prevent improper name changes by offenders on extended supervision orders. The new powers will also apply to name changes by offenders undertaking parole, which raise similar issues to name changes by offenders subject to extended supervision orders.

The new name-change powers are similar to the existing powers under the Corrections Act 1986 which prevent prisoners in custody from changing their names for improper purposes.

The name-change powers for offenders subject to extended supervision orders and offenders on parole will mirror each other. These powers will be contained in new division 6 of part 8 of the Corrections Act 1986 and new part 4A of the Serious Sex Offenders Monitoring Act 2005, respectively.

In the case of either an offender on an extended supervision order or an offender on parole, the Adult Parole Board will be able to approve an application for a name change if the offender satisfies the board that the change of name is necessary or reasonable. Examples of this may be if the offender wishes to adopt a different name for cultural reasons or seeks to adopt a spouse's name after marriage.

Even if a prisoner makes a strong case for a change of name, the Adult Parole Board must refuse a name change if it considers that the proposed name change is likely to be offensive to a victim of crime or an appreciable section of the community.

In addition, the Adult Parole Board must refuse a proposed name change that is likely to be used by the offender to evade or hinder his or her supervision requirements under the extended supervision order or parole order, as the case may be.

The Victorian registrar of births deaths and marriages will be precluded from registering the name change of an offender on parole or an extended supervision order unless an approval has been provided by the Adult Parole Board. The Victorian registrar will be empowered to correct the register if a relevant offender's name change is inadvertently registered without such an approval from the Adult Parole Board.

To deter offenders who may seek to evade the new approval mechanisms in the bill, it will be an offence for an offender who is subject to an extended supervision order or parole to apply for a change of name without the approval of the Adult Parole Board.

These measures in the bill will provide stringent controls over name changes by offenders subject to parole or an extended supervision order. These controls will strike an appropriate balance between allowing these offenders to make name changes for legitimate purposes and protecting the interests of victims of crime and the need to maintain effective supervision of these offenders in the community.

Extension of victims register

As a further measure to safeguard the interests of victims of crime, the bill will extend the existing victims register provisions to ensure that relevant victims can be kept informed of supervision orders that may apply to an offender under the Serious Sex Offenders Monitoring Act 2005.

Currently, the Corrections Act 1986 provides for a victims register that enables specified victims and family members to be given information about a prisoner who has been convicted of a violent crime against them. Eligible victims can elect to be included on the register and receive information about the administration of the prisoner's sentence.

A registered victim also has a right to make submissions to the Adult Parole Board about whether the prisoner should be released on parole and any relevant supervision conditions. The Adult Parole Board must take these submissions into account before making a parole order.

These provisions ensure that registered victims can be kept informed about when the prisoner will be released into the community and give them the opportunity to have their say in relation to the prisoner's parole process.

Registered victims may have an equally strong interest in being advised if the offender is subject to ongoing supervision in the community after completing his or her sentence of imprisonment.

The bill recognises this interest by expanding the information that can be given to registered victims under the Corrections Act 1986. Where the offender in respect of whom a victim is registered may be eligible for an extended supervision order under the Serious Sex Offenders Monitoring Act 2005, the Secretary to the Department of Justice will now be able to advise that victim whether an application for an extended supervision order has been made and the outcome of that application. If an extended supervision order is made, the secretary will also be able to advise the victim of details relating to the order and subsequent changes affecting the order's operation.

The bill will also give the registered victim a right to make submissions to the Adult Parole Board about the supervision requirements of the offender under the extended supervision order. The Adult Parole Board must take such submissions into account before imposing supervision requirements on the offender. These provisions will be contained in new sections 16A

and 16B of the Serious Sex Offenders Monitoring Act 2005.

While the information that can be provided to registered victims will be expanded, the existing criteria for a person to be included on the victims register will remain substantially the same. In the case of a primary victim, the victim can request to be included on the register if he or she has had a 'criminal act of violence' committed against him or her, which includes specified serious sexual offences. Specified family members of a primary victim can also apply to be included on the victims register, and in certain circumstances spouses or domestic partners of the offender can also be included.

Together, these proposed amendments will further reinforce the government's commitment to supporting victims and ensuring they are treated with respect, dignity and compassion in their dealings with the justice system.

Amendments to corrections legislation

In addition to the amendments I have already outlined, the bill makes a number of minor amendments to the Corrections Act 1986.

Firstly, the bill will clarify and improve the operation of the Adult Parole Board's powers in relation to arrest warrants under that act.

The Adult Parole Board has powers and responsibilities under the Corrections Act 1986 for supervising offenders undergoing parole or home detention orders. This includes powers to cancel an offender's parole or home detention in appropriate cases and return the offender to custody. To facilitate this, the Adult Parole Board can issue a warrant or obtain a warrant from a magistrate which authorises a police member to arrest the offender and return him or her to prison.

Unlike similar arrest powers in other Victorian legislation, the powers to arrest under warrant in the Corrections Act 1986 do not allow police to enter and search premises to execute the warrant. The bill will rectify this to ensure that police can enter and search the offender's home or other place where he or she is believed to be for the purpose of arresting the offender.

In addition, the bill will clarify the Adult Parole Board's warrant powers under the Corrections Act 1986 by providing express powers to recall and reissue warrants and to issue duplicate warrants where the original warrant has been lost or destroyed.

The bill also addresses a technical issue that has been identified in relation to the capacity to detain certain

federal prisoners who may be transferred to Victoria under the national scheme for the interstate transfer of prisoners. That scheme, which is underpinned by complementary commonwealth and state legislation, allows prisoners serving a state or federal sentence to be transferred between states for trial and welfare purposes. The commonwealth legislation that forms part of the scheme also makes provision for prisoners serving a sentence for a federal offence to be transferred between states on national security grounds.

The Corrections Act 1986 provides for persons transferred to Victoria under the interstate transfer scheme to be detained as prisoners in the legal custody of the Secretary of the Department of Justice. However, due to a gap in these custody provisions they do not cover all federal prisoners who may be transferred to Victoria, but only those federal prisoners transferred for trial purposes.

The bill amends these provisions to ensure that they apply to any federal prisoner who may be transferred to Victoria under the interstate transfer of prisoners scheme. This will ensure that the custody provisions in the Corrections Act 1986 operate as intended to complement the national interstate transfer arrangements.

The bill also makes a minor amendment in the nature of a statute law revision to repeal redundant provisions in the Corrections (Management) Act 1993.

Amendments to the Serious Sex Offenders Monitoring Act 2005

As I have indicated, the bill makes some minor and technical changes to the Serious Sex Offenders Monitoring Act 2005. These changes primarily relate to procedural aspects of that act.

These include amendments to:

- clarify the procedures that apply where an offender initiates a review of an extended supervision order;

- rectify an oversight in the appeal mechanisms under the act to ensure that they apply to court decisions made on a review of an extended supervision order initiated by the secretary;

- enable the secretary to initiate proceedings for breach of an extended supervision order without first giving notice to the offender, where this is warranted by the seriousness of the alleged breach;

- give the secretary an express power to direct an offender to attend for clinical assessment under the

act. It will be an offence punishable by up to two years imprisonment for an offender to fail to attend as directed; and

provide the court with greater flexibility in relation to the timing to make an extended supervision order. Currently, an extended supervision order can be made once 25 working days have elapsed since the initial application. This period enables the offender to seek legal advice and an independent clinical assessment before the court proceeds to make an order. The bill will allow the court to make an extended supervision order sooner than 25 working days if it is satisfied this is in the interests of justice. This could occur, for example, if the offender does not wish to obtain an independent assessment and would not be prejudiced by the matter being heard more quickly.

These amendments to the Serious Sex Offenders Monitoring Act 2005 will enhance the effective operation of that act.

Disposal of forfeited firearms

Lastly, the bill overcomes a limitation in the arrangements for the disposal of forfeited firearms.

The Firearms Act 1996 currently enables firearms that have been forfeited to the Crown to be disposed of by giving them to any person or body approved by the minister. This enables forfeited firearms to be given to Victoria Police for forensic and like purposes, and to museums and similar bodies for historical purposes.

An amendment was made to the Firearms Act 1996 last year that was intended to remove legal uncertainty about the ability of bodies that received forfeited firearms to actually retain possession of those firearms following forfeiture. However, that amendment had the effect of limiting the range of uses to which forfeited firearms may be applied. While the ability to give forfeited firearms to Victoria Police for law enforcement and forensic purposes was retained, the ability to give these firearms to museums and like bodies was unintentionally limited. That amendment, which was made by section 54 of the Firearms (Further Amendment) Act 2005, will commence on 1 October this year unless proclaimed earlier.

The bill will ensure that forfeited firearms can continue to be disposed of to Victoria Police and museums and like bodies to be retained for legitimate purposes approved by the minister.

I commend the bill to the house.

Debate adjourned on motion of Mr WELLS (Scoresby).

Debate adjourned until Wednesday, 21 June.

HEALTH SERVICES (SUPPORTED RESIDENTIAL SERVICES) BILL

Second reading

Ms PIKE (Minister for Health) — I move:

That this bill be now read a second time.

The main purpose of this bill is to enhance the protections offered to residents of supported residential services. It is part of this government's commitment to protect the vulnerable in our community — in this case, the 6800 residents living in approximately 200 privately owned and operated supported residential facilities across the state, and receiving special or personal care. Many of these residents are frail and aged or made vulnerable by a psychiatric or other disability.

Other provisions in this bill will help streamline the processes used by the Secretary of the Department of Human Services to process the registration of proprietors, and will ensure that on those unfortunate occasions when an administrator must be appointed to a supported residential service to ensure the care of residents, sufficient time is allowed for the necessary work to be done.

Notice of closure

Residents of supported residential services are entitled to a sense of security and to be treated with dignity and respect, and the government is committed to developing and enhancing the security and wellbeing of these residents.

The requirement to give notice of impending closure of a supported residential service is a positive step in this direction. It is clear that the unexpected closure of a supported residential service for reasons outside the control of residents often creates great anxiety and distress for residents and their families. When a supported residential service closes, residents must find alternative accommodation, and they will often ask for the help of the department. In addition to considering care needs, the department must take into account the resident's friendships and connections with the local community. Finding the right place for residents therefore takes time. This bill will provide a requirement for a proprietor to give at least 28 days' notice of impending closure. Of course, it is hoped that

a proprietor would give as much notice as the circumstances permit.

Financial protections

The second set of changes introduced by this bill is designed to place further controls on the management of money and other assets of residents.

I would like to emphasise that for the most part, those involved in the SRS industry are ethical, compassionate people, who have the residents' interests at heart.

Unfortunately, however, there are some sharp operators whose activities, if left unchecked, will disadvantage residents and bring the whole industry into disrepute.

The financial protection provisions of the bill focus on two areas — the day-to-day management of money of a resident; and other transactions between proprietors and residents, which fall outside the scope of accommodation and service agreements expected in a supported residential service.

This bill will curtail some unscrupulous practices by proprietors and by close associates of the proprietor. The definition of 'close associate' introduced by the bill captures the immediate family of an individual proprietor or director of a proprietor company and of that person's spouse or domestic partner, as well as agents and employees.

In the area of day-to-day financial management, the current provisions of the act have been redrafted and strengthened.

The provisions of the bill will make it clear that a proprietor may only manage the money of a resident with the written consent of the resident or his or her administrator. The bill clarifies the distinction between money of a resident and money received by the proprietor to pay for the fees and expenses in providing accommodation and services.

The maximum amount of money per resident that may be managed at any one time is already prescribed by regulation. At present, it is set as the equivalent of one month's accommodation fees. In addition, the bill makes it clear that where a proprietor is authorised to manage the money of a resident, the proprietor must provide proper written direction to any employee handling or dealing with the resident's money.

The bill goes further to prohibit close associates of the proprietor, such as the proprietor's spouse or children, from managing or controlling money of a resident. Proprietors and close associates are also prohibited

from accepting appointments as an administrator or guardian for any resident of the SRS.

Prohibited transactions

The second area of financial protection relates to transactions between a proprietor and a resident that take advantage of a resident's vulnerable position in a supported residential service.

Unfortunately, through the actions of one or two proprietors and/or their staff, it has become necessary to introduce prohibitions on certain kinds of transactions between residents and proprietors or their close associates, which an ethical person would easily recognise are not in the best interests of those residents.

The new provisions prohibit proprietors and close associates from accepting gifts from residents. The prohibition will not extend to small gifts such as flowers or chocolates, provided their value is below the prescribed amount. It will cover any gift above the prescribed amount, which is presently set at \$100, regardless of the circumstances of the gift.

Proprietors and close associates will also be prohibited from either acquiring real or personal property from a resident at less than full market value, or from selling property to a resident at more than its market value. These prohibitions will apply regardless of the circumstances of the transaction.

Other kinds of transactions with a value of more than the prescribed amount, such as loans, are prohibited unless they are made with a written agreement. Transactions exceeding \$500 require the resident or the resident's administrator to obtain prior independent legal or financial advice. The new prohibitions do not apply to transactions relating to the provision of accommodation and special or personal care to the resident.

Reportable transactions

The bill will permit a proprietor or close associate to enter into full market value transactions with a resident involving real or personal property, provided the transaction is reported to the secretary of the department in the manner prescribed. This will require provision of any written agreement about the transaction, and if the value of the property exceeds the prescribed amount (set for now at \$500), provision of evidence of the market value of the transaction, and evidence of independent legal or financial advice obtained by the resident or the resident's administrator.

Any transaction with a proprietor or close associate involving real or personal property will be subject to a cooling-off period for the resident of 5 days, during which time the proprietor or close associate must not enter into any transactions with respect to that property.

Proprietors and close associates who enter into transactions with a resident in contravention of these provisions will face substantial fines of 240 penalty units, and the residents with whom they transact will have specific rights to recover from them the transacted property or its value, in addition to any other remedies the resident may have.

There is an additional obligation on proprietors to notify the secretary of the department of any prohibited transaction of which they become aware, which is undertaken by a close associate, even if the proprietor has no personal involvement with that transaction.

Residential statements

The government has also included new provisions in the bill dealing with residential statements, which are written statements containing information about care and accommodation, that proprietors are obliged to prepare on the arrival of each resident. The new provisions are designed to ensure that the residential statement produced by the proprietor of a supported residential service is consistent with a resident's rights, entitlements and obligations under the act. In a dispute between a resident and a proprietor about the terms and conditions under which the resident occupies a place in the SRS, the resident will be able to rely on the information in the residential statement. This will be so even if the proprietor can produce a contract that contains terms inconsistent with the residential statement.

A proprietor should therefore only make residential statements that comply with that proprietor's obligations under the law, and the proprietor will be obliged to honour the residential statement.

Care plans

The current act requires the preparation of an interim care plan within 48 hours of admittance to the SRS, and an ongoing plan to be prepared within 30 days of admittance. The care plan sets out the immediate health and special care needs of residents, as well as the services they will receive in the SRS. There is an existing obligation on a proprietor to carry out an ongoing plan. The bill introduces an obligation to implement the interim plan also.

Administrator appointments

In recent years there have been a number of occasions when it has become necessary to appoint an administrator to a supported residential service to ensure that the interests of residents are protected. An administrator can be appointed because the proprietor asks the minister to do so, or because the minister considers it to be a necessary action. During the period of administration, the administrator must run the business, with a focus on ensuring that the care needs of residents are met.

In some administrations, the only practical outcome is the closure of the business and relocation of the residents to other facilities. In other cases the best outcome, from all perspectives, may be the sale of the business as a going concern. The negotiation and sale of a business takes time, however, and settlement cannot always be achieved within the 90-day time limit currently provided by the act. This bill extends the time limit to 180 days and allows the minister to further extend the period if required. As before, decisions by the minister to appoint an administrator are reviewable to the Victorian Civil and Administrative Tribunal. This bill also introduces a right to seek a review of a decision to extend the period of appointment of the administrator.

Applications to the Secretary of the Department of Human Services

The Secretary to the Department of Human Services considers a variety of applications relating to the registration of a supported residential service. These include applications for approval in principle to operate a supported residential service, applications for registration and applications for renewal or variation of registration.

The bill introduces provisions that will expand the range of matters to be considered with respect to each type of application and provide some consistency in how the relevant factors are considered.

Central to each kind of application will be the financial capacity of the proprietor to operate a supported residential service and consideration of whether the proprietor is a fit and proper person to conduct a supported residential service. This will include consideration of matters such as any illegal or improper conduct and the proprietor's character and reputation. This will mean, in relation to an individual proprietor, that he or she is a fit and proper person to run a supported residential service. If the proprietor is a company, each of the directors of the company will be

required to be fit and proper persons. The structure of the new provisions will eliminate any doubt about what is being assessed.

The bill also introduces some new considerations. An issue that is related to the applicant's financial viability and the successful operation of the supported residential service is the proprietor's security of tenure over the premises. In many supported residential service facilities the proprietor does not own the freehold to the premises. The proprietor's ability to offer security of occupation to residents is therefore contingent on the proprietor having security under a lease on reasonable terms. The secretary will therefore be able to take into account, where appropriate, the duration and terms of the lease the proprietor holds.

The bill introduces a new set of matters the secretary may take into account where the applicant has an association with another health service establishment.

If the applicant, or a director of an applicant company, has had an association with another health service establishment, the secretary will be able to consider aspects of the performance of the other health service establishment, such as its management of complaints and financial performance, to the extent that the applicant was involved in these matters. The secretary will also be able to consider the applicant's compliance with reporting requirements and whether the applicant has carried on the other establishment in accordance with the act. The secretary will also be able to take into account whether the applicant has been found guilty of an offence under the act with respect to another health service establishment, and the likely impact on the applicant's capacity to operate the other establishment.

As a result of the changes proposed by this bill, we can expect to see a more robust framework of protection to vulnerable residents of a supported residential service. At the same time, as a result of these measures the integrity of the industry will be enhanced.

Honest and ethical proprietors will need to make few, if any, changes to the way in which they conduct their business. They will continue to provide the same care and attention that is valued and appreciated by residents and their families.

Those few proprietors who have previously taken unfair advantage of residents in their care and whose practices do not meet the required ethical standards can expect to make significant changes to the way they operate, or face a limited future in the industry.

The government is committed to achieving a balance between the rights of vulnerable people in our

community and the responsibilities and obligations imposed on supported residential service proprietors. The provisions of this bill achieve this balance.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until Wednesday, 21 June.

Sitting suspended 6.33 p.m. until 8.02 p.m.

APPROPRIATION (2006/2007) BILL

Second reading

Debate resumed from 6 June; motion of Mr BRUMBY (Treasurer).

Dr NAPHTHINE (South-West Coast) — Only eight days ago the government presented its budget, and by Friday of the same week the budget and its underlying strategy had developed a \$600 million black hole with the collapse of the sale of Snowy Hydro. That is a major flaw in the budget, and there are clear misrepresentations in the budget papers. If the government were honest, open and accountable, it would immediately destroy the budget and present to Parliament and the Victorian people a fair and accurate set of budget papers.

The members who say that the Snowy Hydro money was not in the budget should look at a few things. On page 11 of the budget speech it says:

We are planning to deliver the biggest one-off investment in school building projects in Victoria's history by providing \$600 million from the sale of Victoria's share of Snowy Hydro.

This budget accelerates the first \$100 million of those funds ...

Further, it is stated in budget paper 2 at page 94:

Of the expected sale proceeds received by Victoria a total of \$600 million will be invested in a once in a generation school building fund — *Building Tomorrow's Schools Today* ...

Page 293 of budget paper 3 refers to the money that is being spent out of the Building Tomorrow's Schools Today fund. It has got \$56 million out of that fund in 2006–07 and another \$44 million in 2007–08. Clearly, that whole amount was contingent upon money going into that fund from the sale of Snowy Hydro. That sale has now collapsed completely, so there are no funds going in. The budget papers should be shredded. An open, honest and accountable government would

withdraw the budget and present a new one to the people of Victoria.

There is no doubt this government has made promises based on the sale of Snowy Hydro which cannot be delivered, and there is indeed a need for education funding to be delivered. An article in the Warrnambool *Standard* of 1 June headed 'Funding crisis in schools' says:

South-west schools desperately need cash to improve run-down buildings and equipment, some of which jeopardise the schools ability to meet safety requirements.

Results from a survey of 50 Barwon south-west schools revealed 70 per cent were desperate for an upgrade to basics such as toilet blocks and classrooms.

That survey was conducted by the Australian Education Union. One of the schools said to need funding is Brauer College, which said it needed \$1.5 million to help with the upgrade of the science wing. It is interesting to read a media release put out on Tuesday, 6 June. It says 'Tuesday, 6 May 2006' but it was actually released on 6 June, so Ms Carbines, a member for Geelong Province in another place who put out the release, could not even get the date right. The media release says:

Brauer College in Warrnambool will install state-of-the-art solar technologies into its refurbished science wing thanks to over \$90 000 support from the Bracks government.

The only problem is that the next day an article in the Warrnambool *Standard* had the headline 'Funding glitch hits Brauer'. While Ms Carbines was giving Brauer College \$90 000 for solar technology to go onto its redeveloped science wing, somebody forgot to give it the \$1.5 million it needs to redevelop the science wing itself. It does not have a redeveloped science wing because that money was promised out of the money from the Snowy Hydro sale, which does not exist. It is on the never, never. The 7 June article says:

When the *Standard* asked parliamentary secretary for environment, Elaine Carbines, how the school could buy solar technology for a building it did not have, she was confused.

Of course she is confused! All of Victoria is confused because this government is perpetrating a lie about the money from Snowy Hydro. Further on education, before I move on to other areas, I noticed an interesting article quoting the Catholic Archbishop, Denis Hart, in the *Herald Sun* of 5 June, which reads:

Archbishop Hart said the Victorian government was the least helpful to Catholic schools, providing only 16 per cent of the funding required.

The government should take note of that and recognise that there should be choice in education. It ought to be prepared to give greater assistance to independent non-government and Catholic schools.

I move on to the area of agriculture, which is one of my shadow responsibilities. Over 25 per cent of Australian farms are in Victoria, and agricultural production in Victoria totals over \$8.7 billion. It is a major export earner and a major employer, particularly in regional and rural Victoria. Agriculture underpins the Victorian economy. It is really important for us to assess how agriculture has been treated in the Bracks Labor budget. A comparison I make comes from the Victorian Farmers Federation pre-budget submission on 16 January. In looking at what it was asking for, it said its main goals for agriculture were to achieve funding for:

Poor state of road and bridge repair in much of rural Victoria —

it got zero for that.

Long delays in fulfilling statewide rail standardisation —

it got zero for that.

Ageing irrigation and water management infrastructure —

it got zero for that.

Government support for critical on-farm infrastructure investment and upgrades —

it got zero for that.

Elimination of internationally uncompetitive insurance taxation conditions —

it got zero for that.

A greater emphasis on regionally delivered and agriculturally relevant education —

and it got zero for that. Is it any wonder that the VFF put out a press release on 30 May headed 'Big spend misses the mark for farmers' in which it said:

Farmers will be disappointed the biggest infrastructure spend in Victoria's history has ignored the top priorities of the farm community.

Victorian Farmers Federation president, Simon Ramsay, said the government has missed an important opportunity to demonstrate their commitment to the farming community by investing heavily in the farm sectors priorities over the next four years.

'The VFF is also ... concerned about the scheduled long term decline in the Department of Primary Industries budget ... This demonstrates a fading commitment to agriculture despite

the government's acknowledgment that there are "one in six regional jobs relying on this sector"'.

ABC rural radio was quoted as saying:

The Victorian Farmers Federation says the Victorian budget has failed to target pressing road, rail and water infrastructure needs in rural areas.

Of course it is right about the cut in funding for the Department of Primary Industries. If one looks at budget paper 3 at page 207, one sees it clearly says that last year the government spent \$426 million in agriculture and that this year it is spending less than \$400 million — a \$28 million cut in funding for agriculture.

The government can cry all it likes, but it says in black and white in its own budget that there will be \$28 million less for agriculture. The farmers know it and the rural community knows it. This government does not care about farmers and does not care about the rural community.

Let us look at the issue of water. I acknowledge and support the funding that was announced for the Erskine pipeline to connect the Goulburn system to Lake Eppalock and to carry water from the Waranga channel to supply Bendigo. That is a good decision because it copies exactly the Liberal Party policy announcement made a week earlier by the Leader of the Opposition. The Erskine pipeline is named after Don Erskine, and he needs to be congratulated for it.

There are several issues that need to be clarified with regard to the government's funding of the Erskine pipeline. Firstly, the government needs to make it clear that water in Lake Eppalock is going to be made available to the Campaspe irrigators. They have been treated badly — —

An honourable member interjected.

Dr NAPTHINE — We will make sure that the Campaspe irrigators are looked after. They have been treated badly by the government over the last three or four years. This pipeline will put water in Eppalock, which will provide the opportunity for an increased, secure and guaranteed supply for Campaspe irrigators. The government has to guarantee it; the Liberal Party will guarantee it.

Secondly, the water that comes down the pipeline from the Goulburn–Murray system must come from water savings. It should not come simply as a result of buying water from farmers. It must come from investments within the Goulburn–Murray system to save water, and they must be genuine savings that do not take water

from productive agriculture which is vital to the Victorian economy. It must be investment in generating water savings that provides water for that pipeline.

Thirdly, Coliban Water has a responsibility to continue its efforts to fix leaks in its own system and increase recycling in its region. It also has a responsibility to make sure it fixes up the Harcourt irrigation system, which has enormous losses. Finally, that pipeline should commence immediately to solve the water problems in Bendigo.

At the same time as Bendigo got \$30 million, it is interesting to note that the people of Geelong and Ballarat, who are facing similar water crises, got nothing in this budget to help solve their water crises. Any efforts they make to improve the security of their water supply they have to fully fund themselves, with no assistance from the government. That is the government's water strategy for those regions.

I now highlight a few areas in my own electorate of South-West Coast where the budget has been very harsh. There is no money for capital works for the Warrnambool hospital. The budget that the Treasurer skites has the largest capital spend in Victoria's history provides no money for the hospital, despite the fact that the wards the staff operate in were built in the 1930s and 1950s. It has absolutely antiquated and appalling patient-care conditions. The last capital works at this hospital were initiated by the Kennett government, when it redeveloped the accident and emergency and surgery areas. This government has done nothing to assist the Warrnambool hospital, and that is absolutely disgraceful.

The government has also done nothing in this budget to fix the crisis in the accident and emergency care department at Portland hospital. In fact, on one in every three days in this month of June there will be no doctor available in the accident and emergency care department.

In the *Portland Observer* of 2 June we read about staff shortages in the mental health sector as a result of the after-hours psychiatric service at Portland hospital being closed down — another cut by the Bracks Labor government. People in Portland, Warrnambool and Hamilton in country Victoria are having to wait five years for basic public dental care, including dentures. That is absolutely disgraceful. We are also still waiting for funding for the Warrnambool ambulance station, which was promised some time ago.

On 1 June an article in the Ballarat *Courier* said:

The state budget was a budget of missed opportunities, according to the Australian Medical Association's Victorian president, Dr Mark Yates.

Dr Yates, of Ballarat, said the budget was disappointing and lacked vision for the future of the state's health care.

In south-west Victoria that is certainly the case, with no funding for the Warrnambool hospital, nothing to fix Portland hospital's accident and emergency care department, nothing for mental health services, nothing to fix the five-year public dental waiting list and nothing for the Warrnambool ambulance station. On top of that, south-west Victoria is the only area in the state without an emergency helicopter service, and time and time again we see cases where people have to wait far too long. Recently there was an accident in the Brucknell area. The Warrnambool *Standard* of 16 May reported that:

Two helicopters attended the accident: one from Bendigo took 55 minutes to arrive, while the other took 65 minutes ...

That is absolutely disgraceful. Lives are at risk because this government will not fund a multipurpose emergency helicopter for that region.

In the port of Portland the commercial fishing fleet needs an upgrade of facilities. The north-west corner proposal needs developing, and that is absolutely important. There are other areas that the government should address. It should reintroduce the fox bounty; it needs to put money into local roads and bridges; and it needs to complete the job it started regarding natural gas for Port Fairy, where only two-thirds of the town has been connected and one-third is missing out. Finally the government needs to look at installing pedestrian crossings in Heywood and Koroit, because they should have been part of this budget.

Ms DUNCAN (Macedon) — It is always a pleasure to follow the member for South-West Coast. I guess you could summarise his contribution with a couple of comments that are pretty typical of the way the Liberal Party is when in opposition. They are: 'Do as we say, but do not do as we did', and 'Do not let the facts get in the way of a good story'. It will be interesting to see how the member for South-West Coast identifies the services that he will cut. We have just heard his announcement that the Liberal Party is intending to cut payroll taxes.

An honourable member interjected.

Ms DUNCAN — It is going to abolish them, not cut them, so it will be interesting to see how it continues to fund its fox bounties and everything else with its abolition of payroll taxes.

This is a terrific budget for Victoria and for the electorate of Macedon. I would like to pay tribute to the Treasurer and his team and to all the ministers and others who contributed to putting this budget together. A large number of Victorian communities have also contributed to putting this budget together. This budget continues the good work of the previous budgets handed down by this government. It continues to maintain our surplus, it continues to maintain our AAA rating, it continues to maintain business investment and it continues our commitment to health and education.

I point out to the member for South-West Coast that in his little tirade about what was not being done he conveniently forgot to mention what was being done, and one of those things is the ongoing investment in health. Just to highlight a couple of things, I am very pleased to announce as part of this budget an allocation of \$170 million for mental health, which comes on top of \$180 million in last year's budget. We have \$498 million to target waiting lists for elective surgery; \$87 million for health programs in schools; a complete overhaul and doubling of the Royal Melbourne Hospital's emergency department; and a complete rebuild of the Royal Children's Hospital. This is record investment in health services in Victoria. It shows a great deal of commitment from the government and a lot of leadership, as has been said. The government continues to invest with confidence in Victoria's infrastructure with \$4.9 billion for new infrastructure projects across the state.

This budget supports a number of major policy statements including those on skills, regional Victoria, medical research and transport. Look at the funding in the transport and livability package — \$10.5 billion over 10 years. This is the biggest single transport investment program in Victoria's history. I am amazed that members of the Liberal Party can come in here and scoff at this budget when a cursory look at the sort of investment they made in government summarises the difference between this side of the house and that side of the house. They scoff and carry on about the lack of funding in education, for example, but let us look at the last three budgets of this government. We have provided \$973 million in capital works in the last three years. Let us compare this with the last three budgets of the coalition government. They spent \$259 million on education in three years, and this government has invested \$973 million in three years.

Rather than talk about the sale of Snowy Hydro Ltd not going ahead, let us see how many schools will have their funding cut when the member for South-West Coast abolishes payroll tax. We look forward to seeing that magic pudding being divided — —

An honourable member interjected.

Ms DUNCAN — Talking about black holes, we will see how that one shakes out.

Getting back to the transport investment, 65 per cent of this funding will be spent on public transport and 35 per cent on road transport. I think that is a terrific balance. We have to bear in mind that something like 90 per cent of our public transport travels on roads. This is a massive investment in buses, trains and trams. It is on top of the huge rebuild we have already seen of our country rail services. We are investing in the infrastructure that has been neglected for too long in this state. We are not only investing in buses, trains and trams, but we are also improving the connectivity and safety of transport and access to it. Then there are the increases in transport in regional areas.

The rate of capital expenditure on transport in this budget and through this program will more than double. The amount of money that will be invested in bus services is more than the bus association could have requested in its wildest dreams. It was hoping for something like \$50 million a year to be invested in buses, but this budget will deliver something like \$75 million a year for bus services. We have already seen the benefits of this in Macedon with the announcement in this budget of increased hours of operation on four of our bus routes. This comes on top of the new and extended bus routes announced in Sunbury earlier this year. Of course, there are a lot more benefits to come in the years ahead.

There will be an additional \$200 million in the Regional Infrastructure Development Fund. We have seen the great benefits that fund has delivered in the past and it will continue to deliver for regional Victoria. We have a plan, we have put our money where our mouth is and we are delivering. We will continue to deliver for all Victorians, to support families, to improve our environment and to plan for the future.

Returning to education, I would like to highlight some of the things that have happened in the seat of Macedon in this budget. I am really pleased that we have been given \$3.1 million for the stage 2 redevelopment of Gisborne Secondary College and \$2.15 million for Kismet Park Primary School. With the recently announced \$50 million maintenance fund every school in Victoria will receive additional funding for maintenance. This is a fantastic injection of funds into education and into Macedon. I appreciate it, and I know the people of Macedon will also appreciate it.

We have done so much more in this budget. We have addressed and further cut business taxes to ensure we continue to attract investment to this state. We have cut payroll tax from 5.2 per cent to 5 per cent. There have been 10 per cent cuts to WorkCover premiums, on top of previous cuts to WorkCover premiums. In addition, we have cut the top rate of land tax from 5 per cent to 3 per cent. There is increased funding for police and increased funding for health, as I said. There is increased funding for youth with \$20.8 million to remove young people from nursing homes. This has been an ongoing issue and I know these funds will be greatly appreciated. We have \$14.7 million for 40 more child protection workers and \$14.1 million for youth programs. The list goes on and on.

This is a fabulous budget. It delivers for all of Victoria. However, I think the best thing about it is it presents a vision and a plan and it funds that plan. We will see benefits from the things we are seeing in the budget for the long term. This government is proud to stand on its record. Like all governments it should be judged on how it spends taxpayers money and the priorities it sets when it is allocating funds. I am very proud to see the direction of this budget. This increase in infrastructure spending on health and education demonstrates the government's continued commitment to these areas of critical government services. I think this is a terrific budget. I am very proud to be part of the government which has delivered this budget. I certainly commend the Appropriation (2006/2007) Bill to the house.

Mr SAVAGE (Mildura) — I want to be positive at the outset of my contribution. Overall I consider this budget to be an appropriate appropriation. The Treasurer has shown some competency over the years. I have not always agreed with the budget content, but I have to say that I admire the Treasurer for his expertise. In fact, I can prove that by the fact that the electorate of Mildura has done very well out of this government over the years. It was a pretty difficult time prior to that, but I am sure it might have got even better if the coalition had been returned in 1999.

Having said that, I have to say that I have some misgivings about certain elements of the budget. I am concerned that there is no easy way of making comparative judgments from one year to the next as to what is in the budget. I remember that some commitments were given in 1999 that the budget would be simplified so you could make a comparison from one year to the next. There are four or five volumes here so there is quite a bit of material. I often wonder why it has to be written in such a complex way — it is probably to keep members of Parliament completely confused as to what is there. Also, in an election year

you are able to drop things out. They are not in the budget today but the government can put them out there and enhance the position between now and 25 November. I guess that is your right if you are in government.

I certainly disagreed with the Snowy Hydro Ltd component in the budget. I strongly disagreed with that sale. I did not accept the arguments that were put that we in Victoria were captive as a minority shareholding. When the decision was made to abandon the sale we followed the federal government which had only a 13 per cent share. That is a very small holding and, if they had chosen to, Victoria and New South Wales could have gone on and sold their shareholdings. Having said that, I appreciate the fact that, like New South Wales and the federal government, the Victorian government has pulled out of the Snowy Hydro sale.

My concern is all the people who have come on board since then and said what a great idea it was not to proceed with the sale of Snowy Hydro. I will name the people I know of who stood up for it: the member for Benambra was one, Senator Bill Heffernan and the federal Independents, Peter Andren and Tony Windsor. There were not too many others. There are a few people who went through the motions in here, but they were not committed to it. They were very shallow.

Dr Sykes interjected.

Mr SAVAGE — Look at those who were going to sell it. The Nationals in Canberra were going to sell the federal government's 13 per cent share. The Nationals should stay mute in this place.

Dr Sykes — It's not true.

Mr SAVAGE — It is true. They were the ones who were going to sell their 13 per cent. They were going to sell out the irrigators. There was a very significant group of people who really believed in the things they said about the Snowy Hydro. I think the member for Morwell was one Labor member who probably did not agree with that decision, and I think the Premier did not agree, but there were not too many others. The issue was something that was passionately close to the heart of nearly every Victorian and certainly every person in the country, judging by the polls run on radio stations and by newspapers. Too many weasel words!

Let us look at privatisations around the country. Can members tell me of one that has really worked? I want to know the ones which have worked and on which members are basing their decisions. What a great outcome the privatisation of the former Gas and Fuel Corporation was! The railways and electricity

companies were privatised in Victoria. What has worked? There is nothing out there that says privatisations are the thing of the future and that they will save Australia.

The economic rationalists are saying this will be good, and the merchant bankers are saying this is good — but not the people of Australia. It was the merchant bankers who were wanting to sell it. They were salivating at being able to grab hold of something worth \$27 billion for a mere \$3 billion. What a disgrace. This is the first time in the history of the nation that we saw the people of Australia actually beat both sides of politics lined up together in unison, except for a few individuals. That is the first time ever. There were some opportunities out there, but people did not take them up. Some have come on board since, which is also interesting.

The other thing that this government and the New South Wales government need to consider is that Snowy Hydro is undercapitalised. Those governments take out nearly \$1 billion every seven years. Perhaps that money should go back into the Snowy Hydro so they are not faced with this internal problem of whether they have to sell it to make it viable. That has been a problem with a lot of government corporations. Governments get too greedy and they take too much out. My view is that governments across the eastern seaboard — Victoria, New South Wales and Queensland — and the federal government need to look at whether Snowy Hydro is undercapitalised and they need to take less out. It is the biggest renewable energy power generator on the east coast. It has 13 times the capacity of Sydney Harbour. It is a huge organisation. It is not just a couple of dams along the Snowy River. It is huge and it is worth a lot of money to every Australian.

When you look at the revenues coming to the state of Victoria you have to say that the school upgrades should not have been based on selling off another asset. They should be based on cutting some slack on the Commonwealth Games. I know that is unpalatable to a few people here, but \$50 million expenditure on the opening and closing ceremonies causes me concern when we have to sell off — I know some people do not like the word 'iconic' but that is probably the best word to describe it — the iconic Snowy Hydro. Why would you sell it off when you have just wasted \$50 million on opening and closing ceremonies? You could say that the person who contrived those ceremonies must have been on drugs because it did not have a start, it did not have a middle and it did not have a finish. Let me move on!

Mr Plowman — It did have a finish.

Mr SAVAGE — Perhaps I am being too harsh on the Commonwealth Games, but it was meant to be a sporting event. Why do we have to do something that is bigger and better than anything anyone has done before? I disagree with that. We can have a Commonwealth Games, but we do not have to make it into some sort of carnival. It is going to India next. How will that country afford \$50 million just for the opening and closing ceremonies? It is ridiculous. We have set a precedent that will be hard for anyone else to follow.

I want to concentrate on one of the positive things that came out of the budget — that is, the state government, in conjunction with the federal government and AusLink money, will spend \$73 million on a freight upgrade of the Mildura line. This is an important project. It is also the precursor to the return of the passenger service, a matter about which I still have not lost hope. The promise was made that it would be achieved by 2004. We are patient in the Mildura area. We have come to the conclusion that if we wait long enough it might come. We are waiting and I have a commitment from the Premier. I wrote to him about the \$73 million, because the figures were over four years, which is far too long a time frame. Some \$90 million was promised in about 2001 for the standardisation of the line, which has not come about, so we need a strong commitment that this upgrade will be carried out in a short period. The Premier has advised me in writing that work will start in two months and the time frame is about two and a half years and not four years. I have that commitment before me so I can quote from it directly. That is very important.

I think we have missed some opportunities with freight. If we had bought back the track access we could have invested in tracks in Victoria, charged the appropriate fees to Pacific National or whoever is using the tracks — it was Freight Australia before that — and then we would have some control over the strategy. If you look at the Mildura line now you would be appalled. I am sure there are tracks around Victoria that are in a similar condition. There are not just half the sleepers gone but more than half and nearly every dog spike is loose. We are carrying fuel, gas — —

Dr Sykes — Toxic waste.

Mr SAVAGE — That is a possibility for the future. We are carrying very dangerous, inflammable liquids on that line. If you have a tank of petrol that comes adrift in an urban built-up area, you have a major problem. Some scrutiny needs to be given to the service providers that run freight on our rails. They need to be brought into line. If they cannot do it, if they cannot

deliver the efficiencies necessary, they should be brought into line by government regulation and requirements. The AusLink funding is a component of that particular contract. I am told by the Premier that if we do not get that funding the project will still proceed but it will take longer. I believe the AusLink funding will be made available as it is only \$20 million. It was destined for standardisation, but it does have a component associated with the sleepers for joint gauge.

People ask me on a daily basis whether the train is coming back. It is my belief that if the Premier says it is coming back, then it will. But it has to come back in a realistic time frame; otherwise it will be a broken promise. One can say that it is not a fulfilled promise now because it was meant to be completed in 2004, but the government cannot keep saying it will be coming if it does not make any effort now to return it. There is a new daytime service running through Swan Hill and that is a success in terms of passenger numbers. It is not starting at 4.30 in the morning, so it is only a stopgap. It is not the alternative we want in the long term.

I have to say that the member for Swan Hill has misrepresented me on a number of occasions when he said I had promised the return of this train and therefore I would receive an electoral backlash at the next election. I have never promised the train. I have never been in the position to do so. I wish I could. I wish I could have been in the position to say, 'I can bring the train back'. If I said that, it would be a lie. I have never been in government and I have never had ministerial responsibility for transport, so how could I say that? It is only mischievous people like the member for Swan Hill who cannot keep their mouths shut and keep perpetuating that lie by saying that, which is wrong. I am certainly working towards achieving that objective.

Mr Plowman — Wasn't that in your charter?

Mr SAVAGE — No, it was never in the charter. I never made that promise or commitment in the charter. The Mildura South school received \$3.5 million for an upgrade. I am sure that is very much appreciated by that school community. I would like to see a greater emphasis on school upgrades than we saw today with the government's announcement of the provision of \$50 million for maintenance, which will not go a long way when you consider the hundreds of schools around the state. These are good initiatives and it is difficult for governments to produce funding for everything they need to do. I am sure there are many other schools that would welcome upgrades.

There is \$1.4 million in the budget for horticultural initiatives, which are important to my area. We are

suffering from what could be described as the worst economic outlook in the time I have lived in Mildura, with probably 40 000 to 50 000 tonnes of unmet need for wine grapes. Everywhere you can see grapes not being harvested. Table grapes are not doing too badly. Citrus is in a significant trough because of the failure of governments to deal with labelling. We are still waiting for proper labelling of orange juice so the Daily Juice Company cannot continue to perpetrate an untruth on us by saying it is a daily juice company. If you look at the back of the packs, you will see the product is full of Brazilian orange juice concentrate — that is oxymoronic. These are simple changes that would help the industry.

Dried fruit has had three years in a row of lower prices. If that continues, this will be the last meaningful year for dried fruit. In the state's horticultural initiative were some packages that would assist the federal government's request for \$18 million. Part of that was a \$15 million project to give each of those growers — and there are about 800 of them — approximately \$25 000 to assist them as they have had no money for this year's crop, no money from last year's crop for some of them, and no money from the previous year. You cannot keep eating into the equity of your property without some serious outcome in the future. That is why the federal government needs to come to the party.

We need to address free trade, the failure to deal with labelling and the investment and management schemes that make it difficult or almost impossible for farmers to compete with large companies like Timbercorp Ltd, as they receive such good tax benefits. If these issues cannot be addressed, farmers should be given exit equity like those applying in the sugar industry. There is an absolute crisis in Mildura. The Minister for Agriculture in this state realises it, but the federal government does not seem to grasp the fact that Mildura faces a really serious situation.

I am very disappointed to have had to wait seven months for a response to a freedom of information request on the toxic waste containment facility. When I entered into an agreement with this government in 1999, freedom of information was one of the things that was going to be addressed. It is totally unacceptable under those circumstances to have to wait seven months for a package.

I commend the bill to the house.

Ms MUNT (Mordialloc) — I am very pleased to speak on the Appropriation (2006/2007) Bill. A little earlier I spoke on the State Taxation (Reductions and

Concessions) Bill, and the two really fit together, so I will speak a little more about that.

The budget seems to be a document that keeps in mind the growth of all Victoria. It is a good document for business and other sectors in the economy, helping them to grow and push on with the vitality that seems to be in the economy at the moment, but it also keeps a firm eye on the services we deliver to people. That is one of the strengths of the Labor government, that we actually care about the services we deliver, and we try to deliver the best services we can. We have done this in a very responsible way in this budget, because we are delivering a range of services, capital improvements and capital expenditure, still within a balanced budget and still with a budget surplus. It is a very good budget.

I have been listening today and last week to what the budget means to a lot of different members. The budget is an enormous amount of money, but in the end it filters down to each of our electorates in many different ways. It is fascinating to hear of all the different programs and funding that goes to all the areas of Victoria, to try to find the very best way we can use the taxpayer's dollar to make a big difference to people's lives.

I am particularly happy with how that has happened in my electorate of Mordialloc. I would like to go through a few of the initiatives that I welcome in the budget for the people of Mordialloc. The first thing I would like to detail is the improvement in bus services in Mordialloc. I will be honest: before I was elected as the member for Mordialloc, I never thought I would have such a keen interest in buses, but I do now. I realise the great difference that bus services can make to people's lives, particularly to the young, the elderly or those who are not well off, because it is the way they reach out to the world and go about their business every day, so I am really pleased that bus services in Mordialloc have been improved.

I will detail those bus services: bus 631 from Waverley Gardens to Southland, bus 767 from Box Hill to Southland, bus 811 and bus 812 from Dandenong station to Brighton, and bus 827 and 828. All those bus lines will have improved weekday services from 6.00 a.m. to 9.00 p.m.; Saturday services will now run from 8.00 a.m. to 9.00 p.m.; and Sunday services will run from 9.00 a.m. to 9.00 p.m.

I am particularly pleased about the bus services that will run through Dingley — the 811, 812, 827 and 828 lines. Previously Dingley had no Sunday services, but the buses will now run from 9.00 a.m. to 9.00 p.m. Lots of teenagers who live in Dingley and just wanted

to go to Southland to do a bit of shopping or watch a movie were unable to get there and back, but now will be able to do that on Saturdays and Sundays. It provides greater freedom and a bit of independence for them, and it is a burden off their parents because their parents will not have to drive them everywhere all the time.

The bus services in Dingley also used to finish around 5 o'clock, so if you played up at Cheltenham Secondary College and were kept in for detention, there was no way you could get home after 5 o'clock. Now those bus services will run through until 9.00 p.m. on weekdays. It is a matter of safety for those teenagers who might be kept back in detention or have other things to do after school. I am really rapt about that.

Also, elderly people in Dingley told me they wanted to visit family on Sundays or do other things that people want to do, but there was no possible way for them to do it. Now they will have the bus services to go wherever they want to go. If they go on Sundays and have a Seniors Card, they will get free public transport across the metropolitan system. These are the ways we can spend money on improving services that actually have a great impact on people's lives.

I mentioned Cheltenham Secondary College a moment ago. It has gone to stage 3 of reconstruction and has been funded under the budget for another \$4.3 million. I have spent quite a bit of time at the school. It has had building work going on for the entire time I have been a member, and this will keep on happening. This \$4.3 million will make a great difference to that school and to our children's education as a result of their going to that school. It was announced yesterday that an extra \$600 000 in maintenance funding would be allocated to the schools in the Mordialloc electorate.

Also the School Start bonus in the budget is a \$300 allocation at the start of the year to every child entering prep or year 7. I think \$150 is going to be paid shortly, when we are halfway through the year. I know a lot of families have a great deal of trouble coming up with the money they need to buy books and uniforms at the beginning of the year, particularly when their kids start secondary school. It is a very expensive time. This \$300 will be very handy in covering those expenses. That is another way that we can really help people out on the ground and in ways that really matter. One mum came to me a few days ago and said, 'I have got twins; can I get two lots?'. Yes, she can — that is, she will get \$600 to help out with her twins. She said she has a lot of extra expenses because of her twins, so it will be a great benefit for them.

Not all of us are young and catch buses; we get older — I know that will happen to me one day, too — and the Kingston Centre in my electorate is an aged care facility that needs to meet commonwealth accreditation standards in 2008. It is in need of a major facelift. It needs a re-do; in my opinion the facility is simply not good enough. Some \$25.5 million has been allocated in the budget to upgrade the Kingston Centre's kitchen. That funding also supports further planning and the preliminary design for the full redevelopment of the Kingston Centre.

I and the rest of the government are committed to following through with the redevelopment of that site. Right throughout the south-eastern suburbs the population is ageing, and we need to have those facilities in place to care for the elderly when the time comes. I am very pleased that the government has recognised that need and will provide the money for the full redevelopment of the site.

Public transport is an issue close to my heart as my kids catch the trains all the time. I would like to mention a few things about the improvements to the train services. The first is about the Mentone station. A large number of schools surround the Mentone station, and if you are there at 8.00 a.m. or 3.30 p.m., you would see a sea of students. For a long time the community has wanted the station to be manned from first train to last train and to be upgraded to a premium station. That has happened; the government has now done that. That is fantastic news for the local community, particularly for all the students who use that station. It is a very high-use station, and it will be great for the safety and convenience of all students and families.

As the mother of teenagers I would also like to mention — —

An honourable member interjected.

Ms MUNT — You think I am too young for teenagers? No, I was not a 12-year-old mother! The trains will run until around 1.00 a.m. or 1.30 a.m. Now the kids will be able to go out and be home, tucked up in bed, by midnight — I'm sure! — but they will get that extra train time. They can go out, have a good night and safely catch the train home — —

An honourable member interjected.

Ms MUNT — No, not too good a night for your own children! They will be able to safely catch the train home until 1.00 a.m. or 1.30 a.m. That is great news for the young ones. As I said before, Seniors Card holders will be able to travel on the trains on Sundays. They

will be able to go to concerts or other events, do a bit of sightseeing or whatever they wish.

The other thing I would like to mention in relation to my electorate, which I spoke about in my contribution to the debate on the previous bill — the taxation bill — is business. There is more business in the arc between Dandenong and Cheltenham East than there is in Perth and Adelaide combined. We are an economic powerhouse in our area, and the reforms to payroll tax and land tax, and the cuts to WorkCover premiums will be absolutely wonderful for my local business and the local young people, because it will provide employment and growth to our local economies — —

An honourable member — They can stay out later.

Ms MUNT — They can stay out later. It is a great way for our children, after they have grown up and left school, to get jobs that are close to home, so they do not have to move away. We really need that, and it is fantastic that our government has recognised the importance of business in this budget and put in place those tax cuts, all the while maintaining a balanced budget that is good for the whole state and helps the state to grow.

In the remaining time that is available to me I would like to make mention of something that has not been made mention of too much up until now — that is, the *Maintaining the Advantage — Skilled Victorians* package that has been put together.

An honourable member — That is very important.

Ms MUNT — It is very important. Not only is it great for our people, but, as I said, it is also great for our business and the rest of the state. A whole range of initiatives have been put together to encourage young people into apprenticeships, to keep them in apprenticeships and to support them while they are undertaking them. The major skills statement *Maintaining the Advantage — Skilled Victorians* contains details of the range of initiatives, from an increased accommodation allowance to a trades bonus to try to combat apprenticeship drop-outs.

Mr Kotsiras interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! I advise the member for Bulleen that the member for Mordialloc has the call.

Ms MUNT — In the skills statement *Maintaining the Advantage* there is also a range of initiatives to address areas of skills shortage through pre-apprenticeships and apprenticeships. That is a

wonderful package put together by the Minister for Education and Training, and I congratulate her for it. I would also like to congratulate the Treasurer on putting together these documents. I think it is a super budget, and as I said, it is great for Mordialloc and great for the whole state. I commend this bill to the house

Dr SYKES (Benalla) — This budget is a budget of missed opportunities, including missed opportunities to support country Victoria, which, as the Minister for Agriculture acknowledged only yesterday, makes a major contribution to the Victorian economy. The minister noted that the Victorian dairy industry is Victoria's largest exporter, earning more than \$2 billion a year, and that it makes up more than one-third of Victoria's food exports.

The success of agriculture in country Victoria has been achieved in spite of the Bracks government, not because of anything positive that the Bracks government has delivered in the seven years of darkness. It has not delivered to the people living beyond the tram tracks and outside the major provincial cities of Geelong, Bendigo and Ballarat. As the Leader of The Nationals has stated in talking about country Victoria, the Bracks government has only spent \$150 million of the \$450 million it allocated for regional infrastructure development. What has happened to the other \$300 million? Some of it has gone into \$80 million worth of government advertising. Of course there is the 'farce' — or 'not very fast' — train that has consumed \$800 million, and the Spencer Street roof down there at Spencer Street station accounts for \$1 billion also. There are also a few shiny butts on seats in Melbourne consuming millions of dollars.

As the Leader of The Nationals and others have said, for many Victorians there is a single concern, and that is that Labor cannot manage money. How else can you explain the need for the state to double its borrowings at a time when state income has doubled? How else can you explain what is going on when government expenses have exceeded budget expenses by \$8.5 billion and when the government's books have only been saved because actual income has exceeded budgeted income to the tune of \$10 billion?

If you have a look for the source of that doubling of income, you will see it is related to windfall GST-related revenue, you will see it is related to land tax hikes and you will see it is related to speeding fines — and the two ministers at the table, the Minister for Police and Emergency Services and the Minister for Manufacturing and Export, will have an interest in that. This year alone the government is budgeting for

speeding fine revenue to increase from \$300 million a year to \$416 million a year — a 32 per cent increase.

The government has taken \$600 million from the Transport Accident Commission at a time when country roads continue to deteriorate, putting country lives at risk. If members just reflect on the money coming from speeding fines, they will recall that there was a commitment last year to allocate money from speeding fine revenue to roads; but instead of being additional money it was in lieu of money coming out of consolidated revenue. So we have the pea-and-thimble trick being performed by this deceitful government.

If we now look at what country Victoria and in particular the Benalla electorate have got out of this budget, we see there have been some wins. There has been some reform in relation to the operation of country taxis. Some \$3 million has been set aside in a fund to improve the ability of country taxi operators to buy wheelchair-accessible cabs. That is a good initiative, but it only puts country cabs on the same footing that Melbourne cabs have been on for years.

There are also changes to reduce the operating costs of country cabs and increase operational flexibility, as well as a commitment by the government to improve the integration of country cabs into the community transport system, something that I should point out will actually save taxpayers tens of thousands if not millions of dollars. That is a welcome result, but it has come about as a result of extensive and passionate lobbying by country taxi operators throughout Victoria over a long period of time. I am pleased that I have been able, along with my Nationals colleagues, to support those taxi operators. There has also been tremendous support from regional media, in particular from Kathy Bedford of the ABC.

The winners from this change in government policy, brought about by that intense lobbying, are the elderly and the disabled in small country communities, who rely on taxis to attend their medical appointments, do their shopping and generally retain their social contacts.

The government has also committed of the order of \$2.5 million for game management staff in state and national parks, and that is welcome, but we need to put it in context. Only a few months ago the government cut back front-line staff from the Department of Sustainability and Environment and the Department of Primary Industries, with about 13 positions being pulled back. Earlier, after intense lobbying by groups such as the Australian Deer Association, police in our area, local government and me, the government had put on 10 staff to enforce the illegal shooting legislation in

national and state parks. However, the funding for those 10 people cut out within 12 months of their being put on. So this money that is being trumpeted about from the rooftops is really only there to put back those people who should have been there a long time ago.

If you look at funding for neighbourhood centres, you see that there is \$27 million extra in there. That is fine, except that the request was for \$84 million — one day's state income. So people have had to accept one-third of that. In some of the neighbourhood centres in my area that has enabled an increase in the hourly rate for the coordinators but provided no opportunity to increase hours. Thus you have people like Yvonne Evans at the Mount Beauty neighbourhood centre who, in her own words, has had an emotional meltdown trying to do the work of keeping the neighbourhood centre going with grossly inadequate funding.

We have neighbourhood centres such as the one at Bonnie Doon that get no funding, even though they provide all the services that funded neighbourhood centres provide. It is among 30 neighbourhood centres that have missed out on funding. Why? The government has not worked out the process for applying for government funding. What a disgrace! Though they are masters of bureaucracy and red tape, this government's members cannot work out a system through which people can apply for money. The minister responsible for this is no. 1 on the Labor ticket for the Northern Victoria Region in the other place.

If we look at Mount Beauty, we see an issue there in relation to funding for the neighbourhood centre cutting out over the last two or three years. Why has that occurred? It is because the statistics have changed. They used to show that the east of the Alpine shire, including the Mount Beauty centre, was one of the lowest socioeconomic regions in the state. Then suddenly in one year it became one of the highest.

Now the warning bells should have rung. How could it have occurred within one year? But it was not until the local people established that the reason for the change was a change in the date of compiling the statistics and recognised that the new high income of the area and the apparent doubling of the population was because the statistics were being done in August during the snow season and therefore people from the leafy suburbs of Melbourne were up there inflating the numbers and the average income.

What is most disturbing is that the Minister for Local Government, after 12 months of intense lobbying by the Mount Beauty community and me, acknowledges that the information she has been operating upon is

flawed. But even though it would take only a stroke of her pen to change it, 12 months later Mount Beauty is still not getting the money to which it is entitled.

Rail level crossings are a major issue in country Victoria, and there has been a spate of rail level crossing accidents recently which have brought this home. The government has allocated substantial funds to improve the safety of rail crossings in areas such as the south-eastern suburbs, but country rail crossings remain deathtraps. Often this is for the want of low-cost, practical inputs — for example, along the Hume corridor where the main Melbourne–Sydney railway line runs, we have problems with the Errey's Road rail crossing and the Balmattum siding crossing relating to simple things like phalaris and other growth blocking the visibility of cars and vehicles as they approach the rail crossings. Similarly the road surfaces are unduly rough. All that is required to fix those problems is for someone to get out there, to recognise the problem and solve it. In the case of the road surfaces, it simply requires coordination between the rail track authorities and local government. Surely that is not mission impossible if there were goodwill and practical commonsense on both sides. I know the local government is doing its darnedest, so we need some support from the state government at the other end.

We also have the possibility of additional low-cost safety measures being proposed by people such as David Brambells from Mount Beauty. That includes more lights and signs at crossings, and lights and reflectors on trains. It is not rocket science.

Country roads missed out big in this budget. This government missed the opportunity to implement The Nationals policy of taking 1 per cent of the GST, which would be \$80 million a year, and providing it directly to local government. It is suggested that that could increase to 3 per cent, or up to \$240 million a year, without any impact on the funding of other projects because of the natural growth of the GST income. The Nationals further suggest that the lions' share of that money should go to disadvantaged shires such as Strathbogie, Mansfield, Murrindindi, Alpine and Benalla.

Mr Plowman — And Towong.

Dr SYKES — And Towong, as the member for Benambra points out.

There is a highly successful model in relation to the commonwealth government's Roads to Recovery project. Again, it is not rocket science. This policy can be implemented at no pain to the rest of the state by the

simple actions of the Bracks government. But at this stage nothing is happening, so in the meantime travellers on Whitfield Road, the Creighton Creek Road and the Woods Point–Jamieson road and many more continue to have their lives put at risk daily because of the inertia of this Melbourne-centric government.

School maintenance remains a problem. Yes, \$50 million has been put towards school maintenance, but it is my understanding that there has been very little, if any, funding from this government in the last four years towards school maintenance.

Honourable members interjecting.

Dr SYKES — Come to the east of Victoria and see the schools that are falling down! Fifty million dollars spread over hundreds of schools will not go very far.

I notice that Murray Valley seems to have got a reasonable allocation, and I just hope that the schools in my electorate get a realistic allocation to cover the maintenance they have been wanting for several years. School capital works is also a struggle, with Euroa Secondary College appearing to have missed out on \$3 million worth of capital works.

Natural gas has been another let-down for country Victorians. We have been through this many times before — the broken promises of the Bracks government which has failed to deliver natural gas to Bonnie Doon, Alexandra, Mansfield, Myrtleford and Bright as well as other communities such as Murchison, Avenel and Nagambie. Those promises have all been broken, so the people of the electorate of Benalla, which is among the 10 per cent of poorest electorates in the state, continue to pay through the nose for natural gas and other forms of energy.

If we look at regional arts funding, the Benalla Art Gallery, which is the best in regional Victoria, with a very high throughput due to a large extent to the energy and entrepreneurial flair of the director Simon Klose, gets about \$80 000 a year from the state government, but that is a pittance compared with what other galleries get. If it were given more it would become a wonderful base from which to grow our tourism industry in the north-east of Victoria.

Speaking of tourism, you, Acting Speaker, as the member for Murray Valley, and I attended the Winton V8 supercars at Benalla on Sunday. It was a great event, but to make it greater and to make it stay in country Victoria we need serious state government support and recognition that it is a major tourism event. An injection of millions of dollars to support a very valuable tourist operation in north-east Victoria is what is required of the

state government. It is also the opportunity for the state government to seal the Eildon–Jamieson road and create a fantastic tourist loop around Lake Eildon, and if people get a little thirsty along the way they can drop into the Jamieson brewery and enjoy a boutique beer. The government has also missed the opportunity to co-locate emergency services such as the Country Fire Authority, the State Emergency Service and police in centres such as Nagambie, Euroa and Benalla.

Other speakers have mentioned the cutbacks to the Department of Primary Industries and the ludicrously small amounts allocated to pest and weed control. We have noticed that there is a heck of an interest in the reintroduction of the fox bounty, but this government remains silent on that, even though people throughout country Victoria are calling for it.

We should also consider the announcement today of the allocation of about \$50 million to football grounds in the city, while football grounds at Devenish and Tatong and other smaller communities continue to miss out. This government has failed to govern for all Victorians. It has let down the people of Violet Town and Baddaginnie, where it wanted to put the toxic dump; it has let down the people of the Ovens and Kiewa valleys; and it has let down the people of the Strathbogies, Goomalibee, Mansfield, Mount Beauty, Bright, Myrtleford, Moyhu and Upotipotpon. I call upon the government to govern for all Victorians, not just for the people within the city of Melbourne.

Ms BARKER (Oakleigh) — It gives me great pleasure to speak on another Brumby budget. This is a great budget for the Oakleigh electorate and for Victoria. It is a budget for Victoria's future, and it continues to invest in its most important asset — its people. I congratulate the Treasurer for again bringing down a budget which continues our government's commitment to a strong economy, a strong financial position and a solid budget surplus, an investment in the services used by families and a further reduction in business costs to ensure a competitive business environment to drive jobs and further economic growth. It is recognised by international rating agencies such as Standard and Poor's and Moody's, who have again reaffirmed Victoria's AAA long-term credit rating.

Consistently in previous budget speeches in this chamber I have been very proud to indicate that education is this government's no. 1 priority, and that continues in the 2006–07 budget. The Bracks government has already invested more than \$5 billion in our education and training system, and we will continue to invest in this very important area.

In previous budgets I have mentioned schools that have received funding through either smaller works or major capital works, such as Murrumbena Primary School, which received over \$2 million and was opened recently by the Minister for Education and Training. A few weeks ago I had great pleasure in visiting Carnegie Primary School, which only came into my electorate in 2002, to inform the school that it would receive further funding of \$100 000 through the school improvement program. That will improve and modernise the junior school building. This funding builds on other funding we have made available to the school since 2002. Last year \$100 000 was allocated for a toilet upgrade as well as for other projects and maintenance funding.

Under the very capable and caring leadership of its principal, Elizabeth Mulhearn, the school has a fantastic staff and a very active and dedicated school council, parents association and school community. We are working together to ensure Carnegie Primary School receives the funding it needs to make it an even better school.

I think it is important that we put in context the funding for maintenance referred to by the previous speaker, the member for Benalla. He had a throwaway line about \$50 million, as if that is the only funding this government has put into school maintenance. Since 1999 the Bracks government has invested more than \$400 million in school maintenance alone. We have also invested a massive \$1.6 billion in capital works. Since 1999 more than \$400 million has gone into school maintenance funding.

In addition to the \$34 million that is normally provided for school maintenance, the Minister for Education Services today announced an extra \$50 million to be allocated through the 2006–07 budget. Last year through the injection of the extra \$50 million, Oakleigh schools received \$387 980 in maintenance funding, and from the extra \$50 million allocated this year, over \$500 000 will go to the Oakleigh electorate schools for maintenance. The government is attending to the needs of schools in the Oakleigh electorate.

Within education there is always more work to do, and I welcome the opportunity to work with schools in my electorate to look at how we can progress the work that needs to be done. We face a number of challenges in schools. The electorate has no government secondary colleges at all and now has a resurgence of population and families coming back into the area. The rather daunting challenge presented is where those young people will go for secondary education.

Another example of a challenge the electorate has faced is Hughesdale Primary School, which was threatened with closure in 1996. It is correct to say that at that time its enrolment numbers were low. But again, indicative of what happens in areas like the Oakleigh electorate, children grow up and leave home and there is then a gradual resurgence of families back into the area. That is what has happened, and that is why it is important to plan for the future in education. That is what this government does.

This year Hughesdale Primary School has 330 children and 70 preps are enrolled. The school is absolutely full. We must continue to monitor schools in my area, and we do, to make sure we can give quality educational opportunities. As I said, Hughesdale Primary School is full. Last year it needed one portable classroom; this year it needed two. I had great pleasure in visiting the school recently to see the new two-class portable, again as part of the \$50 million this government is investing in those sorts of wonderful new-style classrooms. They are flexible and environmentally friendly, with ceiling fans, split-system heating and cooling, and demountable walls for flexible learning opportunities. They are fantastic new mod 5s that the school really welcomes, and I welcome the opportunity to work with schools in my electorate as I will continue to do.

A further initiative in this budget is \$9 million for new computers in schools, building on previous boosts to funding for computers. It includes the \$89.3 million VicSmart initiative which the government announced last year, which is being rolled out as we speak. Murrumbena Primary School has already received its broadband upgrade and all the other schools eagerly anticipate their connections in coming months.

The School Start bonus is a great initiative and has been most welcomed by families in the Oakleigh electorate. The budget allocates \$182 million over five years to help parents meet the costs of students starting primary and secondary school. Parents of each child who starts prep or year 7 in government, Catholic and independent schools will receive \$300. It is a great bonus that parents will welcome to assist them when their children start school or enter secondary college.

Like many other members I welcome the introduction of the trades bonus. I know a lot about trades and apprenticeships, and I know how difficult it is in the first year. So the \$500 grant to first-year apprentices, to encourage as many as possible to stay and finish their training in that first year, will be very welcome.

Not within the education budget but part of the whole-of-government approach that will go into

schools and which is within the health area of the budget is \$10.4 million for the Kids — Go For Your Life program. Primary schools can apply for grants of up to \$6000 to help improve physical activity and nutrition. It is a small program but falls within the context of building a healthy and safe community.

Health is always a challenge but this government has faced up to the challenge and invested record amounts of targeted funding into our health system. We have now brought back into the health system more than 6000 nurses and 1300 doctors, and we are treating on average an extra 40 000 patients each year. There is an additional \$92.5 million in 2006–07 to continue adding capacity to our health services and help fund an extra 37 000 hospital admissions as well as open up 22 extra specialist beds.

Last year \$30 million was allocated to enable targeted elective surgery to get people off waiting lists, and for many people — particularly older people in my electorate — that was welcome, and they have now had their operations. We have continued to monitor and target those elective surgery waiting lists and this year have dedicated a further \$10 million.

There are no hospitals in the Oakleigh electorate, but obviously capital spending on hospitals around —

Mrs Shardey — What about Caulfield?

Ms BARKER — I will get to Caulfield in a moment. Hospitals around metropolitan Melbourne benefit the people I represent. At The Alfred hospital the new \$60 million elective surgery centre is rising rapidly from the ground and is going to be a wonderful new facility. More than 48 000 patients will be treated each year. The 2006–07 budget will assist the many people who attend The Alfred, as many do from that end of my electorate, by providing further funding of \$3.6 million to upgrade the emergency department, and along with the \$60 million elective surgery centre, this continues the upgrade of this hospital with the \$20.2 million previously announced for the intensive care unit.

The \$10 million upgrade to the accident and emergency unit at Monash Medical Centre, Clayton campus, is rapidly coming on, and I think that will be completed by the end of this year. It is desperately needed. It is one of the busiest accident and emergency services in the state.

There are no hospitals in my electorate but obviously all of the capital funding — and there has been massive capital spending on health by this government — assists my constituents. Part of the Oakleigh electorate

is in the eastern region and the announcement that Box Hill Hospital will receive \$38.2 million will be of great benefit, particularly in the area of the dialysis centre.

For the first stage of its redevelopment Caulfield General Medical Centre will receive \$23.5 million. There will be \$25.5 million for the first stage of the redevelopment of the Kingston Centre, and who would not be absolutely thrilled that we are committing a total of \$847.4 million to rebuild the wonderful Royal Children's Hospital — a massive project which will take time, but as we know the current children's hospital was completed 50 years ago and desperately needs rebuilding.

In community health, the first stage of the redevelopment of the MonashLink Community Health Service will receive \$6.6 million. Nurse on Call, a 24-hour advice and information service to help people, is a great initiative and will be very much welcomed.

For our senior residents there will be further increases in home and community care, including an additional \$10.6 million this year alone under the Supporting our Seniors initiative. As members know, HACC is a joint state-commonwealth initiative, and this additional investment by Victoria should attract a further commonwealth contribution of \$15.9 million in 2006–07 alone. I look forward to the commonwealth contribution coming through. There will be funding of \$500 000 — \$2 million over four years — to extend the operation of the Personal Alert Victoria monitored alarm services, which is a very welcome and fantastic initiative for older people.

The budget has many other initiatives, and I could talk on it for hours. I will conclude by referring to something which concerns not just the Oakleigh electorate. One of our major projects, the Olympic Park precinct, has been referred to as the new home of rectangular sports. It is interesting that in some of the information it is called a soccer stadium and in some, a 'football (soccer)' stadium. As no. 1 ticket-holder for the Oakleigh Cannons, I have been converted very well and have no trouble calling the different games football and Aussie rules.

Football in this state and this country is really booming. The national league has been a great success in the promotion of football. The premier league in Victoria is very successful and is a great competition, particularly with the Oakleigh Cannons leading the premier league ladder at this point, and I expect they will finish the season in the same way. The member for Bulleen might shake his head, but I can assure him that the Oakleigh Cannons is a fantastic team. Football has taken off in

this state and is very popular. The Oakleigh amateur footy club also has a big junior component. We will welcome the Olympic Park precinct rebuild.

On that note, I take the opportunity to wish the Socceroos the very best in the World Cup, and I commend the bill to the house.

Mr PLOWMAN (Benambra) — Regarding this budget, I have never seen a case where natural justice has been better effected. Why? Because the Snowy Hydro sale fell through. Victorians did not commit a dollar towards the construction of Snowy Hydro, they did not commit a dollar towards the maintenance of Snowy Hydro, they did not commit a dollar towards the running costs of Snowy Hydro, and yet they were quite happy to take a windfall gain of maybe up to \$1 billion without contributing anything and not reinvesting that into capital infrastructure related to where the money came from.

I would have accepted the fact if those funds were going to go back into the water industry, back into the infrastructure that sadly requires a great deal of investment, but it was not. It was going to be spent in the maintenance program that this government is responsible for anyway. It is the responsibility of a state government to maintain and look after schools. But this money, a windfall gain of up to \$1 billion, was going to go into what should be a normal expenditure program of a state government.

This is the best example of a Prime Minister with courage and foresight deciding that something was against the best interests of the public. It is public opinion that made the difference. It is public opinion that swayed the Prime Minister to make a courageous and sensible decision. I say, though, that this leaves the state in a perilous position, because the budget papers committed at least \$600 million.

Honourable members interjecting.

Mr PLOWMAN — Members opposite suggest that is wrong, but it is not. It is right that there is a commitment in that state budget for at least \$600 million that is just not going to be there. It is a black hole of mammoth proportions, and it is going to be difficult for the state government to find its way through the process of delivering the promises it has made, yet still accede to the fact that it is \$600 million worse off than it thought it was when it was drawing up the budget papers.

The budget might be good news for some, and I noted that the member for Oakleigh, who is no longer present in the house, was saying how good it is for her

electorate. Although it might be good for some of the metropolitan electorates, it certainly is not good for north-eastern Victoria. I think you, Acting Speaker, might tend to agree with me. I do not believe it is good news for country Victoria as a whole. Certainly in the electorate of Benambra it is not viewed as a pre-election budget because it does not provide any promises of significance for people in country Victoria. Frankly, there is nothing there that is — —

Mr Mildenhall — You've got all your bypasses!

Mr PLOWMAN — I will come to that. There is nothing of significance to people who are looking for funds for the normal things that you look for prior to an election — funds for schools, hospitals, roads and infrastructure projects. You hope you will see that sort of funding, but this budget is scarce of all that.

In Wodonga there is no funding for the relocation of the Wodonga South Primary School which is to go to army land at Bandida. This land has been set aside for this project, the promise has been there by the state government now for two years, but there are no funds. It is estimated the land alone will cost \$1.4 million with a payment to be made late in 2006, but again there is nothing committed in the state budget. The building cost itself is yet to be determined, but again there is no mention in the budget.

There are no funds in the budget for cross-border health services, which is a project that would provide a seamless health service across the border. It is something that this government signed off on four years ago. Both the Victorian and New South Wales ministers signed off on this. My constituents desperately require the funds to bring this very good arrangement to fruition, but it has not happened. The funds are certainly not in this budget. There are no funds for the amount of work that has been put into this by those people, particularly the chief executive officer of Wodonga hospital, Andrew Watson, all his staff and the board members.

There is no indication in the budget that funds are available for the Wodonga Regional Health Service — the hospital that purchased the aged care facility, Vermont Court — which that service so desperately needs to allow it to develop this area of hospital ground, despite the fact that there has been an agreed valuation, with the sale to go ahead at \$1.2 million. Wodonga hospital has stopped all elective surgery for three to four weeks because it does not have the funds to continue this program right through this financial year. It said in its press release that this is to give them a rest. Is that what hospitals are there for? The lack of funding

and the loss of elective surgery for 12 months will affect the lives of many people in my electorate. It goes on and on. I express concern that those funds are not available.

There are no funds available to upgrade the Benambra-Corryong Road and complete the sealing of this road; and the same applies to the Omeo Highway. The condition of both of the links between Gippsland and north-eastern Victoria — the Omeo Highway and the Benambra-Corryong Road — is appalling. Most people who travel on those roads for the first time say that they would never go back on them again. This is a major tourism area and it is very disappointing that there are no funds in this budget to upgrade those two roads.

Wodonga police station desperately needs additional police. There are now three levels of courts functioning in Wodonga and they all require police presence, which is straining the police force in Wodonga. It cannot do the job it is asked to do because of that. It would have been a minor funding increase, but again it was not in the budget.

There are no additional funds for shire roads and bridges. Councils like Towong and Alpine shires, which are battling to meet their budgetary requirements, are looking for reparation for the damage done to their roads as a result of the harvesting of mountain ash that got burnt in the 2003 fires. That salvage program has worked very effectively to draw all that timber out while it was still able to be harvested. That salvaged timber has been a very valuable resource, but at a cost. Those councils have very little funding to break even on and require additional funds. They have not been given them in this budget.

There are no additional funds for the wild dog control program. As the member for Benalla said in his contribution, there are no additional funds for the fox bounty. In Albury-Wodonga there are no additional funds for fruit-fly eradication and prevention, which is a major project to prevent the build up of fruit fly right along our fruit-growing areas.

It is disappointing that the budget papers said there would be no increase in funding for mental health programs, and that it would not occur until the next financial year. We are desperate, particularly in the cross-border situation, for funds for mental health assistance. We have a real problem where mental health is not seamless across the border, it needs to be organised and it needs to be funded. Even worse, it is sad to see that those young people who have acquired brain injury are currently domiciled in nursing homes,

which are totally inappropriate for them. There is no funding for that program to give those young people appropriate accommodation and appropriate services. Again, it has been put off to the next budget year.

The same applies to the assistance required for universities to fund country campuses that wish to introduce medical training, which is the best means of attracting doctors to country towns and regional centres. It is another area that the state government has decided to put off for 12 months. We cannot wait that amount of time. We must be training doctors in country centres now.

There is no doubt the very great majority of funding from this budget has gone to the urban areas of Melbourne and to the regional cities of Geelong, Ballarat and Bendigo where this government is desperate to attract votes to keep those seats. It is a vote-buying exercise and I am disappointed in the fact that this funding is not evenly shared between country Victoria, urban areas and major regional cities.

An example of this city-centric funding is found in the paper *Meeting Our Transport Challenges*, where \$7.7 billion has been committed solely for Melbourne against a commitment of \$1.2 billion in country Victoria. If you think about road safety, the number of deaths in Melbourne as a result of road accidents have not risen; deaths on country roads have risen dramatically. The only way to face that problem is to fund country roads and narrow country bridges where so many accidents occur so that we can reduce some of those problems.

While I am talking about roads I note that Labor is again reducing the extent of resurfacing of Victorian rural roads. The budget papers show that in 2006–07 the government will resurface 85 000 fewer square metres of rural and regional roads than it did in the previous year; this comes back to road safety. The number of country roads being resurfaced has been on a downward spiral for the past three years. Up until midnight on 1 June 2006 the same number of Victorians has been killed on country roads as in 2005, but the road toll in Melbourne has dropped. That is an indication that we are not getting right the balance of expenditure in the country versus the city, and we need to do so if we are fair dinkum about doing something really positive to reduce the road toll.

Country Victoria has been disadvantaged by this budget. Spending on primary industries has been cut by \$28 million; there are no new initiatives to address the rural doctor shortage; hospitals have missed out on funding despite community expectations; country

Victorians will be paying more for the fire services levy; and no financial support has been offered to country councils — Labor obviously does not see road safety as important in country Victoria. The reannouncement of free public transport for seniors within the Melbourne CBD and regional cities on Sundays is of no benefit to people living in country Victoria.

No funds have been allocated to address the water crisis in Ballarat or Geelong. I applaud the fact that the government has addressed the issue in Bendigo, but — by God! — it is not before time! Bendigo has been on stage 4 restrictions for the last four years. The sad thing about that is that over the past seven years while the Labor government has been in power we have had two Labor members, now Labor ministers, who have done absolutely nothing about the problem when those restrictions periods applied.

Mr Howard interjected.

Mr PLOWMAN — The member for Ballarat should think very carefully about interjecting on this issue because it puts both of his colleagues in a very bad light, and I would suggest that it is very unfortunate they have not addressed those issues.

What is most disappointing despite all the talk is that there is no major project funding for the water industry to save the water losses and distribution which amount to about 30 per cent of all rural water distribution.

Lastly, I applaud the government for providing an additional \$55 million in funding for the rail relocation in Wodonga, but it has not committed to a start-up date.

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

Mr HOWARD (Ballarat East) — I am very pleased to speak about the budget that has just been brought down because it certainly is a good, sound budget for all of Victoria. All of the people I have spoken to since the budget was released have shown great support and enthusiasm for it.

With regard to my electorate of Ballarat East, firstly I cannot help but get excited about two schools that have received significant funding for redevelopment. They are Mount Pleasant Primary School, which is to get \$2.4 million for the next stage of its redevelopment, and Creswick Primary School, which is to get \$1.9 million.

I was pleased to be able to take the Minister for Education and Training to Mount Pleasant Primary School about three weeks ago to let her see for herself

that the school has benefited under this government. Its new classrooms are very much appreciated, but the next phase in its plan is the development of a new administration and canteen area, and that is going to be of great benefit to the school. The minister was able to see that, and I was pleased that that funding went into the budget. Likewise, I was very pleased to visit Creswick Primary School on Monday and see that the school is very enthusiastic about its additional funding.

As well as that, I was pleased to see funding in the budget for the new technical education centre which will be established at the TAFE section of Ballarat University in my electorate. As one of the four sites for technical education centres, it will gain something like a quarter of the \$32 million in funding for their establishment. That centre will certainly provide great opportunities for students in years 11 and 12 to focus on technical education studies in our region, and it will ensure support for skill development in the trades area that has been clearly identified as an area of need, not just within my electorate but more broadly. Associated with that in the budget is extra support for apprenticeships through the trades bonus and the accommodation allowance that will ensure government support for further training of apprentices and people in the trade area.

In terms of infrastructure, people in my electorate were certainly pleased to see that the Deer Park bypass is to be funded in the state budget via the Leakes Road interchange upgrade, which is a state component of this federally funded road project. That is certainly something we are pleased to see move forward, and it will provide a greater road link into or out of the city of Melbourne, whichever way you are travelling.

There will also be improvements to V/Line train safety and initial funding for works on the third track between Sunshine and West Footscray. This will add to the fantastic fast rail projects in both the Ballarat and Bendigo corridors within my electorate and ensure that once those projects are finished and we do have some really good, modern services that will continue in the years to come, those services will travel smoothly right through the Melbourne corridor to either North Melbourne station, which will be upgraded, or to the new Southern Cross station.

I was also pleased to see that further funding has been made available in the budget to the tune of \$16.6 million to upgrade the Midland Highway between Geelong and Ballarat, and to ensure further safety through road upgrades in our region.

Another thing I have been very pleased to see is further funding for additional bus services in regional Victoria. I was very pleased to announce recently new bus services from Hepburn and Daylesford into Ballan station. This means that for the first time people can commute by public transport from Daylesford and Hepburn Springs into Melbourne or Ballarat and be there before 9 o'clock in the morning — something they have never had before.

The people from Mount Edgerton and Gordon were very excited about their new service, which likewise ensures they have the opportunity of public transport travel into Melbourne or Ballarat, arriving before 9 o'clock in the morning. This new bus service funding will further add to these great opportunities to provide public transport upgrades and will allow some of my country towns to, for the first time, use public transport to get to Ballarat or the places they need to go.

Areas of the Macedon Ranges, Kyneton and Malmsbury are within my electorate. People there were pleased to see the \$30 million in funding for the pipeline from the Waranga channel into Lake Eppalock. This will ease the water situation for people in the whole of the Coliban water supply area. It is another great bit of news for them.

The \$2.4 billion boost to the health budget will see health service upgrades at Ballarat Health Services. The Bendigo hospital services people in the Macedon Ranges area and it is getting \$2.5 million for radiotherapy equipment. There is also funding to improve elective surgery opportunities and for emergency service department upgrades and improvements which will see them functioning even better.

I cannot help but mention the School Start bonus. So many families across my electorate will benefit from receiving that \$300 when their children go into either prep or secondary school. I have to confess to having some pecuniary interest there because over the next few years my children will be starting secondary school and primary school. Even my family can benefit as a result of that.

Mr Perton — Why do you need the \$300? You earn \$100 000.

Mr HOWARD — I recognise that we are not necessarily a needy family but I am pleased to see that families right across the electorate can benefit. I understand the costs people face when their children start school.

I was very pleased to help announce the allocation of some of the maintenance funding. We saw \$50 million in additional maintenance provided for schools, on top of the \$34 million that would normally be allocated. You do not know quite what the \$84 million means until you see the specific figures for schools. I was able to visit Kyneton Secondary College today to let the people there know that they will see \$314 000 in upgrades in the next few months. I contacted Daylesford Secondary College which is getting \$652 000 in maintenance funding. These are significant improvements in maintenance funding which will provide great opportunities for those schools.

Mr Perton — Why can't you give them maintenance every year?

Mr HOWARD — It is on top of maintenance they have previously received.

Mr Perton — What, under the Kennett government?

Mr HOWARD — I note the interjection reflecting back to the Kennett government. I can only think it must be embarrassing to confess, when so many schools across my electorate were closed in the time of the Kennett government. We know teachers were sacked. So we do not need to defend these allocations. This government was re-elected in 2002 because people understood that we were committed to funding education and health and those important services. This budget backs that up. Under the previous government they saw those services run down. I am proud to be a member of the Bracks Labor government. The community recognises that we see health and education as being vitally important and they see it noted in this budget.

In the time remaining to me I want to say that as well as recognising that health and education are very important, the budget recognises that we need to support industry and support opportunities for business to develop and flourish in Victoria. As I said in debate on the State Taxation (Reductions and Concessions) Bill earlier today, the reductions in land tax, WorkCover and payroll tax are very welcome. They will help to see business investment continue in this state. Overall, this is a great program.

The last things I want to mention which I think are also very important are the announcements under the next part of the A Fairer Victoria package. With additional funding support, the government is recognising families in financial hardship. They can get interest-free loans or grants to cover energy bills through the winter if they

find themselves in financial difficulty. That is something that recognises that families in hardship need to be supported.

In that area I want to mention neighbourhood houses. I am pleased that the six neighbourhood houses across my electorate will get additional funding for coordination, which they have identified as a key area for which they need basic funding in their budgets. Through that coordination they can run a range of programs and seek further funding for the programs they operate. This will see them continue more soundly in the future.

This is a budget that is very much appreciated across my electorate, as I believe it is in general across the state. It seems that only a few members on the other side of the house want to keep saying, 'It's not enough; we want more; it's not spending in the right area'. They are very predictable whingeing, whining statements. But that is not what is being said by people generally in Victoria. They recognise that this is a great budget and I commend it to the house.

Mr PERTON (Doncaster) — It is with mixed emotions that I rise to speak on the Appropriation (2006/2007) Bill. As you know, this will be my last budget response in this Parliament.

I gave my first budget reply speech in October 1989. At that time the Labor Party, with John Cain as Premier, had held government in Victoria for seven years. Under John Cain, and subsequently Joan Kirner, Victoria was known nationally as the rust bucket state. You will recall the humour from interstate: 'What's the capital of Victoria? Two dollars'. In that speech I accurately reported that:

Victoria is in a particularly parlous state, with record levels of state taxation and the crushing burden of increasing state debt, together with falling school standards.

It seems that after seven years of Labor government we are in the same parlous state, with record levels of state taxation, increasing state debt and school standards not well set to meet the challenges of globalisation and of the growing economies of India and China in our region.

That state of affairs — you were here, Acting Speaker — was turned around by the tough fiscal reforms of the Liberal-National coalition government and the robust Liberal reforms and inspiring projects that provided the basis for a Victorian economy in which so many Victorians felt great pride.

It is with regret that I note that after seven years of Labor government opportunities to place Victoria on an ever higher plane of achievement have been wasted.

Mr Trezise interjected.

Mr PERTON — The member for Geelong just interjected. He will recall very well that in 1999 Bill Gates, in his book *Business @ The Speed of Thought*, referred to Victoria as a world leader in technology — a world leader in applying technology to government and government services. Today Victoria does not even register on international notice of the application of technology to government or in schools. They are wasted opportunities. Had he had the opportunity to be a minister, the member for Geelong would probably have taken different actions, but his abilities have been ignored by the government. Had he had the opportunities I am sure there would not have been as much waste.

In the *Australian* and the *Age* this week it has been noted that Labor governments in Australia have squandered a \$50 billion windfall — that is, the GST windfall — on higher wages for public servants instead of cutting taxes or investing in infrastructure. An analysis prepared by the Institute of Public Affairs — and I note that my predecessor as member for Doncaster, Morris Williams, was the first director of research for the institute, which is now headed by John Roskam, who is well respected on all sides of politics — has found that state taxation revenue since 2000 has been \$28 billion more than expected, with increases in stamp duty from property sales contributing an extra \$4.1 billion. But there has been no tax relief.

I made a speech earlier this evening on another bill, in which I noted that the budget estimates indicate that revenue from payroll tax and stamp duty will rise over the forward estimates period. The unexpected revenue growth will not benefit Victorian families, and it will provide a bare minimum for education services and infrastructure. Waste and mismanagement continues, and Victorians are left to suffer the shortfall in services.

That has been referred to by the member for South-West Coast, for example, who discussed the parlous state of country hospitals. Those who have visited an emergency waiting room in any hospital in the state will know of the long queues that exist. From personal experience, I was at Bendigo base hospital earlier this year with someone who needed treatment. We spent many hours waiting for treatment. It was good treatment when it arrived, but it was a very long

wait, and I noted that many other people were in the same position.

On the positive side of the ledger, I note the government pledges it will cut red tape. There is a \$42 million promise to cull red tape over the next four years. That is approved of by people like Heather Ridout, but in an editorial the *Australian Financial Review* had every right to be sceptical. I quote from the article:

Of course, politicians have always promised to cut red tape, but the issue has been taken more seriously since the scope for major savings was identified in the UK and Europe. Red tape is now firmly on the reform agenda of the Council of Australian Governments, and Victoria will only add to its competitiveness by taking the lead among the states.

But as Mike Nahan and John Roskam have both stated, it seems very odd that red-tape incentives will actually cost \$42 million, with more bureaucratic oversight and incentives for bureaucrats to act in our interests. The bureaucracy has increased in size by 29 per cent under the Bracks Government, and the 2006 budget increases this growth.

Innovative approaches to regulation and regulatory reform can only succeed if there is public confidence in the system. The people of Victoria, and the business community of Victoria, have lost confidence in the Bracks Labor Government to reign in the regulatory burden — —

Mr Trezise — We will see in November.

Mr PERTON — We will wait to see in November, and I hope the people of Victoria will cast a judgment on this government's waste and inefficiency.

Given that there are only 5 minutes until the time allocated for the adjournment debate, let me turn to local issues. In my maiden budget reply speech in 1989 I said:

The government has failed the people of Victoria as a whole, and in particular it has failed the people of Doncaster and the eastern suburbs.

This is true of this budget.

What would a rational government have done for the people of Doncaster and the eastern suburbs? It would have provided a clear plan for the construction of a link between the Eastern Freeway and the Tullamarine and CityLink roadways. Each day the average Doncaster resident heading to work wastes 45 minutes of their life in the traffic jam at the end of the Eastern Freeway — over a year that amounts to four weeks of working life or vacation. It is a tremendous waste of the human

resources of the state. The government has yet again failed the state.

In a recent speech I referred to the fact that the Labor Party always seems to have had a blind spot about the Eastern Freeway. Former Premier John Cain was so bizarre that he ordered his driver not to travel on the Eastern Freeway. Even if it took him half an hour longer to go by another route, he would not travel on the Eastern Freeway. Time and again the Cain and Kirner governments — having sold the heavy rail reservation from Melbourne to East Doncaster — purchased the services of consultants like Bill Russell to produce predetermined outcomes, to say that improvements to public transport would provide a greater benefit than improvements to the Eastern Freeway.

It took the Kennett government's extension of the Eastern Freeway to Springvale Road to show that investment in the roadway would have very positive effects in terms of both travel time and reduced congestion and pollution. The Doncaster of today is a much better place because it is not congested with 80 000 cars a day driven by people making their way through the streets of Doncaster and causing a great loss in amenity.

The budget does not help the schools of Doncaster, as I said in this house recently. The changes in budget structure for schools and the shift of resources to the Labor Party heartland have meant that schools like Doncaster Secondary College have suffered an annual loss of \$100 000 a year in their budgets — effectively the salary of two teachers — or the loss of other services, resulting in a requirement to obtain additional funds from parents.

The same is true in terms of capital upgrades. The only two capital upgrades that have occurred under this government have both been in schools that suffered damage as a result of arson and needed refurbishment and building programs to replace their buildings. If you visit Birralee or Donvale primary schools today, you find they are in need of major capital funding, but they have received nothing under this budget, and under the government's budget system for schools they have no idea when they will receive their upgrades.

A bright spark in this dismal state of affairs is the future member for Doncaster, my successor, Mary Wooldridge. Mary, who has been preselected by the Liberal Party, has had a lifelong commitment to community involvement. This started when she was a 16-year-old Rotary exchange student in Canada and continues to this day. As the chief executive of the

Foundation for Young Australians she changed the organisation so that it was led by young people, ensuring their participation in all activities undertaken by the foundation. This included young people being appointed as decision-makers on the board and all committees. She won a national award for this groundbreaking work.

As a director of the Breast Cancer Network, Mary helped develop policies and coached women with breast cancer to advocate for better health care. As the deputy chairman of her local community foundation, Mary has recruited an active group which is raising funds to support young people in the community.

When it comes to strong representation on issues such as help for young people and their families, supporting those who are less advantaged and bringing communities together to achieve results, Mary Wooldridge has a proven track record.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The ACTING SPEAKER (Mr Nardella) — Order! The time has come to interrupt the proceedings of the house. The question is:

That the house do now adjourn.

Sewerage: Warrandyte electorate

Mr HONEYWOOD (Warrandyte) — I raise a matter for the urgent attention of and prompt action by the Minister for Environment, who as usual is not in the chamber. He was not even here to give a summing-up of the debate on key legislation yesterday.

I call on the minister to ensure that residents in my electorate will take priority in the sewerage backlog program, which they have been waiting for and have been promised for a long time. There is no secret about the horrible state of one of Victoria's iconic treasures, the Yarra River. It has been allowed to become an E. coli waterway under the inept management of the Bracks government. E. coli from human faecal matter has been identified as the most serious threat to the health of the Yarra. It is not dog faeces, as the Minister for Environment at one point tried to tell us, which was an outrageous attempt by the minister to divert our attention from the abysmal management of our sewerage system under this government.

Along with other points along the Yarra where the Environment Protection Authority has shown human

faecal matter to be entering, such as the Elizabeth Street main drain and the many illegal sewerage connections that have occurred, my particular concern is the government's inaction on the sewerage backlog for septic-tank dependent homes in the areas of my electorate, including Warrandyte and Park Orchards.

For years we have heard the rhetoric from this government, which is supposedly committed to the health of the Yarra and our other rivers and creeks. What a hoax — and we will not even mention the Maribyrnong tonight! Yet under this government Victoria's environmental health continues to plummet with every year that passes and with every budget that fails to adequately fund key environmental initiatives such as the health of the Yarra. The residents of my electorate have no reason to expect this to change under the Bracks government. This is despite the obvious need for the urgent commencement of the backlog program for Warrandyte residents. I might add that the Kennett government managed to sewer one-third of the Warrandyte township. This government has done nothing.

Only this year an audit was conducted by Manningham City Council on just a portion of the thousands of septic tanks in that municipality, which is so close to the Melbourne central business district. Of the 1377 septic tanks that were inspected, a staggering 63 per cent were found to be unsatisfactory. In many cases residents are not even aware that they have a septic tank and thus the tanks have been left to deteriorate and leak untreated effluent into local creeks and streams and eventually into our Yarra. Given the hilly environs, major rains can lead to E. coli being flushed into the creeks and the Yarra River.

In January this year the Minister for Environment was posing for yet another photo opportunity beside the Yarra in Westerfolds Park in Templestowe, where he announced the so-called Yarra River Action Plan and conceded an acceleration of sewerage backlog programs should be a key initiative for the health of the river. But again, there is nothing in it for Manningham. This is just another slap in the face to the residents of Warrandyte and Park Orchards who have been waiting for the so-called 20-year sewerage backlog program, and they have just been informed that it is going to be a 40-year backlog program with another 20 years yet to go.

Two months ago in April the president of the Yarra Riverkeepers Association, David Redfern, stated in the *Warrandyte Diary* of April 2006 that in relation to the government's central sustainable water strategy:

Entitlements for water authorities are set in stone, yet it's clear the health of the Yarra, and the people who enjoy it, are low priorities for the government.

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

Nuclear energy: Point Wilson

Mr TREZISE (Geelong) — I raise this evening an issue for action by the Minister for Environment. The issue I raise relates to my concern that the federal government may attempt in the future to force onto the community at Geelong a nuclear power station at Point Wilson, only a few kilometres across the bay from the heart of Geelong. That is despite the state passing antinuclear laws, including those dealing with power stations, back in 1983. The action I seek from the minister is for him to enforce this state's antinuclear legislation to block any future attempts by the federal government to build a nuclear power station at Point Wilson near Geelong.

This is an issue of particular concern to me and other MPs representing the Geelong region given that the federal government owns the 320-hectare parcel of land at Point Wilson. It is of grave concern to me that the federal government may attempt to use its ownership of that land at Point Wilson to get around our state legislation and impose a nuclear plant on the people of Geelong.

A nuclear power station would pose significant threats and risks to the environment, and if it is built near Geelong, it would create significant threat and risk for the people of my community. It is not an exaggeration to suggest that there is an increase in the threat and risk of terrorism around a nuclear power plant, especially given the fact that a plant at Point Wilson would neighbour the ever-growing airport at Avalon.

Nuclear power plants are expensive to commission and operate, and there is the unresolved issue of waste management and the transportation of such waste. I am absolutely determined to stop any threat of a nuclear power plant being built at Point Wilson, and, as I said, I call on the minister to block any attempt by the federal government to impose such a plant on the people of Geelong.

Lake Boga Primary School: maintenance

Mr WALSH (Swan Hill) — I know there was an announcement on funding for school maintenance today, but the issue I raise for the Minister for Education Services is the deplorable state of the buildings at Lake Boga Primary School. A visit there

with the school council made me personally aware of the school's maintenance deficit.

White ants and weather have played havoc with the school, which was first built in 1897 and is in need of serious attention. White ants have undermined the substructure, walls, floors and numerous windows. As a stop-gap measure staff have even put a table over a section of the weakened flooring to prevent someone accidentally falling through it. The school was last painted in 1994 and its paintwork is now blistering from the elements.

A \$30 000 security system was recently installed, but as staff cannot lock a number of windows because they simply will not shut, it is of limited value. The airconditioning is old, rusty and barely functions, which makes good learning outcomes difficult in the stifling heat of Swan Hill's summer. The spouting is rusting through in many places and has a thick crop of grass growing through it. It is easier to leave the grass growing there because in some places it is actually holding the spouting together.

There is no public address system, which exposes the school community to risk as there is no quick, efficient way of alerting people in an emergency. The school does not even have a boundary fence along Lalbert Road, which is a major truck route to Lalbert.

Lake Boga Primary School has still not been connected to the sewerage system because of the cost involved, despite the sewerage of the town in 2004–05. To add insult to injury the older sections of the school are now plagued year round by mice. These issues go way beyond the normal day-to-day maintenance the government can expect the school to fund from its global budget.

The school council has not been sitting on its hands. Rooms have been brightened and painted, and storage cupboards have been built. The maintenance budget has been spent on rejigging the old airconditioning and cobbling together some of the ancient plumbing, but it leaves very little else in the global budget. Despite this poor learning environment, excellent teaching is producing great results. In both student achievement and satisfaction surveys, Lake Boga Primary School performs above state averages, which is pretty impressive given the poor physical learning environment.

I am sure the minister will agree with me that staff and students alike deserve, and can reasonably expect, better facilities, and I earnestly ask for her support to achieve this.

Westbreen Primary School: upgrade

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the Minister for Education Services. The action I seek is for her to visit Westbreen Primary School to meet with its outstanding school community so ably led by its principal Roman Bilous.

Today at the budget estimates hearing the Minister for Education Services outlined the Bracks government's commitment to providing world-class equipment and quality facilities for students. The member for Swan Hill could have benefited from this information by attending the hearing.

As an aside, this morning I was able to convey to Mr Bilous that the Minister for Education Services had allocated \$9883 towards school maintenance, which I understand will be spent on heating and improvements to the heating system.

At the estimates hearing today, the Public Accounts and Estimates Committee learnt that \$9 million has been allocated throughout the state to upgrade, update and replace computers in schools; plus there is \$3.5 million in Internet funding for schools to sustain and refresh their computers.

I am really proud to be a member of a government that has education as its top priority. These are not hollow words but proven by the fact that over the last three budgets of the Kennett regime, the investment in school maintenance and capital works was an average of \$164 million per annum, but the annual average under the Bracks government has almost doubled that figure — it is \$311 million per annum. No wonder we are proud that education is our top priority.

It is not only Westbreen Primary School that has been able to benefit from this wonderful funding: many schools in my electorate have also greatly benefited. Westbreen Primary School has been able to upgrade its heating, and its toilet block has also recently been modernised. Better buildings, dedicated teachers and smaller class sizes all make for better educational environments, which is conducive to improved learning and better student outcomes.

Westbreen Primary School was the most successful school in the Pascoe Vale electorate in the last Premier's reading challenge. It has also significantly tackled absenteeism and late arrivals at school. These are two improvements which will enable better student outcomes.

Congratulations again to the principal Roman Bilous, the vice-principal Glenda Bradley, the school

secretaries Julie Cox and Kim McMahon, the 30 staff members and of course the wonderful 285 students.

The ACTING SPEAKER (Mr Nardella) — Order! I ask the honourable member to request her action.

Ms CAMPBELL — I did at the very beginning of my contribution. I asked the Minister for Education Services to come to Westbreen Primary School to outline to the students the wonderful improvements and the government's commitment to providing world-class equipment and quality facilities which will enable them to have better educational outcomes. Also, the school council is ably led by its president, Gavin Wignall, and its vice-president, Sue West.

Consumer affairs: auction bid

Mr KOTSIRAS (Bulleen) — I wish to raise a matter for the attention of the Minister for Consumer Affairs in another place. I ask the minister to investigate the restrictions placed on Ms Yvonne Thompson by Consumer Affairs Victoria when attempting to purchase a house.

Ms Thompson sent a letter to the Department of Justice, with a copy to the minister and me. Her letter reads:

I am a ... resident in the city of Manningham. I have lived in my home ... for the past 44 years. I wish to remain living in the city of Manningham as I have family and friends living in the area, but I wish to move to a more manageable property to ensure comfortable living in the coming years.

My son is an employee of Barry Plant real estate from the Doncaster East office. Barry Plant real estate is a highly respected and ethical estate agency in the city of Manningham.

On Saturday, 27 May, I attempted to bid at auction for an apartment ... There were approximately 100 people attending the auction to witness the proceedings. There were three live bidders. I was one of them. Unfortunately I was not successful ...

I present these facts so that you may understand my following objection to the discrimination I felt I was subjected to because my son happened to be an employee of Barry Plant, even though he was not the lister of the property nor the auctioneer nor the selling agent and had no financial interest whatever in the selling of this property. Because I registered my interest in the property and registered my intention to bid for the property and because my son was an employee at this office, Barry Plant was asked to supply the following information to Consumer Affairs Victoria. The costs were to be paid by me — being the interested purchaser:

a vendor consent form;

a selling agent's statutory declaration form;

a valuer's statutory declaration form;

a copy of the section 32;
 a copy of the engagement authority contract signed with the vendor;
 a complete and unamended photocopy of the sales files;
 a letter from the officer in effective control consenting to the transaction;
 a section 55 lodged with the department of consumer affairs: cost \$100;
 a valuation of the property by an independent valuer: cost \$385;
 a signed statement that I would reside in the apartment if I was the successful bidder.

These clauses I conformed with.

On Friday, 26 May, a fax from the Department of Justice arrived at Barry Plant real estate granting permission for me to bid at the auction subject to six conditions. The condition I object to very much was that no commission be paid to Barry Plant real estate should I be the successful bidder. This means that the listing and sales agents who conducted the four-week campaign on behalf of the vendor would receive no salary for their work. Is it expected that they work for nothing? Why would they do this?

In effect it means that in future I would not be welcome at this estate agency nor would I wish to inflict myself on these hardworking people. As Barry Plant real estate sells a large number of the houses which come on the market in the city of Manningham, I would be disadvantaged in not being able to purchase any of these houses — —

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

Buses: Mount Waverley electorate

Ms MORAND (Mount Waverley) — I raise a matter for the Minister for Transport related to the announcements that he made in the transport and livability statement. I ask the minister to take action to ensure that improvements to bus services in the eastern suburbs, and in particular services running through Mount Waverley, come into effect as soon as possible. The transport and livability package is a great plan to transform the Victorian transport system and provides a comprehensive plan to meet the demand for transport into the future. I want to take the opportunity to congratulate the minister and his staff and department on the huge amount of work that they did to produce this really comprehensive plan.

The transport and livability statement provides for a number of specific initiatives that are going to benefit the city of Monash, and in particular the people living in Mount Waverley in my electorate. The plan provides for funding for an increased span of services for two bus services in the Waverley area: the Ventura 733 service from Oakleigh to Box Hill and the Ventura 737

service from Croydon to Monash University. It has been announced that the services are intended to run from 6.00 a.m. to 9.00 p.m. on weekdays, 8.00 a.m. to 9.00 p.m. on Saturdays and 9.00 a.m. to 9.00 p.m. on Sundays.

Bus services are really important to Waverley commuters. The first SmartBus trials were conducted along Blackburn and Springvale roads, running through my electorate. The SmartBus trial has achieved a 30 per cent increase in patronage since it has been up and running. The number of increased services and the longer span of hours has meant that a larger number of people are using the service; it has been a real success.

The high concentration of older residents in Mount Waverley means that a lot of older commuters rely on bus services to move around the neighbourhood, to do their shopping, to visit friends and so forth. Other frequent bus users in Waverley are students getting around to their place of study or to their place of work. The increased span of services on these two bus routes is going to be welcomed very much by all those bus users.

I also wanted to speak about the investment in the expansion of the SmartBus system. It is planned that the SmartBus service that runs along Springvale Road be expanded in the future into the green orbital route and I am looking forward to that commencing in the future.

I am also looking forward to the improvement on the Monash Freeway. A lot of members have mentioned that in their budget contributions. The work is going to make a huge difference to the Monash Freeway. An additional lane in both directions between Glenferrie and Heatherton roads will mean a reduction of about 20 minutes travel time on this really congested road. That is something I am also looking forward to. In conclusion, I want the minister to ensure that the improvements to local bus services are up and running in the near future to benefit Waverley commuters.

Australian Labor Party: Western Metropolitan Region candidate

Mrs SHARDEY (Caulfield) — I wish to raise an issue for the Premier in his capacity as the Minister for Multicultural Affairs and I ask him to take urgent action in relation to it.

Considerable concern has been raised publicly about the Premier's support for the preselection of a person whose views in the normal course of events would be considered morally abhorrent to the Victorian

community and to the Jewish community in particular. This person, it is claimed, is an admitted Syrian informant who lavishes praise on Syria's dictator and swears allegiance to the Syrian regime, which is a vicious police state. This person's praise for suicide bombers, including the so-called martyrs who are responsible for the suicide bombing attacks on Israeli civilians, beggars belief, and it also beggars belief that the Victorian Premier could lend his support to such a person entering the Victorian Parliament.

The Premier has already been asked in the Public Accounts and Estimates Committee hearing what action he will take to repair the damage caused by his support for Khalil Eideh. Today I ask him to take that action as Minister for Multicultural Affairs. He has already been asked if he will apologise for his candidate's comments to the Syrian President about so-called Zionist threats. The Premier's answers were evasive and totally failed to answer the question. Perhaps he just does not understand, so I ask today that the Premier listens and acts.

Make no mistake, the Labor Party must understand that it has reached a fork in the road. I also point out to the Premier that getting his candidate to merely retract his offending comments will not heal the wounds and will be viewed as the Premier trying to — —

Mr Mildenhall — On a point of order, Acting Speaker, without making any comment on the remarks being made, this matter clearly relates to the preselection process and candidatures within a political party. I would suggest to you that it is not a matter of government administration.

Mrs SHARDEY — On the point of order, Acting Speaker, I will just make the point that the issue I raise is in relation to the Premier's actions as the Minister for Multicultural Affairs, and I think it is highly pertinent to the business of government and to the business of the Victorian government in particular.

Mr Perton — On the point of order, Acting Speaker, this matter is clearly relevant to state government business. The matter that the honourable member has raised goes to legislation that has been passed through this Parliament in relation to anti-terrorism, support for terrorism, serious issues of ethnic affairs and serious issues of community division. In those circumstances, both in his position as Premier and as Minister for Multicultural Affairs, it is a matter of ministerial responsibility for the Premier.

The ACTING SPEAKER (Mr Nardella) — Order! I am having great difficulty understanding how

this particular matter relates to government business, regardless of the legislation or the other matters that have been raised on the point of order. I will not uphold the point of order at the moment, but I request that the member makes clear in the continuance of her address to the house how the matter relates directly to government business. Otherwise I will rule the matter out of order.

Mrs SHARDEY — Thank you very much, Acting Speaker. I think this matter goes to the heart of the operation of the racial and religious tolerance legislation, which has passed this house. I have to say that, in relation to these issues, a constituent of mine wrote to me and said:

A person such as this candidate can only spell the beginning of the end of this free state and ultimately the free wonderful country we all call home.

There is no place here for a person with his bigoted hateful ideals that espouse terror.

The next person who wrote to me today said the following:

The ALP have crossed a red line with this decision — —

The ACTING SPEAKER (Mr Nardella) — Order! What action is the member requesting of the Premier?

Mrs SHARDEY — I am asking the Premier to take action to remedy the damage that is being caused by this situation in the state of Victoria, and I am asking him to take this action as the Premier and the Minister for Multicultural Affairs.

Melbourne Recital Centre: construction

Mr MILDENHALL (Footscray) — I raise a matter for the attention of the Minister for the Arts and request that the minister meet with the board of the Melbourne Recital Centre to outline the requirements of and assistance by the government in the next stages of the Melbourne Recital Centre project.

On 27 May the government announced the appointment of the builders Bovis Lend Lease to construct the new 1000-seat Melbourne Recital Centre and the 500-seat Melbourne Theatre Company theatre complex at a cost of around \$120 million. For decades the MTC has sought a home, and for decades the music industry and chamber music enthusiasts have sought a high-quality acoustic music venue. This venue has been designed to be one of the best quality music facilities in the world.

William Lyne, the legendary director of London's Wigmore Hall and one of the world's foremost

chamber music authorities, has written to the board chair, saying:

Congratulations, I see from the *Age* that the go-ahead for the new Melbourne Recital Centre has now been given. The vision by the state government in agreeing to increase the funding is great news for art lovers.

Among the groups lining up to use the centre are Musica Viva, the world's largest presenter of chamber music; Paul Grabowsky, the artistic director of the Australian Art Orchestra; the Australian Brandenburg Orchestra, which will bring its highly successful subscription series to Melbourne for the first time; and Richard Gill, the music director of Victorian Opera, who plans to stage chamber opera productions in the centre.

Having settled the extraordinary design by architects Ashton Raggat MacDougall and the acoustic design by Arup's, with additional advice by Harold Marshall, and a signed building contract with Bovis Lend Lease after a number of months of discussions over quite complex features, the task is now to work on the equipping, programming, promoting and fundraising to ensure the content matches the spectacular building. The task is made more difficult and interesting, to a certain extent, by the opportunity presented by the co-location and sharing of certain services and facilities with the Melbourne Theatre Company and its parent organisation, the University of Melbourne.

I look forward to the minister sitting down with the board, which is made up of some of Victoria's finest arts administrators, musicians and business executives, ably led by Jim Cousins, who did an outstanding job with the National Gallery of Victoria redevelopment, to plan the next steps in this tremendous project which will add to the very impressive cultural institutions that make up Victoria's —

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

China: human rights

Mr PERTON (Doncaster) — The matter I raise is for the Premier, and in his absence the Minister assisting the Premier on Multicultural Affairs, who is in the chamber and who may be able to provide the Parliament with an answer.

The action I seek is in the context of the conference on Chinese-Asian democracy held last month by the Federation for a Democratic China. That conference highlighted the unity of the Chinese democracy

movement and the terrible suppression of the democracy movement and religious believers in China.

My call for action is also made in the context of this week's anniversary of the Tiananmen Square massacre of students and democracy activists. My call for action is also made in the context of the government putting a charter of rights to this Parliament next week. My call for action is also made in the context of the numerous Chinese delegations feted by the Speaker in this parliamentary chamber, including one welcomed at the opening of the Parliament on Tuesday.

The action I will ask for is consistent with the Premier's 2002 demand for the Commonwealth Parliamentary Association Victoria branch rules to be modified in relation to the Elgin Marbles. The calls from the government were to include the requirement in the rules that members of Parliament on study tours be asked to raise the issue of the return of the Elgin Marbles with British parliamentarians when they were on visits to the British Parliament.

The action I ask for from the Premier is to require ministers, parliamentary secretaries and government officials in meetings with Chinese officials to raise the issue of the imprisonment and suppression of democracy activists and religious believers in China. If it was good enough to raise the issue of ancient relics with foreign officials — and I agree with the merit of that — how much more important is the liberty of human beings and the right of religious worship.

Under the free trade negotiations that are taking place between China and Australia, Victoria looks set to benefit considerably from the trade relationship. The Victorian government submission of March 2005 to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into Australia's relationship with China states that Victoria's goods trade with China encompassed \$5.27 billion in imports and \$1.88 billion in exports in 2003–04. It is quite clear that a free trade agreement with Australia is something that the Chinese are seeking quite desperately. We must not underestimate the leverage we have in this situation.

Despite its gross domestic product quadrupling since the 1980s, individual and democratic freedom has remained largely unchanged in the People's Republic of China. Torture is widespread in China. The United Nations rapporteur on torture has this year reported that, along with beatings and the cruel treatment of detainees, China is now notorious for its inhumane treatment of Falun Gong supporters, Tibetans, Uighur prisoners and house church groups.

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

VicUrban: Cheltenham Green development

Ms MUNT (Mordialloc) — The action that I seek tonight from the Minister for Finance in another place is for him to ensure the swift completion of Cheltenham Green. Cheltenham Green is a development that is a partnership between VicUrban and the Anglican Church in my electorate. It has land that has been sold in blocks. It also has the historic Anglican retreat, which is going to be turned into apartments and renovated in line with the heritage of the building. The infrastructure is all in place — the roads, the kerbs and the paths — and all the land has been sold. It has full council approval, and it will provide some great new homes for families in our area.

As well as that, all the significant trees have been retained and there is open parkland for the community to use. VicUrban has engaged in extensive consultation with the surrounding residents. I have actually had only one person contact my office in relation to this. A nun who lives in the Anglican retreat next door was bothered by some of the construction noise. It would be good to get this development going as fast as possible, because it will be a great asset for our local community. I look forward to its completion.

The ACTING SPEAKER (Mr Nardella) — Order! Before I ask the minister at the table, the Minister for Gaming, to respond to honourable members, I have considered the matter raised by the honourable member for Caulfield. I have not been convinced that there is any administrative action that the Premier can take on the points that she raised in her adjournment or to the matters that she placed before me as the Chair. The honourable member for Caulfield was talking about administrative matters to do with Australian Labor Party preselections and not state government administration. I ask the minister to respond to other honourable members.

Mrs Shardey — On a point of order, Acting Speaker, in relation to the matters that have been raised by the minister, I ask for some reconsideration in that I am prepared to ask that the Premier investigate the comments of Mr Eideh, which have been published, as to whether they contravene the racial and religious tolerance legislation. This was an issue I raised during my contribution, but I clarify that for the benefit of the Acting Speaker.

The ACTING SPEAKER (Mr Nardella) — Order! There have been rulings in the past where the

Speaker or the Acting Speaker has only been able to rule on the matter raised in the adjournment. The honourable member for Caulfield has now raised additional matters that, if raised during the actual adjournment debate, I would have ruled in order.

Because she has completed her adjournment matter, it is now too late to request that action. Again, I rule that particular matter out of order and ask the Minister for Gaming to respond to matters raised by all honourable members other than the honourable member for Caulfield.

Responses

Mr PANDAZOPOULOS (Minister for Gaming) — The member for Warrandyte raised a matter for the Minister for Environment in relation to a sewerage backlog program in his electorate, and I will pass that on to the minister.

The member for Geelong raised a matter for the Minister for Environment in relation to his concern about the potential for a nuclear power station in the Geelong region as a result of the federal government's policies, and I will pass that on to the minister.

The member for Swan Hill raised a matter for the Minister for Education Services, as did the member for Pascoe Vale, in relation to Lake Boga Primary School and Westbreen Primary School respectively, and I will pass them on to the minister.

The member for Bulleen raised a matter for the Minister for Consumer Affairs in relation to a constituent, Yvonne Thompson, and I will pass that on to the minister.

The member for Footscray raised a matter for the Minister for the Arts about the Melbourne Recital Centre, and I will pass that on to her.

The member for Mordialloc raised a matter for the Minister for Finance in the other place in relation to Cheltenham Green, and I will pass that on to the minister.

The member for Doncaster raised a matter for the Premier, as Minister for Multicultural Affairs. I know it is done with genuine conviction, and obviously we all very much relate to the issue that he raised and things he has said about the Commonwealth Parliamentary Association and the Elgin Marbles issue. I note that predominantly the issues he raised concern international relations. We tend to follow the action taken by the federal government, as important as this issue is. I will pass this information on to the Premier.

There is no doubt that we abhor the sort of issue he raised in any country, and as a democracy we have a role in that, whilst we have commercial relations with countries as well. I think through trade and travel we have opportunities to learn about each other's systems of government, but having been to Tiananmen Square and having had a number of constituents from the Chinese community migrate to Australia after that uprising, obviously it is very much an ongoing issue for those community members. I thank him for his concern and will pass the matter on to the Premier.

The ACTING SPEAKER (Mr Nardella) —

Order! The minister has not responded to the member for Mount Waverley.

Mr PANDAZOPOULOS — I am glad you were listening, Acting Speaker. I left the best until last. The member for Mount Waverley raised a matter for the Minister for Transport in relation to bus services in the Mount Waverley area, and I will pass that on to the minister.

The ACTING SPEAKER (Mr Nardella) —

Order! The house is now adjourned.

House adjourned 10.35 p.m.

Regional Infrastructure Fund Expenditure

	Expenditure <i>Target</i> for coming year as announced in Budget	<i>Expected</i> Expenditure for year announced in following Budget	<i>Actual</i> expenditure as reported in subsequent Budget
2000/01	58.2	26.4	6.9
2001/02	91.2	61.7	28
2002/03	132.1	48.4	36.1
2003/04	86.5	87.5	43
2004/05	78.7	76.7	36.4
2005/06	36.8	64.2	
2006/07	97.2		

Source: Budget Paper No 3