

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE COUNCIL
FIFTY-FIFTH PARLIAMENT
FIRST SESSION**

**21 April 2004
(extract from Book 2)**

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Bishop, Hon. Barry Wilfred	North Western	NP	Lovell, Hon. Wendy Ann	North Eastern	LP
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Dalla-Riva, Hon. Richard	East Yarra	LP	Pullen, Mr Noel Francis	Higinbotham	ALP
Darveniza, Hon. Kaye	Melbourne West	ALP	Rich-Phillips, Hon. Gordon Kenneth	Eumemmerring	LP
Davis, Hon. David McLean	East Yarra	LP	Romanes, Ms Glenyys Dorothy	Melbourne	ALP
Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	NP	Smith, Mr Robert Frederick	Chelsea	ALP
Eren, Hon. John Hamdi	Geelong	ALP	Somyurek, Mr Adem	Eumemmerring	ALP
Forwood, Hon. Bill	Templestowe	LP	Stoney, Hon. Eadley Graeme	Central Highlands	LP
Gould, Hon. Monica Mary	Doutta Galla	ALP	Strong, Hon. Christopher Arthur	Higinbotham	LP
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Hall, Hon. Peter Ronald	Gippsland	NP	Thomson, Hon. Marsha Rose	Melbourne North	ALP
Hilton, Hon. John Geoffrey	Western Port	ALP	Viney, Mr Matthew Shaw	Chelsea	ALP
Hirsh, Hon. Carolyn Dorothy	Silvan	ALP	Vogels, Hon. John Adrian	Western	LP

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Wednesday, 21 April 2004

The PRESIDENT (Hon. M. M. Gould) took the chair at 9.33 a.m. and read the prayer.

HANSARD REPORT

The PRESIDENT — Order! Members will recall that on the adjournment last evening the Honourable Damian Drum raised a point of order that Mr Pullen had not asked for any specific action to be taken. Following the point of order I undertook to check the tape with Hansard and advise the house. I now advise the house that the Editor of Debates has checked the tape and that what was said is reflected on page 51 of the proof version of *Hansard*. The tape is in some way inconclusive. The proof suggests that Mr Pullen did not quite get to complete his request to the minister. This could be due to Mr Drum's point of order being raised with just a few seconds remaining and my calling him, during which Mr Pullen attempted to complete his request. There was also some background noise in the chamber which added to the confusion. When given the opportunity Mr Pullen was able to clarify his request. I call Mr Pullen.

Mr PULLEN (Higinbotham) — I wish to apologise to the house. I was under the impression that I had completed my sentence. I noticed in *Hansard* this morning that the last five words are not there. Once again, I apologise to the house — I thought I had completed that sentence.

PETITION**Planning: rural zones**

Hon. P. R. HALL (Gippsland) presented petition from certain citizens of Victoria requesting that the Victorian government withdraw and redraft the new rural planning zones and introduce a new planning system (1161 signatures).

Laid on table.

EDUCATION AND TRAINING COMMITTEE**Membership**

Mr LENDERS (Minister for Finance) — By leave, I move:

That Mr Johan Scheffer be a member of the Education and Training Committee until the return to parliamentary duties from illness of the Honourable Helen Buckingham in September 2004.

Motion agreed to.

PRIVILEGES COMMITTEE**Membership**

Mr LENDERS (Minister for Finance) — By leave, I move:

That the Honourable Robert Mitchell be a member of the Privileges Committee until the return to parliamentary duties from illness of the Honourable Helen Buckingham in September 2004.

Motion agreed to.

MEMBERS STATEMENTS**Stawell: Easter weekend**

Hon. DAVID KOCH (Western) — I wish to put on the record my congratulations to the Stawell community on hosting another great Stawell Gift and Stawell races over the Easter weekend.

The Stawell Gift is part of Australian folklore, having developed into Australia's richest and notably one of the world's most famous and prestigious footraces. The Stawell Gift, which is held on Easter Monday and run under veteran starter, Murray McPherson, this year saw West Indian Jason Hunte win from odds-on favourite Chris Toohey. Jason Hunte from Barbados is the first overseas runner to win the Stawell Gift in 23 years. The 100 metres women's handicap was won by Rebecca Foster from Albury.

Highlights of the weekend included the ABC's Ian McNamara, who is well known for his live radio program *Australia All Over*, going to air from Stawell Central Park on Easter Sunday morning. This was the first time Macca has broadcast in western Victoria for over 20 years. This national program was an opportunity to showcase the magnificent Stawell region.

While heats continued at Stawell Central Park the compelling Stawell races were being held at the Wimmera Racing Club's Stawell Racecourse. Just the Part, trained by Darren Weir from Ballarat and ridden by Brody Cross, was a successful Stawell race winner in front of a huge crowd and competing on a dead track.

Again I congratulate the Stawell district community on hosting this most successful and well attended Easter weekend.

Jean Stemmer

Mr VINEY (Chelsea) — I wish to pay tribute to the life of Jean Stemmer, who was a Frankston resident, a member of the Labor Party in Frankston since the early 1970s and a tireless community worker. Jean dedicated her life to the Frankston community. In particular she worked tirelessly for the Frankston YMCA, and in 1990 she was given the Frankston Citizen of the Year award for her community work.

She was one of those people known in the Labor Party as a true believer. Jean was always someone who could be relied upon to be behind the scenes in election campaigns. She worked tirelessly for candidates like me. I well remember that, despite having had a stroke shortly before the 1999 election, Jean was wheeled in by her husband Bill to the election victory at Frankston East election. That is a reflection of her dedication.

I pay my respects to her husband, Bill, her daughter, Lauren, her granddaughter, Sheridan, and to her sisters.

Glen Eira: councillors

Hon. C. A. STRONG (Higinbotham) — Mr Pullen yesterday continued his one-sided attacks on certain of our constituents. While he does this I must set the record straight, and I intend to do this by reading a fax from the City of Glen Eira dated 2 March 2004 to Mr Noel Pullen from Cr Noel Erlich of the Glen Eira council. The fax states:

Dear Noel,

Hope we find you alive and well. I enclose the following for your perusal and hope they are of interest;

1. As you are aware, the local Liberals attacked Rachelle Sapir for cheap political gain and I took on the courageous Chris Strong (especially when he's inked up) and received very bad press. I'm sure you have the article, and I enclose a letter I sent to the leader which has just been published.

Unfortunately every time I think about Chris Strong's threat I have to change my underwear and my wife has been forced to buy new ones at Target (20 per cent off sale).

Colloquially he is now called Underpants Erlich. The fax continues —

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

Honourable members interjecting.

The PRESIDENT — Order! This is a 90-second statement, not a 3-minute statement. The clock was on 3 minutes. The member has had a minute and a half for his 90-second statement, so the member's time has expired.

Geelong: Artists in the Gardens exhibition

Ms CARBINES (Geelong) — Recently I had the pleasure of opening a wonderful exhibition, Artists in the Gardens, at the Geelong Botanical Gardens. Our beautiful gardens provide a most appropriate natural living exhibition space for the 13 installations which comprise Artists in the Gardens.

The works have environmental themes and many have been reconstructed from recycled materials. Each interesting piece is thought provoking in its own right, and together their message is powerful. They complement a permanent group installation, *Pineus Acclaro, The Memory of a Tree*, which was also launched.

I commend the Arthouse Collective, the staff of the Geelong Botanical Gardens and the City of Greater Geelong for their vision in creating what may very well be Geelong's first sculpture park.

I would like to encourage Geelong residents and visitors, such as Mr Bob Smith, to our great city alike to take time to visit Artists in the Gardens, which will be on display until the end of January next year.

Consumer and tenancy services: delivery

Hon. W. A. LOVELL (North Eastern) — On 31 March when I raised concerns in this place about the decision by the Minister for Consumer Affairs to close consumer and tenancy services in Shepparton and Wodonga, the minister said:

... I understand her defending her home town of Shepparton, but I hope she reaches out to places like Cobram, which does not get access to this service ...

In yesterday's *Shepparton News* a letter appropriately titled 'Retain consumer service' from the volunteers at the Cobram Citizens Advice Bureau said:

We wish to express our disappointment with the Victorian government's decision to close the consumer and tenancy advice service office in Shepparton and regional offices throughout Victoria, despite deputations and letters of support outlining the Shepparton service as an essential and invaluable assistance to the community.

The letter goes on to:

... personally thank Jill Myers ... and Graeme Watson ... staff of consumer and tenancy advice service's Shepparton office, for their 15 years of professional service and vast knowledge, which has assisted innumerable community organisations and the general public.

I call on the minister to reach out to Cobram and the rest of rural and regional Victoria and immediately reverse his decision to close these services.

Heathmont East Primary School: multicultural events

Hon. C. D. HIRSH (Silvan) — I rise this morning to congratulate the Heathmont East Primary School for the wonderful work it has done recently in holding a multicultural week with a particular day on Wednesday, 17 March, which of course happened to be St Patrick's Day. I had the honour of launching that multicultural day for the school.

On that day the children were divided into multi-age groups and spent the day participating in a range of multicultural activities across a whole range of national cultural events. The day started with the opening ceremony with the Wadaiko Drummers from Japan. They were absolutely brilliant. They greeted the children in Japanese, because that is the language that the school teaches so all the children learn a great deal of the Japanese language and culture in their seven years at primary school. I congratulate Kitty Allard, the principal, and also Sue Fraser, the languages-other-than-English coordinator, who took a major role in organising the day.

The school takes pleasure and pride in being tolerant, cooperative and respectful of others, and the day emphasised those qualities.

Central City Studios: hire rates

Hon. A. P. OLEXANDER (Silvan) — Following concerns which have been raised with me by industry figures in relation to allegations of anticompetitive behaviour by Central City Studio Holdings and Docklands studios, I have written to the Australian Competition and Consumer Commission and also to the National Competition Commission requesting an investigation into the behaviour of these studios.

I have been advised that in order to secure productions Central City Studios has recently been offering extensively discounted studio hire rates of around \$2000 per week. This is well below the commercial rate and significantly lower than the rates advertised by Central City Studios itself. Central City Studios has a low-interest loan from the Bracks government and has

been given other substantial concessions which bring the total taxpayer contribution to the studios to \$47 million.

I fear that if Central City Studios is able to undercut other established production houses with the assistance of taxpayer subsidies this could be detrimental to local film production in Victoria, which of course is already operating in a highly competitive global market.

Young Leaders of Today program

Ms MIKAKOS (Jika Jika) — On Thursday, 25 March, I had the pleasure of attending the Centre for Multicultural Youth Issues Young Leaders of Today program, along with my colleagues in the other place the Minister for Employment and Youth Affairs, Jacinta Allan, and the member for Preston in the other place, Michael Leighton.

The Young Leaders of Today program is a week-long program involving year 10 students from migrant or refugee backgrounds. They were selected from six local northern metropolitan schools, including the East Preston Islamic College and the Reservoir District Secondary College, after being identified as emerging leaders.

This program creates an environment that caters to these young people by drawing upon their life experience and culturally and linguistically diverse backgrounds. It develops skills that allow them to articulate concerns and issues affecting their lives. The Office of Youth has provided \$49 000 to the statewide Young Leaders of Today multicultural leadership program, which was co-founded by the Australian Red Cross. I congratulate all the participants in the Young Leaders of Today program.

Jill Myers

Hon. W. R. BAXTER (North Eastern) — I express my appreciation for the work of Ms Jill Myers, who for 15 years has been employed by the consumer and tenancy advice service in Shepparton — a service which this government is shutting down, much to the disappointment of many of my constituents.

Jill has been an excellent advocate for consumers, but in particular she has for many years conducted a short radio spot on ABC regional radio several mornings a week in which she has alerted the public to product recalls and other consumer issues. It has been Jill's reassuring voice that has given confidence to consumers that there was in fact someone out there and an organisation out there watching out for them. It is a real pity that this service that Jill has rendered so

assiduously for so long is now coming to an end through no fault of her own. It is very disappointing that she has not been able to continue in employment with the consumer and tenancy advice service. I certainly wish Jill Myers the very best in her future work experiences.

East Timor: Yarra community campaign

Ms ROMANES (Melbourne) — Last Friday evening I had the pleasure of attending a very significant gathering of around 300 members of the East Timorese community at the Collingwood Town Hall. The occasion was hosted by the City of Yarra and was called to celebrate the success of the Yarra community campaign, Common Sense for East Timorese — Let Them Stay, and to thank all those who supported the hundreds of East Timorese who have now received permanent residence following the exercise of ministerial discretion by the federal Minister for Immigration and Multicultural and Indigenous Affairs.

In 2002 and 2003 when hundreds of East Timorese faced deportation due to the changed political circumstances in East Timor, the Yarra community said 'Enough is enough. It does not make sense to send these people back to East Timor after they have had their lives on hold for so long'.

The community then campaigned to let them stay in Australia and gave assistance in a whole range of ways, and this assistance was also backed by state government funding for legal help, for community development support, for housing and for other forms of assistance.

The United Nations Department of Public Information has recognised the importance of this campaign through giving the community of Yarra an award for outstanding achievement in public relations which exemplifies the ideals and goals of the UN. Congratulations to the City of Yarra and the community of Yarra.

Keysborough Special Olympics

Hon. B. N. ATKINSON (Koonung) — I report to the house that I recently attended a Special Olympics event at Keysborough which was organised by volunteer parents. The program involves a large number of participants — on that day there were nearly 400 participants from Victoria, New South Wales, Tasmania and Western Australia — and provides a terrific opportunity for intellectually disabled people to participate in sports programs and to really address

fitness issues, which are very important in that particular area because of exacerbated health problems caused by obesity among some people with intellectual disabilities. It is a great program because it encourages them to get out, to get fit, to train and to participate in sport. It is fantastic.

I hope the Minister for Sport and Recreation will look at funding this Special Olympics program. It is run entirely by volunteers at this stage, but it has reached a level where funding from state government — it does not need to be extensive funding — would be very worthwhile.

I also prevail upon the minister to use his best offices to try to make sure that events for the intellectually disabled are re-established in Olympic Games programs at an international level, because at this stage they have been eliminated from those competitions because of cheating by another nation.

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

Hazardous waste: Tiega

Hon. B. W. BISHOP (North Western) — I congratulate the Tiega Survival Group, which organised a very well attended open day last Sunday at Bill and Colleen Morrish's farm. It was a really great family day, and people came from far and wide to attend. There was no doubt in my mind from talking to the people there that their strength and will to win is alive and well.

I will share with the house some of the words that appeared in the advertisement for the open day, which is headed 'Toxic site inspection'. It talks about where the site will be and invites community members to the site to find out more about the Labor government's ridiculous proposal. It also says in the advertisement:

Tours of the site will leave the Morrish home every half hour. Hearty Mallee afternoon tea will be supplied.

I can report to the house both of those events were extremely popular during the day. The strength of the organisation and commitment from the community is probably well recognised in the bottom part of the advertisement where it says:

Persons involved with the government's process by way of the environment effects statement and Major Projects Victoria personnel will be denied access to the property.

That confirms their strength of purpose.

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

Bayside: municipal awards

Mr PULLEN (Higinbotham) — I pay tribute to Brighton resident Nicholas Economou, Sr, on being named 2004 Bayside Citizen of the Year. Mr Economou was born in Greece and has been a Brighton resident for 40 years. For the past 12 years he has been chairman of the local Red Cross Calling campaign and is doing an outstanding job.

At 78 years of age, Nick Economou's enthusiasm and dedication are a great inspiration to all he comes into contact with. I first met Nick in 1985 when he was elected unopposed to the east ward of the Brighton City Council. Nick became mayor of the city in 1991 and in the same year east ward clubs, Brighton Union Cricket Club and East Brighton Football Club, won the top division premierships and Nick allowed us to fly our premiership flags from the Brighton town hall, which I understand was the only time that the Australian flag was not flown on the flagpole. Nick also hosted a magnificent function at the famous Billilla Homestead in Brighton for the clubs.

I also want to pay tribute to Bayside 2004 Young Citizen of the Year, Samantha Atkinson of Hampton. On Boxing Day 2002 Samantha, who was then 18 years old, noticed three body surfers caught in a rip at Smiths Beach, ran into the water and rescued them. The Sandringham Aged Care Association Fairway Building Project, which will add 32 beds to the existing hostel, was awarded the municipalities event of the year.

INFRASTRUCTURE: GOVERNMENT PERFORMANCE

Hon. ANDREA COOTE (Monash) — I move:

That this house condemns the government's mismanagement of major infrastructure projects throughout Victoria which has resulted in a growing lack of confidence in the business community in relation to doing business and construction in Victoria.

Yesterday we saw the Bracks government come out with a new document; a glossy brochure with a big statement called *Victoria — Leading the Way*. Members may well ask why on earth we need to have an economic statement two weeks before we have a major budget. I remind the government that the May budget is in itself an economic statement. It begs the question about what is going to come out in the May budget. It begs the question about why this was bought

out at this time. The suspicion is — and if you read through this morning's commentary — it is spin. This is a government of spin, and this is more spin probably to convince itself rather than anyone else.

In fact I would just like to outline a few comments from today's newspapers about leading the way. As someone asked yesterday: leading the way to where? We were going to be Growing Victoria Together, which was the last slogan. We have not seen Victoria grow. We have not seen much of that. Now we have Victoria — Leading the Way. Where is it leading the way to? I suggest it is leading the way to nowhere. But do not just listen to me. Richard Baker, the state political reporter from the *Age*, says in this morning's article:

The state government yesterday reaffirmed its commitment to deepening Port Phillip Bay's shipping channel but was unable to say how the \$450 million project will be funded.

Just a minor point, I would have thought! According to the news centre, another article in this morning's *Age* says:

Part one of the ... budget is unambiguously for business. But how will we pay for it, asks Tim Colebatch.

It goes on to say:

The big question for the future is how the infrastructure is to be paid for. The Bracks government has a deep commitment to public-private partnerships, but its own experience (think of the Eastern Freeway extension) demonstrates the problems the Allen Consulting Group has highlighted: long delays in start-up negotiations, with correspondingly heavy costs.

The Allen group, hardly a fount of socialist ideology, concluded that the traditional approach of governments funding infrastructure through taking on low-cost debt is the most efficient way to get the job done. The Bracks government cannot ignore this advice.

As the opposition will prove, the Bracks government is not good on detail. Today's *Australian Financial Review* says:

Bracks must walk the walk.

The first step to recovery is to admit you've got a problem. Victoria's Bracks government has one. After four and a half years of riding former Liberal Premier Jeff Kennett's slipstream, it has exhausted the momentum. Victoria's growth, which was highest in the land during Premier Steve Bracks's first term, now lags the nation at well under 3 per cent, and forecasters such as Access Economics expect it to stay there. Its share of national output has resumed its decline.

The article goes on to say:

Yesterday's economic statement is an admission that government inaction has contributed to the reversal, even if the growth of the recent past was unsustainable, and that better policies might stimulate growth.

...

The statement will have to be read with next month's state budget, in which it should have been included. It hints at a change of heart from a government that too often panders to special interests at the expense of the community ...

It will be very interesting to see how the government succumbs in today's dealings with the nurses. It will be extremely interesting to see how it resolves this particular issue.

The structure of the debate that the opposition will put forward today is a coordinated approach that reflects the deep and genuine concern of the commercial and business community in Victoria. I will outline the scope of the concern, and my colleagues will go into more detail about some of the real examples of the mismanagement of the Bracks government of the fundamental parts of the Victorian economy.

But I think we should cast our minds back. Let us have a historical look at the Bracks government. Let us go back to 1999. I will admit that we did not expect that the Kennett government would lose government. But on the other hand the Bracks-led Labor Party did not expect to be in power either. It went into that 1999 election with ill-researched policies — they were shallow, and there was no depth. In fact we have been seeing the results of that ever since. However, at the time the Labor Party placed much faith in Access Economics and the review it did of Labor's policy costings. It wanted to counterbalance the very well and richly deserved reputation the ALP has of financial mismanagement. It has a long way to go. However, Access Economics came through and in fact gave it a big tick, as we know.

However, at the end of the first term and in preparation for the 2002 election the Bracks government developed the spin. We have seen the spin. The first part of the Bracks government can be hallmarked by the fact that it was indeed run by consultation. It will go down as a period of government by consultation. But since then the Labor government has developed spin. It started the development of spin in about 2003, making its lack of involvement and failure to actually do anything look good.

So we saw the development of spin. We also the union and the Australian Labor Party cronies infiltrating the government. We saw that jobs for the boys and union deals were all developing. I think we should see the 2002 election as 'Promises, promises'. In 2002 businesses and peak organisations which had been prepared to sit back and watch suddenly had become very vocal. They were incensed at the lack of businesses and economic growth and this high-taxing,

bloated, public-service style of government. In 2003 and 2004 we saw the government pumped up and believing its own spin. If ever there were a government that needed to put on spin to convince its own, it is this one, evidenced by yesterday's statement, *Victoria — Leading the Way*. Who believed it? Who was pumped up? Who was running around with the glossy brochures? The government's own. They had to convince themselves.

Rather than doing business in Victoria by consultation the government is now doing business by spin and by media release. We have only to look at the directive we saw given to Jacinta Allan, the Minister for Education Services. That was a classic piece of spin. Her department has demanded that she have more media opportunities. What about best practice? What about value for money? What about accountability? That did not come out. It just wants more photographs of Jacinta Allan out there in the media. What an absolute joke!

However, let us look at what Access Economics is saying now about the Bracks government. Let us have a look at *Business Outlook* for the December quarter 2003 released by Access Economics on 19 January 2004.

It continues to forecast that Victoria's economy will underperform the rest of Australia until at least 2007–08. It forecast that the employment growth, private and commercial construction and private equipment investment will all be below the national average for every year until at least 2007–08. It said Victoria's share of national output is forecast to decline from 25.5 per cent in 2002–03 to only 25 per cent in the year 2007–08. However, here we have a quote from Access Economics where it states:

During the boom of recent years, Victoria has partied longer and louder than most, and a hangover looms.

...

Victoria's recovery from its wrenching recession of the early 1990s was both impressive and sustained.

I will just remind members: 1990s wrenching recession, Cain and Kirner; sustained recovery, Jeff Kennett. The quote continues:

But some of the virtuous cycle evident in recent years may not be sustained over the longer term — indeed the longer term business investment pipeline for Victoria is relatively disappointing and suggests that, as a share of the national economy, Victoria may yet hand back some of the gains in output it has achieved over the last five years ... Indeed, forward indicators on job growth looked decidedly sicker in Victoria than elsewhere ...

...delays continued on the proposed fast rail links to regional centres with work not starting on the Melbourne–Geelong

line until early this year, while work has only recently commenced on the Melbourne–Traralgon line.

That is Access Economics. In 1999 it was a great friend of Labor. Now it has fallen out of love, and justifiably so.

Let us remind ourselves of some of the major projects that Kennett brought in. We saw the Docklands, Colonial Stadium, CityLink, Jeff’s Shed, the aquarium, the Princess Theatre, the Regent Theatre, the Westin Hotel, the Park Hyatt Hotel, the Bolte Bridge, Port of Melbourne extensions, the Geelong waterfront development, the Bendigo Arts Centre, the Eureka Centre in Ballarat, and the Melbourne Sports and Aquatic Centre. The Bracks government has completed nothing. We have problems.

Let us look at the Melbourne Cricket Ground.. The Labor government would not confront its union mates; it would not actually put them to the test. The federal government offered \$90 million for the project. I say that again: \$90 million was offered by the federal government on the condition that there be scrutiny of the unions’ activities. But what happened? Bracks rolled over, had his tummy tickled by the unions and in fact said to the taxpayers of Victoria, ‘You can pick up the bill’. We can already see that the Melbourne Cricket Ground redevelopment is plagued by union delays. It is very interesting to listen to Minister Madden say in this chamber that it is going to be on time and on budget. The Commonwealth Games have to be on time because we have a specific date and we have to actually perform. There is absolutely no way it is going to be on budget. It is going to be like a wedding — great fun at the time and you pay for it forever.

Then we move on to Scoresby. We have seen this government talk about promises, promises — well here is one it has broken spectacularly, to its enormous grief I suspect. Once again it failed to take advantage of federal government funding; the cost blow-out at this stage, before it is even started, is in the vicinity of \$200 million, and the total cost looks as if it is going to be in the vicinity of \$2 billion. Another problem is that a major business consortium led by Macquarie Bank has pulled out.

I would like to put on the record here today the actual document — the actual agreement between the commonwealth of Australia and the government of Victoria. This is the primary document; this is the essential promise that Steve Bracks and his government have broken. It is dated October 2001, and in the preamble it says:

The government of the commonwealth of Australia (‘the commonwealth’) and the government of Victoria (‘Victoria’) jointly recognise the significance of the Scoresby transport corridor to the nation and the state.

The Prime Minister, the Honourable John Howard, MP, announced on 13 May 2001 that the federal government will designate the Scoresby freeway —

freeway! —

as a road of national importance (RONI), and that the federal government will contribute 50 per cent of government contributions to the construction cost of the freeway. The Victorian Premier, the Honourable Steve Bracks, MP, has committed Victoria to fund 50 per cent of government contributions to the construction cost of the freeway.

The document continues about the responsibilities and commitments of the parties:

Victoria undertakes to complete the freeway between Ringwood and Frankston in a manner that takes into account the Scoresby Transport Corridor environment effects statement of June 1998, that meets all the necessary commonwealth and Victorian legislative environment requirements and ensures ongoing consultation with stakeholders.

Let me go on to the paragraphs that deal with the scope of the work:

- (a) Commonwealth funds will be used for construction of the freeway between Ringwood and Frankston.
- (b) Victorian funds will be used for construction of the freeway and provision of planning for and implementation of public transport improvements in the corridor, having regard to the Scoresby Transport Corridor environment effects statement of June 1998.

The agreement was then signed by John Anderson and Peter Batchelor. All the way through this document the project is referred to — and indeed it was signed off as this — as a freeway, not a tollway. We now see this government trying to back out, trying to pretend it was something other than it was. The primary document says ‘freeway’. Understand — freeway, not tollway!

Then we look at another infrastructure project by this government — the fast rail project. It is a litany of disasters and mismanagement. Let us look at just some aspects of it. I read from Peter Mickelborough in the *Herald Sun* of 17 April this year:

The cost of Victoria’s troubled fast rail project is ballooning by a more than \$1 million a week.

The latest unexpected outlay of \$9.3 million in nine weeks takes the blow-out to \$70 million in just five months.

The government in November injected an extra \$61 million into the project.

...

Mr Batchelor said he met the unexpected \$9.3 million for extra concrete sleepers —

I will just outline this before I read what Mr Batchelor actually said. If you have a look at the details of this debacle, you can see that the government was very sloppy at the outset. We are talking about a railway line — replacing the sleepers. You would think it would get the number of sleepers right. This is what the project is about — replacing overhead wires, making the track faster. But we now find the government has not even looked into the facts of the replacement of the wires or sleepers.

It is clear that the government underestimated the number of concrete sleepers. Then \$2.9 million was needed to remove the overhead powerlines on the Pakenham–Warragul line. There was an additional \$250 000 to move power and other gantries supporting the decommissioned overhead wires. Why was that not in the original contract? Why was the government sloppy? Why did it not notice? I think the people of Victoria have every right to ask those questions. Then we see \$36 250 for upgrading the working crew wagon — more pacifying of Labor's union mates, making certain they are comfortable — and it took \$36 000 to do that. But going back to the Mickelborough article, it states:

Mr Batchelor said the extent to which concrete sleepers were required was not apparent until the work started.

You would have thought as the Minister for Transport he would perhaps have had a look at that and made certain it was right, right at the outset. But this government cannot manage business. It has no idea. I refer again to the \$70 million blow-out in just five months.

Then, as I said, there was an extra \$2.9 million spent on removing overhead wires and \$250 000 to move power and other services for gantries supporting the decommissioned overhead wires. Why did the government not pick it up? It is just hopeless.

Hon. A. P. Olexander — Incompetence.

Hon. ANDREA COOTE — As my colleague Andrew Olexander says, it is incompetence, major incompetence.

I mentioned before the Geelong waterfront and the developments overseen by the Kennett government in Geelong. The Kennett government put Geelong on the map; there can be absolutely no doubt about that. We saw the Deakin wool stores being converted to Deakin University, and we saw the excellent development of the waterfront. Indeed we would not be having a

significant major hotel in Geelong if it had not been for the Kennett government and the developments it oversaw in Geelong.

But let us have a look at the current situation. Here is a press release from the *Geelong Advertiser* for Tuesday, 23 March of this year. I remind the house to keep in mind that there are seven ALP politicians in Geelong at the moment. What are they actually doing? They are really not doing anything at all. We have not seen one of them come up with any specific goods for Geelong — not one. However, the *Geelong Advertiser* of 23 March says:

State opposition leader Robert Doyle yesterday expressed concern that Geelong's development was starting to stagnate.

Mr Doyle said there were no tower cranes currently in Geelong undertaking major projects.

'I don't see the real plans for the convention centre and exhibition space coming forward', he said.

What are those members doing? Ms Carbines is here in the chamber today. Perhaps later she can enlighten us as to what they are in fact doing because I would have to say Geelong is absolutely stagnating.

Then I go on to the synchrotron project — another absolute show of inadequacy and absolutely hopeless mismanagement. If we look at the only business plan that was commissioned by the Bracks government into this very controversial project, we see that the Premier signed up Victorian taxpayers to an additional \$537.2 million over a 10-year period. But the Premier has been caught out being loose with the truth because while he maintains that Victoria will be liable for only \$157 million, in its desperate attempts to get this project up and running, it has had to go into the major projects agenda and sign a blank cheque for the giant microscope that in fact could become a giant white elephant. We have to look at the numbers of people who have absolutely fled from involvement with the synchrotron. We were promised that people were going to be anxious to develop this and that they were going to be beating down the door of Brumby and Bracks. We have not seen anything happen.

We know the initial cost of the project was going to be \$157 million, but we were told the taxpayers liability was only going to be \$100 million. However, we have seen how things manifest themselves with this government; and things will creep up and the costs will blow out, and we the taxpayers again will be picking up the bill. There will be absolutely high taxes to pay for all of these things, but it is going to be very interesting to see whether it actually ever happens at all.

We have also seen the Spencer Street railway station. What do we call it these days? The Southern Cross or southern something. Here again we have a rename, a re-badge and a re-spin. If we have a look at Spencer Street railway station, we find that the plans are not nearly as comprehensive as they started out to be; they have been scaled back already. It is going to be interesting to see what we end up with. It will not be what we started out with — it will not be what the spin said. But I am quite certain that all the backbenchers here still believe the story; they are very gullible.

Let us look at the Central City Studios. It pretty much encompasses everything that is wrong with this government. To start with let us go to this very authoritative document, the Auditor-General's annual report for 2002–03 on parliamentary reports and services. I will read from the column headed 'Docklands Development' on page 20. It states:

The report found that the Docklands Authority contractually assigned 91 per cent of the planned development, by development value, to private developers. Approximately 23 per cent of the proposed private development is finished or under construction.

The state substantially financed, through loan funding, the private development and operation of the film and television studio complex. The successful tenderer enjoyed additional opportunities to present and clarify its proposal before it became the preferred tenderer. Negotiations took almost nine months. This led to new financing arrangements and design changes. The other tenderers were not able to re-present or revise their tenders during that period.

That is absolutely disgraceful! Here we see a government giving special treatment to one tenderer in preference to others. This is the way it does business. This is Bracks and Brumby at their best: underhand deals and not playing by the rules. How can we trust this party? We cannot at all.

It gets worse. The Bracks government allowed the Docklands film studios to go ahead despite repeated warnings that the tendering process had been breached and corrupted. One bidder's tender was leaked to another bidder in a brown paper bag. We are talking here about the Bracks government, a government that deals in underhand activity with brown paper bags. I have the quotes here to explain exactly how this transpired. An email dated 19 March 2002 written by Andrew Skewes, the director of policy for Multimedia Victoria, to Melbourne Docklands studio consortium chairman, Paul Hameister, states:

Thanks for this. Please advise how you have obtained a copy of a CCS confidential document.

He goes on, and then Paul Hameister's reply states:

Andrew

It was delivered to us in an unmarked brown paper wrapping.

His comment is:

... as bizarre as that seems.

No idea where it came from. I understand a few such copies have been distributed; clearly someone thinks the deal is not in their commercial interests. Ask CCS who they gave it to and work through the list.

Whilst we do not expect you to respond to our concerns, we are happy that you have acknowledged receipt thereof and provided us with assurance that the basis upon which CCS was selected as preferred tenderer remains valid.

Brown paper bags! Will we see more of this? I am certain we will. It will come out; it is beginning to come out now. You cannot ignore it. It is out there, and it is absolutely appalling. It goes on. The documents show that the Bracks government ignored the warnings; it ignored the warnings that the film studio's viability was based on wildly unrealistic expectations. The probity advisers did not even attend the meetings throughout the process, and there are other serious breaches of the tender process. For example, inappropriate exchanges occurred between Multimedia Victoria and the bidders, as I have just outlined. The minutes of the meetings were changed or never recorded.

The deception continues, and the business and film community, which was supposedly wooed by this particular development, are very scathing in their attacks on it. I quote from an article by Gabriel Coslovich and Ewin Hannan in the *Age* of Saturday, 3 April 2004. The article states:

Four Melbourne producers — David Parker of Cascade Film; Karl Slotboom of Illusions; and Paul Green and David Pulbrook of Horizon Films — yesterday co-signed and sent letters of complaint to the Australian Competition and Consumer Commission and the National Competition Council.

The letter warns that the 'predatory pricing actions of Central City Studios — with the assistance of taxpayer subsidies — has the potential to destroy our businesses and adversely affect local film production in Victoria.'

'It is just ridiculous that they can give it way for nothing. It's our taxpayers' money, and now they are backstabbing us and taking our business as well,' Mr Green said yesterday. 'They are supposed to be getting movies from overseas.'

A classic example of doing business with the Bracks government. Brown paper bag deals and going back over negotiated deals. It was there supposedly helping the Victorian film industry, but it has done nothing. As my colleague Andrew Olexander will explain in his contribution, it gets worse than that.

There are other business debacles. Let us have a look at Saizeriya. Much has been said in this chamber about that organisation. As recently as last weekend on Sunday, 18 April, an article by Kelvin Healy in the *Herald Sun* summed up the situation very adequately. It states:

Victoria has lost a \$350 million investment and hundreds of jobs after Japanese food giant, Saizeriya, officially dumped plans to build seven more factories.

...

The construction of Saizeriya's first — and only — Victorian factory in Melton was delayed by 18 months because of a war between the Australian Manufacturers Workers Union and the National Union of Workers.

...

The state government became embroiled in the legal drama after Saizeriya alleged Mr Bracks' chief of staff, Tim Pallas, had recommended one of the companies.

...

Saizeriya, which owns a chain of more than 500 Italian restaurants in Japan, planned to use Victoria as a food bowl for frozen meals to be sent back to Japan.

But the project soured as early as December 2001. Mr Peterson said the company would not guarantee further investment in Victoria.

The article reported comments by the company's Australian spokesman, Graeme Peterson. It continues:

Mr Peterson said it 'goes without saying' that it was a massive loss for Victoria. The one existing factory was 'ticking over', he said.

We see the launch yesterday of *Victoria — Leading the Way*. Let us remember that it leads nowhere. The government was talking about encouraging jobs and stimulating the economy.

The Bracks government has had this under its nose for a considerable time — as this document says, since 2001. What was it doing? It was starting to listen to its own spin. Absolutely nothing happened. It came out yesterday with a document that was supposed to convince us all, but here we have a clear example of what it is not doing — and it is discouraging business at a significant rate in this state.

We have also seen that the Australian Centre for the Moving Image — I know the Honourable Andrew Olexander is going to speak about this again — has been haunted by financial mismanagement and directors and other staff walking out. It is another area that has been hit by resignations, redundancies and a freeze on acquisition spending, which has all been overseen by the Bracks government. It is another detail — this government is not good on detail — and

this is another area that is being neglected. We shall hear more about that later in this debate.

We have also seen what it did to small business at Easter. There was a very vigorous debate in this chamber led very adequately by my colleague Mr Bruce Atkinson. The Victorian Employers Chamber of Commerce and Industry came out yesterday and said that it thought the *Victoria — Leading the Way* statement was very good, but Neil Coulson — the same Neil Coulson who is waxing lyrical today — said about Easter trading that Victoria is not the place to be on Easter Sunday. He says in a VECCI press release of 7 April:

The Easter Sunday trading laws are still contradictory and detrimental to Victorian business, says VECCI.

'While pressure from VECCI have brought improvements to the laws over the past year, some puzzling inconsistencies remain', says VECCI chief executive officer, Neil Coulson.

...

'The tourism sector in particular will be affected by the lack of supporting retail infrastructure on Easter Sunday. This is a retrograde step at a time when Melbourne is striving to become more outward looking and globally connected, adding numerous direct international flights over the past few months and becoming the location for Jetstar's new headquarters.'

That is fine, fly in on Jetstar — that is another piece of spin — to Avalon, but come in at Easter and you will not get served. Go to Geelong at Easter and you will not get served. Once again the detail provided by the government is sloppy and does not work, and the underlying foundation is that this government does not care about the reality for business, particularly small business in this state. It is not careful enough with the detail; it is not careful enough with what is really happening to the economy in this state from a business and construction point of view, and we are seeing that in the numerous documents.

We also saw yesterday a big fanfare about channel deepening. We would all agree that the port of Melbourne is extremely important. But there is an article that contradicts that because there is an item hidden in the small print. We want the ships to come in, we want them to be laid, and we want to be able to get them in here with a full cargo, there can be no doubt. However, to appease — —

Mr Gavin Jennings interjected.

Hon. ANDREA COOTE — As Mr Gavin Jennings has said, 'Leave it as a full cargo'. Many Victorian products give jobs to many Victorians, I quite agree. To appease its environmental friends the Labor Party has come out with an extraordinary statement. This issue

was raised by Melissa Fyfe, the *Age* environment reporter in an article in the *Age* of Thursday, 15 April:

Ships entering Victorian ports will face tougher pollution controls under an Australian-first plan to battle the spread of devastating marine pests.

Under the scheme, which has angered the shipping industry but pleased environmentalists, all ships coming from domestic ports must report the environmental risk of each journey to the Environment Protection Authority.

...

The industry says this may cost a ship up to \$60 000.

So what we have here with channel deepening is an automatic impost when ships come into this state by their having to pay an additional \$60 000.

The Australian Shipowners Association was angered that Victoria had not waited for a national system to be established.

It says:

On any particular ship, on any particular day, it could cost up to \$60 000 to comply with the policy. This will impact on exporters who are trying to get the ships into the ports to start with ...

Once again, we have a backhand tax. We now have a tax to make certain that the bay is not polluted. So we are encouraging the ships to come in, but we are also going to make it quite certain that they have to come up to scratch with this pollution issue and pay up to \$60 000 a ship. It is another impost. This is what this government does; it cannot help itself. On the one hand it says, 'We are going to do all of this', but when you have a look at the fine print and at what is really happening you see it does not match.

Many commentators have come out today and said, 'Yes, fine. It is terrific to have channel deepening, but who is going to pay for this?'. I ask the government: who is going to pay for this channel deepening? Where is this money going to come from? Which companies will it try to coerce into forming a private partnership with it? Who is going to put their neck out on the block? Or will it be the Victorian taxpayers who will pay for this one too? Where is the fine print? Why bring it all out with *Victoria — Leading the Way* yesterday and all the spin when we do not know who is going to be paying for the huge infrastructure. We do not know who is going to do this. It will be fascinating to see how long it takes for those dredges to be out there in the port and discover who will be paying for them. It will be very interesting. Perhaps it will come out in next week's budget. Perhaps this is what the Treasurer, Mr Brumby, will be talking about. Perhaps this is what he does not want to bring out now because it is a bitter pill. Maybe we should be looking for this issue in the

fine print to make certain who is going to pay for this. It tells the people of Victoria that it is going to increase channel deepening, but who is going to pay? It should be honest and up front, not like it was with the Scoresby freeway, and it should not involve another brown paper deal like the one with Central City Studios. It should be brave enough to be up front and put it out there.

Hon. E. G. Stoney — It might put a toll on it!

Hon. ANDREA COOTE — A toll on Port Phillip Bay, says Mr Stoney — that is something to think about!

We can see that Access Economics has fallen out of love with the Bracks government, and so have many of the economic advisers and researchers across this state. A small number of major projects are currently in process, but if you cast your minds back to the early part of the first term of the Bracks government you would see that it was opening things that were started under the Kennett government. If you look back at what happened with the Australian Centre for Contemporary Art and to others right across the state, you see those projects were started under the former Kennett government, and this government came in and pretended they were its own.

All the major projects that are currently in progress have something wrong with them. Nothing is straightforward. There are union problems, lack of finance, lack of detail and lack of encouragement. That is a hallmark of this government — doing business with this government is doing business in the dark. Many projects are in deep trouble because of union interference.

A variety of projects sponsored and supported by the Bracks government are in disarray, and some of my colleagues will outline more. The government must understand that the Victorian people are very smart and do not believe the spin. Government members might believe the spin that has hoodwinked the people of Victoria into believing, but they are not silly. That will be at the government's peril, and the people of Victoria are becoming cynical about all this spin.

I turn to the current business reputation of the Bracks government and shall quote from a media release of the shadow Treasurer in another place in April where he said:

Despite the government's claims, Victoria's economy is now slipping badly compared with the rest of Australia.

Some excellent research has been done, and this is what he said:

Victorian exports have fallen by 16.5 per cent over the year to February 2004;

Victoria has lost 19 700 manufacturing jobs over the year to February 2004;

Our net interstate migration has plummeted and is now barely positive with Victoria gaining just 39 people in the whole year to September 2003;

Private capital investment in Victoria has grown by only 1.1 per cent over the year to December in seasonally adjusted terms, compared with 8.3 per cent nationally;

Public capital investment actually fell by 0.9 per cent over the year to December, compared with a 3.6 per cent rise nationally;

The latest VECCI survey, to December 2003, found that 30 per cent of Victorian employers expect weaker Victorian economic growth over the next 12 months, compared with only 15 per cent expecting weaker national growth. Only 24 per cent of Victorian employers expect stronger Victorian growth over the next year compared with 36 per cent expecting stronger national growth.

The weekly number of job advertisements, as measured by ANZ, has fallen in the trend terms by 6.1 per cent in Victoria over the past year compared with a 6.5 per cent rise nationally;

Victoria recorded the highest number of working days lost due to industrial disputes of any state over the 12 months to November 2003 with 95 500 days lost or 38 per cent of total days lost nationally.

What a litany of disaster, of downturn, of scepticism and of lack of business development in this state. None of the fundamentals will be fixed by *Victoria — Leading the Way*. It needs real action, real business and working with business and construction organisations in this state. That is what the government has to do.

I turn to the ANZ state economic focus. Its December 2003 update states:

... in contrast to the recent past, demographic factors will make it hard for the Victorian economy to exceed and perhaps even meet the growth rate of the Australian economy as a whole... Victoria is still likely to remain one of the relatively softer performing states over the next few years.

What an indictment. The government must look at what it inherited and what it has done — it is at it again. Miranda McLachlan and Brett Foley in the *Australian Financial Review* of 16 April talk about the Treasurer's statement of yesterday, and state:

The statement, which was not expected because of the state budget is on May 4, will probably include a \$400 million project to deepen Melbourne's port, and a 5000-seat convention centre.

We saw that come out. The statement continues:

It comes amid concerns that the economy and the budget are deteriorating.

This is what people think, and researchers and experts are saying about yesterday's statement. They are not fooled, because they know it is a smokescreen. They know there are fundamental flaws in our economy and that it will take it a lot more than spin to sort it out. The article goes on to state:

Tim Piper said, 'There has been a slowing in the economy and this statement is saying the government wants to maintain a reasonable level of growth'.

The article continues:

But Access Economics predicts 2.3 per cent. The Auditor-General has warned of budgetary strife. Government spending has increased by 35 per cent since 1999, while revenue has only risen by 21 per cent.

I repeat: revenue has risen only 21 per cent but spending by this big-spending government has increased by 35 per cent since 1999. That is one of the underlying fundamental flaws in the Victorian economy. It will be interesting to see the detail of the Treasurer's speech next week, and it will be fascinating to see how he counteracts it. John Ferguson in the *Herald Sun* of 25 March states:

There is, however, enough evidence to state confidently that Victoria is entering a period of economic uncertainty that threatens to define the rest of the decade.

Some of the factors are international while others have more to do with private sector confidence and the ability of the Bracks government to navigate a slower economic climate.

...

There is a question mark over growth, and the twin dilemmas of a higher Australian dollar and the possibility of rising interest rates looms as two of the biggest threats to the state's manufacturing and export base.

...

The business community has been nervous for many months about the direction of the Victorian economy.

It will take a little more than yesterday's statement to convince them. My colleagues will give greater detail on some of the explicit problems with the Bracks government doing business, and I look forward to their contributions. The editorial of the *Australian Financial Review* of 14 April 2004 states:

For a state administration whose crowning achievement has been to have an economic miracle turn sour on its watch, Victoria's Bracks government shows no sign of learning from its mistakes. On the contrary, this Labor government is making more frequent resort to populism and expediency — lazy substitutes for sound policy and action which usually ends in tears.

In the past year it has caved in to both the shop assistants union, rewarding its generosity to Labor by reinstating an archaic ban on Easter Sunday trading, and the green lobby, by banning commercial planting of genetically modified crops for four more years.

That says it all — Labor is making more frequent resort to populism and expediency. Yesterday was a plea to populism and spin. However, the Bracks government is mismanaging the Victorian major infrastructure projects. There is not one that does not have its problems, and as these projects continue more problems will develop. All will be revealed in due course — the government cannot escape. The people of Victoria are suitably cynical at this stage, and they will be watching this government with greater scrutiny in the lead-up to the next election. There is a growing lack of confidence in the business community in relation to doing business and construction in Victoria. It is a tragedy for this state.

Mr VINEY (Chelsea) — I usually enjoy participating in these debates; they normally provide an opportunity for members of the chamber to discuss policy matters and debate points of difference in policy. Andrea, that was pathetic — absolutely pathetic!

Hon. Bill Forwood — On a point of order, Acting President, Mr Viney can say what he likes about Mrs Coote, but he cannot call her Andrea in this place. I ask you to tell the member to show some decorum in the house

The ACTING PRESIDENT
(**Hon. J. G. Hilton**) — Order! I accept the point of order and ask the honourable member to observe due courtesy.

Mr VINEY — Thank you, Acting President, I accept the correction.

The Honourable Andrea Coote's contribution here this morning was pathetic! There was whingeing, whining and carping. It was entirely based on making some kind of political, whingeing, whining opposition contribution to this debate and contributed not one jot to policy debate or policy development in the matter of infrastructure, growing business confidence and growing Victoria's economy. There was not one jot of contribution, not one ounce of policy announcement from the other side, not one indication of what the opposition would do in government. There was not a single attempt to demonstrate any credibility as an opposition that is meant to be providing the people of Victoria with an alternative to this government.

The member first raised the economic statement the government made yesterday, *Victoria — Leading the*

Way. She posed the question, 'Who believes it?', and suggested that this was some kind of spin. I can inform the honourable member who seems to believe it. The *Age* ran an article this morning headed 'Business gets what it wanted' by Dan Silkstone:

Business groups lauded the initiatives announced in yesterday's statement, stressing the importance of investment in infrastructure and welcoming land tax and WorkCover premium cuts.

Mrs Coote quoted Neil Coulson, the chief executive of the Victorian Employers Chamber of Commerce and Industry, and Dan Silkstone quotes him as saying:

This package will go a long way to serving business interests in the future ... it should set the scene for further investment in the state ...

The article continues:

Mr Coulson said the chamber had asked for three things from the government: investment in the Port Phillip Bay channel deepening project, a reduction in business costs and the building of the new convention centre. All have been delivered.

The Honourable Andrea Coote also quoted Tim Piper from the Australian Industry Group in her contribution. According to this article he commented that reductions in WorkCover premiums and land tax would create jobs:

'This government has shown that it is pro-business and this is a pro-business statement,' he said.

What we have had here in this chamber this morning is Andrea Coote putting forward a whingeing, whining — —

The ACTING PRESIDENT
(**Hon. J. G. Hilton**) — Order! I have already reminded the member to observe due courtesy in referring to opposition members, and I ask him to be cognisant of the ruling I have given.

Mr VINEY — Thank you, Acting President. What we have had here this morning is the Honourable Andrea Coote presenting a whingeing, whining, carping criticism of this government. As I said, it was a pathetic performance which offered not one jot of policy or made one positive contribution to what we can do to push Victoria forward. It is this government which is putting forward the initiatives. In its announcement yesterday this government put forward its initiative for the deepening of the channel for the port of Melbourne by putting in place funding to get the design for that right, so that in the event of approval coming from the environment effects statement process we can push on with that project immediately.

The Deputy Leader of the Opposition started to ask questions about how this would be funded. How would the opposition fund it in government? Is the opposition committed to the project? It does not seem to be, as its members are not prepared to put forward how they would do it or what they would do. They are not prepared to put forward any positive contributions on this matter. They want to sit back and see how the government performs and then make some carping, whining criticisms, nitpicking around the edges instead of putting forward the positive initiatives the business community in Victoria is looking for.

Plans to improve access to the port were announced yesterday, with detailed design development for the grade separation of Footscray Road and the realignment of the rail track into and within the port. These initiatives are fundamentally important to business efficiencies in Victoria, combined with a number of other things that are happening in road and rail projects around Victoria, which I will detail a little later in my contribution.

The government announced the redevelopment of the Melbourne wholesale markets and building better supply chains, and it is leading the way in major events and conventions with the construction of new additions to the convention centre. We are investing in creative industries. We have phase 2 of the Make it Happen in Provincial Victoria program, which provides assistance to local councils to drive new economic and investment opportunities on a regional basis. We on this side well remember how those opposite described regional Victoria.

Hon. J. M. McQuilten — The toenails!

Mr VINEY — That is right, Mr McQuilten, the toenails. Members opposite described regional Victoria as the toenails because when they were in government they were only able to focus on the central business district of Melbourne. That is where they thought it all happened, and they said country and regional Victoria were like the toenails. I think ‘You feed the heart before you clip the toenails’ was the quote. With this government coming into office we have had a complete turnaround in that focus. We have invested in the infrastructure supporting regional and country Victoria. We are investing in connecting Victoria, connecting into the regions, providing new opportunities for business in those areas and creating those links between regions and into Melbourne.

These are the initiatives put forward under this government and we are reaping the rewards of them. We are seeing job growth in country Victoria, unlike

during the Kennett years when people were deserting country and regional Victoria. We are seeing population growth in cities like Ballarat, Bendigo and Geelong and in towns in the Latrobe Valley. We are seeing those things happen because this government has had a focus on the whole of Victoria and making sure it is connecting the whole of Victoria.

Yesterday’s statement also included initiatives in relation to export growth, which had been announced, and initiatives in relation to growing our share of the international education market. We also announced the big-ticket items of lowering taxes and the cost of doing business in Victoria.

Over four years there will be a reduction of \$1.9 billion in business costs through decreases in land tax — which, by the way, the Kennett government jacked up — and through decreases in WorkCover premiums, so maintaining Victoria’s position as having the second-lowest WorkCover premiums in the country while providing adequate, fair and reasonable benefits to workers. We well remember what the people on the other side did when in government in relation to injured workers. This government has restored to injured workers some of the rights that were ripped out of the system by the Kennett government, and at the same time it has been able to maintain our position as having the second-lowest WorkCover premiums in the country. It has been able not only to maintain that position but also to reduce premiums to business.

This is the government that is delivering in terms of putting in the infrastructure; it is the government that is delivering in terms of lowering the costs to business; and it is the government that has delivered in having an unemployment rate below the national average for every single month it has been in office. I think it is 43 or 44 months that the unemployment rate has been below the national average. The economic statement *Victoria — Leading the Way* is about maintaining that position. It is about lowering the costs to business, about maintaining jobs in Victoria and about maintaining our unemployment rate at below the national average. That is what the statement is about, and that is why it is called *Victoria — Leading the Way*.

Victoria is leading the way in lowering costs to business and in providing infrastructure support. This government has been facilitating over \$10 billion worth of infrastructure investment in this state. For members of the opposition to come in here and start criticising and carping around the edges of some of that without offering a single positive policy contribution to the economic development of this state is breathtaking.

Let us go through some of the major projects that Victoria is seeing under this government. I will not be able to detail them all, but members of the opposition may like to refer to the Major Projects Victoria web site. On its front page you can see a list of every single major project. Quickly going through it, it looks to me to have well over 50 major projects listed there. There is no way I can go through all 50 in my contribution, but let me start with the Australian synchrotron project, because as the Parliamentary Secretary for Innovation and Industry I have some interest in it.

Hon. Andrea Coote — Where's the money?

Mr VINEY — Let me start by making the interesting observation that the Deputy Leader of the Opposition is like one of the Luddites of the old industrial revolution, trying to destroy what is an essential piece of infrastructure for Victoria's future.

Hon. Andrea Coote — On a point of order, Acting President, I object to being called a Luddite, and I should think you would request a withdrawal of that immediately.

The ACTING PRESIDENT

(Hon. J. G. Hilton) — Order! The advice that I have been given is that the word 'Luddite' is not inherently offensive. However, if the member has taken offence at the use of that word, I ask the honourable member to withdraw.

Mr VINEY — Has she taken offence?

Hon. Andrea Coote — No. I withdraw.

Mr VINEY — I appreciate that the Deputy Leader of the Opposition is not persisting with that.

Hon. J. M. McQuilten — The Honourable Luddite!

Mr VINEY — Yes, I will stand corrected: the Deputy Leader of the Opposition is the Honourable Luddite.

The Australian synchrotron project is a vital piece of investment and infrastructure for the medical research sector and industrial research. It will cover those areas and attract scientists back to Australia to conduct their research here. It is a vital and important piece of research infrastructure in Victoria. What we know is that since it came to office this government has invested almost \$1 billion in the innovation economy. The reason we have done that is not just that we think science and research are a terrific thing, although we do. The reason we have done that is that we know innovative economies will be the economies of the

future. That is where the investments will come and where the jobs of the future will be. In order for Victoria to maintain its highly regarded position in areas like general research, design and medical research, we must invest in these kinds of projects.

It is extremely disturbing that members of the opposition criticise the Victorian government on this important piece of infrastructure. Members of the opposition ought to have a look at the national science case put forward to the commonwealth government and at the endorsements of this project that sit within that national science case — endorsements for this project from not only some of the top scientists in Australia but from international scientists saying that it is a vitally important piece of infrastructure and one that will deliver enormous benefits to Victoria. It is an important part of our science infrastructure. So I start with that.

I repeat: what the opposition is doing is pathetic and reminiscent of those people who went around during the industrial revolution smashing up machinery and saying that it would be the end of jobs. We know that the industrial revolution delivered jobs like no other era has ever done. It is reminiscent of that for members of the opposition to be out there criticising an investment project such as the Australian synchrotron; it is an attempt to smash up and destroy what is an important piece of infrastructure for Victoria's future

Let us take the Spencer Street railway station redevelopment. That \$700 million public-private partnership will provide a link between the important Docklands project and the Melbourne central business district.

Then we have the \$617 million investment in regional fast rail.

Hon. Bill Forwood — Let's talk about that!

Mr VINEY — Yes, let's talk about it. This, by the way, is the biggest upgrade of regional rail in 120 years.

Honourable members interjecting.

Mr VINEY — No wonder you want to have a little bit of an argument about the regional fast rail project, because we well remember what you people did in government. We well remember your closing the rail line to Mildura, the Gippsland line, the one to Bairnsdale and the Ararat line. You closed down all those lines.

Hon. B. W. Bishop — On a point of order, Acting President, the honourable member has suggested that the railway line to Mildura is closed. The last time I

looked it was open and freight trains were regularly running up and down that line. I ask him to correct that statement.

Honourable members interjecting.

Mr VINEY — For the record, it was the National Party, as part of the Kennett government, taking — —

Hon. B. W. Bishop — On the point of order, Acting President, I understand a point of order should not be debated. I ask for a ruling on the point of order

The ACTING PRESIDENT (Ms Hadden) — Order! There is no point of order; it is a point in debate.

Mr VINEY — Your record in the National Party was absolutely abysmal. What did you do for country Victoria? Members of the National Party took the white cars of office and sold out country and regional Victoria. That is what they did — they took the keys for the white cars and decided they would have the nice perks of office in government rather than representing the interests of country and regional Victoria. They sat there while country hospitals were closed, they sat there while country railway lines were closed and they nodded and put up their hands for the closure of schools in country Victoria.

For the National Party to get up in here and talk about a couple of freight trains running on the Mildura line is pathetic! This is an extraordinary contribution from the opposition parties. No wonder the opposition parties are trying to carp around the edges of the regional rail project, which is the biggest investment in regional rail in Victoria in 120 years, while their record in government was one of closing rail lines down — or closing passenger services down, if Mr Bishop wants to carp around the edges a little bit.

Let us have a look at the Pakenham bypass — the \$242 million project providing and improving infrastructure connections from Melbourne right through to Gippsland. With the completion of that project you will be able to drive right through from Ballarat; maybe even from Bendigo, if we get some adequate federal funding; and from Geelong, if we get some good federal funding there as well, although we might need a Labor government to get it. With the advent of the Pakenham bypass you will be able to drive all the way from any of those places right through to Gippsland without traffic lights — another major investment in infrastructure from the Victorian government.

The Honourable Andrea Coote, like the rest of the opposition, likes to raise the Mitcham–Frankston

freeway. Let us get a few facts on the table in relation to that freeway. The Mitcham–Frankston freeway was an initiative of this government, and the opposition parties, when they were in government, had no allocation — not a single dollar of allocation — in the forward estimates for that project. What I want to know is: were they committed to it? No. Was there any money in the forward estimates for that? No. Was there any intention held by them to build it? No.

What is the story here? The story here is that this government entered into an agreement with the commonwealth government for it to pay 50 per cent of the project, and this government signed a memorandum of understanding on 50 per cent of the project. But what happened? The Howard government put a \$425 million cap on that funding — —

Hon. B. N. Atkinson — It was \$445 million. You can't even get the figures right!

The ACTING PRESIDENT (Ms Hadden) — Order! It is not Mr Atkinson's turn to speak. We are listening to Mr Viney.

Mr VINEY — It put a \$445 million cap on the actual cost of the freeway, and the cost of the freeway is \$2 billion! It is bigger than the Alice Springs to Darwin railway. It is the biggest road infrastructure project currently under way in Australia.

I did some maths and took out some statistics. I was talking to Mr Drum earlier, and I said that even a footballer like him could work out that \$445 million is not 50 per cent of \$2 billion.

Hon. Bill Forwood — I am going to tell Sam Newman you said that!

Mr VINEY — I said it to him then. And \$445 million is not 50 per cent of \$2 billion — it is not even 25 per cent. So it was the commonwealth government that tore this agreement up.

Hon. Bill Forwood — No, that is wrong.

The ACTING PRESIDENT (Ms Hadden) — Order! Mr Forwood!

Hon. Bill Forwood — That is a lie! That is an absolute lie. You know that is a lie. That is an outright blatant lie!

Mr VINEY — Well, they can fund 50 per cent. And it is extraordinary — —

Honourable members interjecting.

The ACTING PRESIDENT (Ms Hadden) — Order! There is far too much noise in the chamber. Mr Viney is making his contribution, and I ask for order.

Hon. B. N. Atkinson — He is lying.

The ACTING PRESIDENT (Ms Hadden) — Order! Mr Atkinson! Mr Viney may continue.

Mr VINEY — Let us go on to some other projects. We have the Craigieburn rail project, which is another \$98 million investment to provide rail links connecting Craigieburn through to Melbourne. We have the Craigieburn bypass — \$306 million. We all know that the Hume Highway in the Craigieburn area is a major bottleneck for many of the transports and trucks that need to be routed through there to provide our freight connections. This project will free up a lot of the time that is taken travelling in that area. There will be a major saving to business through that infrastructure investment.

As I touched on earlier, we have \$33 million allocated under the heading 'Bringing trains back to Victorians'. This important initiative involves projects at Ararat, Bairnsdale, Mildura and South Gippsland, with services due to start in 2004.

We also have Victoria's investment in our health system. The Kennett government ripped the heart out of the health system in Victoria. It privatised the Latrobe hospital, and that was a complete failure. It sacked nurses, and it closed the system down. Thirteen country hospitals — or it might be 11; I will have to go back to my notes — were closed. The Kennett government had plans to privatise the Austin Hospital, and it was not able to find a developer interested in developing it.

This Labor government came to office with a commitment to do a redevelopment of the Austin Hospital, and I had the pleasure as the former Parliamentary Secretary for Health to be involved in some of the early planning stages for that project and to chair the ministerial council that was looking at it. The Austin Hospital was the largest health facility redevelopment at that time at a cost of \$376 million, to which the Victorian government contributed \$353 million, and the Mercy hospital contributed the balance. We now have the project nearing completion.

This government has been reinvesting in the state's health, education, rail, road and economic infrastructure. That investment is continuing with the Royal Women's Hospital — a \$250 million redevelopment that will relocate the Royal Women's

Hospital to a site adjacent to the Royal Melbourne Hospital.

We also have the Transit Cities project, which is an exciting development that is investing in various areas of Victoria like the area I represent in Frankston, which is seeing over \$300 million worth of retail development investment at this moment. That will deliver about 2000 retail jobs to the people of Frankston. Combined with that investment are plans that this government is putting in place to connect the Frankston TAFE college to the central activities district (CAD) of Frankston, with further connections to the bay. It will essentially be a TAFE-to-bay connection that will link with some of the substantial redevelopment that is taking place in that Frankston CAD area.

That investment is happening across a number of transit cities. I have detailed only the Frankston part of the project, but the other transit cities include Geelong, Werribee, Footscray, Sydenham, Ballarat, Bendigo, Epping, Broadmeadows, Ringwood, Box Hill, Dandenong and the Latrobe Valley. These projects are happening not only in Melbourne but across some of the regional centres of Victoria as well.

As part of the Commonwealth Games preparations we have the Melbourne Cricket Ground redevelopment at a cost of \$425 million, which the commonwealth government spitefully refused to get involved in. We have the \$400 million net government contribution for the Melbourne 2006 Commonwealth Games athletes village. We have the Melbourne Sports and Aquatic Centre at \$51 million. Another couple of million dollars is being allocated to a feasibility study for the Melbourne Exhibition and Convention Centre, including the announcement yesterday of plans for the plenary hall. We have Melbourne Docklands, with \$1.75 billion worth of work currently completed or under construction, and a total project value of almost \$6 billion. I had the pleasure of touring that site a couple of weeks ago. There we have an area that is going to be larger than the central business district (CBD) of Melbourne. Members have seen in Victoria over \$1 billion worth of building approvals every month for several years. We are seeing in Victoria a boom in the construction and business environment.

Under the Bracks Labor government infrastructure spending is 73 per cent above the amount spent by the opposition when it was in government. This government has made a massive investment in infrastructure of \$10 billion, which is a 73 per cent increase across the whole of Victoria. This is not a narrow focus or a small pie for the Melbourne CBD. This is a large and significant investment in

infrastructure across Victoria. This investment is delivering construction, retail and manufacturing jobs. This is done through lowering the cost of doing business through WorkCover and land tax reductions, as was outlined in yesterday's economic statement.

The investment in things like the Australian synchrotron will be a shining light for the future of science in Victoria and something that this government and Victorians can be very proud of in the future. This government has created a better environment for the building and construction industry and for business generally in this state by lowering the costs of doing business.

This government is leading the way. Under this government time and again Melbourne has been voted the world's most livable city. This government is maintaining a reduction in business costs and a massively lower unemployment rate than the national average. The government is very proud of that, and it stands by its record of investment in infrastructure in this state.

The ACTING PRESIDENT (Ms Hadden) — Order! The honourable member's time has expired.

Hon. B. W. BISHOP (North Western) — I rise to speak on this motion. I thought the Honourable Andrea Coote's contribution was quite responsive to the notice of motion I saw printed on the notice paper today, whereas I thought that in his contribution Mr Viney excelled himself with figments of his imagination and inaccuracies.

We have seen the government pinch a few of our policies. We do not mind — as long as the policies are there. The Nationals are interested in outcomes. We thought that today we might put up three policy opportunities for the government, which I am sure it could grasp — and perhaps another if I get time. It is a project the government might support that may not require any capital, and that is, I suspect, rather a new slant on politics.

The subjects I have selected — and I probably will not have time to cover them all — are rail and the ports. I understand that my colleague the Honourable Damian Drum will have a look at the slightly faster rail project. The Nationals will also look at water and electricity.

It is interesting to note that the government's announcement some years ago in relation to the rail standardisation and upgrade of lines throughout Victoria was certainly greeted with enthusiasm from the areas of county Victoria that rely on rail. The government allocated \$96 million to that particular

project. In fact the Mildura line, which was mentioned earlier by Mr Viney, was supposed to be finished by 2002. I know a bit about the Mildura line, and I might say that I have not seen one spike driven for that line. I will have a bit more to say about that in a moment.

Some of us might ask, 'Why not? Why has it not been done?'. Some would answer that perhaps the government is not interested. That should not be true. Or perhaps it is not politically required. That might be the case, if you think it through, which I invite honourable members to do. Or has the government not got the money? I do not really want to talk about the economic statement. I guess that will come up in other areas of debate in this house, but I noticed in some of the writings about it that government revenue is up 21 per cent and expenditure is up 35 per cent. I know that if our family ran our farm that way it certainly would not be a viable proposition in the longer term.

I guess our question is: where is the \$96 million? Which hollow log is that in now? Or has it gone? Has it been soaked up somewhere else? I think they are reasonable questions we could ask. When in Parliament and in other places we discussed the slowness of the rail standardisation and upgrade program the government said, 'No, it is the fault of the feds. They should fund it'. That argument rattled around the walls for quite some time. There was a precedent that illustrated that it was not necessarily the federal government's responsibility because a previous government had in fact standardised the western lines in Victoria off its own bat as part of a state responsibility.

We put the pressure on in this house. Minister Broad, who was the Minister for Ports at the time, is recorded in *Hansard* — I congratulate her for this, she set the record straight — as saying, 'We will press on as Victorians regardless of whether there will be any federal contribution or not'. There have been a couple of times when the Treasurer, the Honourable John Brumby, came back and said yes, the feds should be involved. But it has been a pretty weak performance from the government in that area.

It is also important to note that the concern is more than just a political one in this house. The municipalities along the Mildura railway line have formed an organisation called the Rail Alliance. It has kept the pressure on, and I believe it has done a very good job in representing its particular areas. I note there is another organisation that is concerned about it. A letter was addressed to my colleague Peter Walsh, the honourable member for Swan Hill in another place, containing an invitation to the formation of a proposed Ballarat/Mildura passenger and freight rail service

lobby group. The letter was written by Mr Mark Hogan, executive officer of the Grampians Pyrenees Regional Development Board. I shall read the first couple of paragraphs, which are self-explanatory:

I write on behalf of the Grampians Pyrenees Regional Development Board ... to formally invite you to attend a passenger rail stakeholder meeting in St Arnaud on Monday, April 19.

That was Monday of this week. Unfortunately neither of us could go because we were involved in other parliamentary issues. The letter continues:

The purpose of the meeting is to consider the possibility of forming a lobby group to highlight the strong support that exists for the return of passenger rail services between Ballarat and Mildura.

While the return of the service has been promised by the state government, a number of stakeholders including local government and regional development and business organisations have privately expressed concern that the service may be severely delayed or possibly not returned at all. As a result of this sentiment the Grampians Pyrenees Regional Development Board felt it was appropriate to be proactive in ensuring a strong voice exists to place pressure on the state government to provide adequate information about the status of the project and to ensure the service is ultimately returned.

The letter goes on in the same vein. It is a good letter that shows the concern of the communities up and down that line.

But then the government further engaged in the blame game. It then said it was all Freight Australia's fault. We could go on and on with that, but I think it is nonsense. The government is simply passing the buck on to Freight Australia. We in The Nationals have always been interested to know why, if that is the case, the other lines have been proceeded with. We could not work that out at all. So that buck passing and playing the blame game are of no consequence.

The Nationals have concluded that the reason the Mildura line has not gone ahead has been the combination of a couple of things: the government did not want to do it, did not have the money and did not have the desire. We thought perhaps the present government was having a bit of difficulty getting on with private enterprise, as has been mentioned in this house during this debate. The cabinet came to Mildura and had a reception in the art gallery. The Premier clearly said, 'The passenger train will be back in 2004'. He said it quite clearly; we all heard it. Based on the letter that I just quoted and other representations that have come to us we are getting to the stage where we cannot hold our breath, because it is likely it will not happen. But the Premier says it will happen.

The Independent member for Mildura in another place, Russell Savage, was elected on that promise. He put the government in and was elected on that promise. Let us not miss that point. So it is a double whammy, isn't it, that in fact we have an election promise that may well be broken by the government and broken by Mr Savage as well. I have noticed over the past few months that Mr Savage and his colleague from East Gippsland have suddenly been having a bit of a go at the government, probably wanting to get out from under it. They are sniffing the wind — —

Mr Pullen — True Independents!

Hon. B. W. BISHOP — I thank Mr Pullen very much for that interjection; I appreciate it. They are apologists for the Labor government — let us get that absolutely clear. That is quite well documented, and let us not make any mistake about that. But I have noticed that their survival instincts are quite strong, and now they are in fact having a bit of a snipe at the government. They should have done that a long, long time ago, because they put the government in, and the Mildura railway line was one of the promises.

Let us sum up a bit on the rail stuff. I have a copy of the *Weekly Times* that contains a really good map of the rail lines and the times they were going to be finished based on the government's announcement some years ago. These completion times were: the Mildura line, 2002; the Ouyen–Pinnaroo line, 2002; and the Kulwin and Robinvale lines, 2004. The story goes on. Not one spike has been driven in for any of those projects.

We in The Nationals have always said that standardisation is important, but so are the upgrades. In fact to the people of regional and rural Victoria the upgrades could be worth \$4 to \$6 a tonne in savings in rail freight. There is no doubt that the government's tardiness in moving towards standardisation has encouraged some industries to move interstate, and that is certainly so with some of the mineral sands industry. We have lost some of that business. That saddens me greatly, because I believe that if the line had been standardised and upgraded those organisations would have stayed in Victoria and we would have picked up the transport and port business from that expanding industry.

Wouldn't it be great if that line were upgraded? We could have a 24-hour turnaround. We could do a train a day with containers using the one locomotive dropping off the loaded ones and taking the empty ones back. It would be a magnificent process to have in place to increase the efficiency and capacity in that area. But what we in The Nationals see now is that the

government has an opportunity. Here comes the policy line. The proposed sale of Freight Australia to Pacific National gives the government a great opportunity to regain control of the rail track network in Victoria.

Mr Lenders — Which the Kennett government sold off!

Hon. B. W. BISHOP — I thank the Minister for Finance very much for his interjection. I am delighted that he interjected; I am very pleased that he has given me the lead-in. Parliament has had two or three goes at legislating for the access regime. We have tried to get it to work properly, but it is still cumbersome. In fact The Nationals believe it is unworkable.

In fact at the last election we made it clear in our policies that the government should take back control of the rail tracks. In today's *Weekly Times* we have an article from the Leader of The Nationals, Peter Ryan. In one of the paragraphs — let's nail it in the house — we say:

We accept that this element of privatisation of the freight system has not worked and the buyback of the lease was our policy leading into the 2002 election.

So there you are; that is where that sits. We do not withdraw from that in any way whatsoever, because the majority of our time in this place is spent amending processes that we believed were right at the time. That is what this house does, and that is why this house is a good place and why Parliament is a good place. We believe that over time this arrangement did not work out, but Mr Lenders should note that we have been big enough to say that and we have got it in our policy. Rather than sniping — we are not going to do that — we have been up front and said we want to fix it, we are interested in outcomes and we believe the government has the opportunity because of this proposed sale of Freight Australia to Pacific National.

We have had discussions with government people over this issue, and tomorrow we will be discussing the issue with Pacific National as well. We do not know a lot about the contractual arrangements, but we understand the contract needs to be reassigned. We do not know whether it can be reassigned to the government or whether it has to be reassigned to another purchaser or what conditions on the contract are. We are sure it is complex, but we are not sure of the conditions. We would of course invite the government to share some details with us if it is prepared to support us in our policy of the government taking back control of the Victorian rail track system. We think it is a great opportunity for the government because of the access process that we have had difficulty with ever since it

was put in place — if I might tighten that up a bit, we have had that difficulty particularly since 1999.

Most of the customers and the freight forwarders especially have had problems with the Freight Australia lease during that regime. Their view is that the tracks need to go back to government hands to ensure access to competition. In fact the freight forwarders around Victoria recently formed an organisation to represent their interests. They call it the Victorian Intermodal Freight Group, and I think it is a good idea to ensure they are represented. As I have said, we have laid our cards on the table, particularly in the article in the *Weekly Times* today. If I might quote from some of that article, which I think puts our position quite clearly. We are saying:

Before the sale to Pacific National can go ahead, we believe the track must revert to government ownership. This will ensure fair and open access to the network for all and will prevent the establishment of a monopoly operator on the east coast of Australia.

The government can then put revenue from track access charges towards the upgrades that are necessary — and the long-promised standardisation of key lines that will lead to better access to ports, particularly for emerging commodities such as mineral sands.

We are concerned about the potential loss of services and, even worse, the closure of some lines if the sale goes ahead without the government gaining control of the track.

There is substantial disquiet in the Victorian transport industry, both road operators and multimodal freight forwarders, that Pacific National — or any other potential purchaser — may simply 'cherry pick' and ignore the sectors that, while being hugely important to regional Victoria, may not meet their profit-making criteria.

There is also concern that Pacific National may use its power as a dominant player in road, rail and the ports to create a barrier to those wishing to operate their own businesses using a rail system.

We must have strong competition on rail lines to ensure that the growing freight load, expected to double by 2020, is kept off our roads.

It is important that our regional freight forwarders, who use rail to maximum efficiency by accumulating and storing products under world-class conditions, are allowed to flourish.

We do not want them shut out of the market over time through either monopoly pricing, lack of access to wagons or simply lack of access to a rail service.

This would have a detrimental effect on regional Victoria's capacity to grow into the future.

The Nationals are calling on the Victorian government to use the opportunity now presenting itself to re-establish government ownership and control of the track network.

We also believe a full investigation by the ACCC in relation to Pacific National owning and controlling the logistics chain is essential to ensure users of the service, the regional freight forwarders and consumers are not disadvantaged in this environment.

That is in the *Weekly Times* this morning. To finish that up with the two last points covered in the article, we believe Victorians can look forward to a better, more efficient rail network and can end the blame game on rail upgrades, standardisation and the return of passenger services. There is no doubt that many of the commentators in the transport area are quite clear that rail needs a lot of upgrading. I have insufficient time to speak on it this morning, but members can get any amount of documentation from commentators who say that rail has fallen behind road over the years due to various governments' policy decisions and that it needs an injection of capital and a lot of policy decisions to ensure it gets up to the right standard. Therefore we are being quite positive and saying to the government, 'Here is a policy issue. We invite you to share with us our policy position in relation to this area'.

The next issue I would like to go to quickly is the ports. I think our ports have done a jolly good job. I am talking mainly of the larger ports — that is, Melbourne, Geelong, Portland and Hastings — but particularly the port of Melbourne. I note in its report that it says it is Australia's largest container port and the first Australian port to break through the 1.5 TEU (20-foot equivalent units) barrier. This is a significant milestone and a great result. We have watched the port of Melbourne grow over time, and we think it has done a great job, as have the other ports around Victoria.

The issue discussed today in relation to infrastructure is the deepening of the channel, which is going to be more and more essential if our ports, not only Melbourne but also Geelong, are going to continue to grow. The Nationals strongly support the deepening of the channel. We see it as an absolutely essential infrastructure program. We do not believe we can reach the set target of \$12 billion of food exports by 2010, unless the ship size is responded to in relation to the channel and the method of getting those vessels into Melbourne and Geelong.

There is no doubt we are moving to bigger vessels. In my time at the Australian Wheat Board there was no doubt that 35 000 tonnes — they used to call it, Mr Pullen, a handy-sized vessel — was the go. Obviously some of that was because the international receivers' ports could not take the larger vessels as well. All that has changed — there are transshipment areas now — and certainly larger vessels are the way to

go. There is no doubt that the deepening of the channel must be a high priority infrastructure project.

The last quote I heard — and they range between \$400 million and \$450 million — is certainly a lot of money, no-one disputes that. It is essential that it is done to get products in and out of this country. We are well aware that the environment effects statement is supposed to be released in the middle of this year and will be on display for some time. We suspect the report may well be controversial. Probably the most controversial part will regard the heads, but we would urge that all Victorians take a practical view to ensure that our trade capacities are maintained into the future.

I will quickly finish with one other issue — water. There are some good water infrastructure projects around Victoria which have been great successes. The biggest success has been the northern Mallee pipeline. The cost was shared by the federal and state governments and the users of the water. It has saved 45 000 megalitres of water. It used to take 50 000 megalitres to service that area. Drought managers have said that without the pipeline they would have been in real trouble. We have been able to hold stock and it certainly helped with our recovery from the drought.

There is no doubt there are plenty of other water projects around. One that I would commend to the government is the water infrastructure upgrades in the Mildura area; that is the Sunraysia Rural Water Authority which covers Robinvale, Red Cliffs and Merbein. The First Mildura Irrigation Trust was the first irrigation organisation that came to Mildura; in fact it started the irrigation scheme in the Mildura area. Generally speaking, the infrastructure in these organisations is run down. That is no-one's fault — it has happened over a number of years and under a number of governments. Now there is a problem. People in the Robinvale area report to me that 40 per cent of their water costs is in maintenance. That cannot be sustained into the future.

There is a lot of money involved in upgrades, but other states have led the way. In South Australia the Central Irrigation Trust has received federal, state and consumer or irrigators' money — that is, 40 per cent from the federal government, 40 per cent from the state and 20 per cent from the irrigators. They have put a fantastic system in place; one board runs nine sections of separate irrigation areas. It works particularly well; in fact the community has ended up owning it. I believe if the Victorian government has that sort of policy and moves forward in the irrigation infrastructure areas of

Sunraysia, we would see what is a vibrant area become much more vibrant in the future.

We have tried to put a very practical and constructive view forward in relation to policies of infrastructure that we would suggest to the government. We have enunciated them; we have not been frightened to come out and say publicly what we think should be done. We would urge the government to pick up those projects for the benefit of all people in Victoria.

Hon. B. N. ATKINSON (Koonung) — Yesterday the government released its economic statement. It was a fairly extensive grab bag of initiatives, but nonetheless a range of initiatives that would broadly have the support of the Liberal opposition. Many of them were initiatives that we have pressed for in policy and in this place as we have pursued government administration of policies on some of the issues that have been facing Victorian businesses in particular over the past four years.

The best spin that could be realistically put on the statement is that everyone is hopeful that the government is serious about it and actually does try to implement some of the initiatives that it has outlined. I note the headlines of today's press. I also note that the electronic media yesterday, despite having ample time, treated the economic statement with some cynicism, reflected by the fact that it was not one of the major news stories on the night. Some of the comments of industry groups that have been referred to in this debate certainly are hopeful and supportive of the programs, as indeed the opposition is in terms of the broad scope of many of the initiatives. There is a very real cynicism or scepticism about whether or not the government is really going to achieve them, whether or not this is simply another chapter in the government's public relations program — a program that we have seen all too often.

I have lost count of the number of times the Spencer Street railway station project has been announced, and yet this project is still far from completion. I note that there are some significant construction works on the site now, but the project, as the Honourable Andrea Coote said in her contribution to this debate, has been substantially scaled back. Interestingly enough, in that, too, the government remarkably is quiet or shy of providing financial details of what the state's liability might be following very drastic revisions to the Spencer Street project. Indeed, a major residential tower that was part of the original tender has now been deleted completely. I cannot help but think that there are economic consequences for that. I find it hard to believe that a developer who might have costed profit and

certainly the construction costs and so forth of that project with such a building element included in it would not be looking for some compensation given that there has been such a significant change.

As I have indicated, many of the provisions in this economic statement are things that the Liberals themselves have advocated very strongly for quite some time. I include in those such things as the plenary hall, improvements to the planning approvals process — a lamentable exercise at the moment under this government's administration — a boost to exports and cuts to land tax, payroll tax and WorkCover premiums. The government has been trumpeting on today and yesterday about how wonderfully it has done in this area, and yet it has been in office for four years. It has had a record tax slug, and it is still not paying most of these tax concessions back for quite some years. It is something like a five-year package in terms of the tax concessions.

Less red tape is another thing that obviously we have been advocating very strongly as indeed we have been advocating intervention powers on industrial disputes, the expansion of the food industry, further support for provincial centres and the underpinning of Victoria's economic development by ensuring that we have optimum port facilities available to support our export industries and those industries that bring goods into Victoria.

The issue with this economic statement, though, as I have indicated, is very much the fact that the devil is in the detail. There is significant scepticism in the media, the business community and indeed the broader Victorian community that the initiatives outlined in the economic statement will simply not be implemented and that they are simply part of the PR puffery and not really areas of genuine commitment by the government. Indeed even with those areas of genuine commitment by the government, there is a very significant concern in the business community in particular that those commitments will be undermined by other actions or policies of the government. I refer particularly to areas such as industrial relations.

There are question marks about this government's ability to implement anything when it comes to major projects because, as members on this side have indicated in the debate, no projects have been completed at this stage by this government with the possible exception of the Hallam bypass, and that project was delivered in a form that was quite different to what had been proposed. It is an inadequate piece of infrastructure in that it has been built as a two-lane road where it ought to have been a three-lane road in each

direction. There will come a time when that will be a throttle on traffic, and it will be undermined as a piece of road into the future. It will need to be addressed if the people of Gippsland and the rapidly developing south-east growth corridor are to get the full benefit. But that problem apart, nothing has been completed. We have heard about the train. Federation Square is still doddering on with certain aspects uncompleted despite the fact that that was a project that was substantially advanced at the time the Kennett government lost office in 1999.

I am also concerned, as I have indicated, that many of the tax concessions in this package will never be realised by a number of businesses, especially small businesses, because they will have closed their doors long before the concessions come into effect. We have heard from Mr Viney about building value, employment levels and other economic indicators that have been positive for this government. The statement as far as it goes is true, but really that reflects very strongly on both the federal government's economic management and the former Kennett government, because there are lead times involved in many of these projects. I accept that members opposite might say there is a bit of a contradiction between claiming that and then claiming that they have not completed any projects. But the fact is that many of the projects that have not been completed by this government were projects that were already in train. The fact is that the lead time on those projects was accomplished, or at least started, by the previous government.

In terms of some of the robust figures we have experienced in Victoria under this government, many of them were the result of a confidence in Victoria — in its vibrancy and economic strength — that followed the Kennett government's initiatives, and indeed the assurances by Bracks and Brumby in particular, as Premier and Treasurer, that the state would continue to provide a supportive environment for business investment and growth. Yet we have seen a government that has been very high taxing. In fact it spends \$3 billion more now than it did in 1999, which is a very significant increase in budget terms. We have seen a government that has implemented many industrial relations changes or has been supportive of the industrial relations agenda of the union movement to the adverse consequences of business, particularly small businesses, in this state.

We have also, and perhaps even more importantly, seen the repudiation of a number of important contracts. Things like Seal Rocks are issues that the government always hoped would go away. They saw it as an unfortunate humbug or a pothole on the road of

government. They thought the Scoresby freeway decision would disappear in a matter of weeks and that tearing up a contract as it did would not have a major impact on the government. It does not believe the difficulties with tenders at the Docklands studio is really a big problem. It believes Saizeriya is simply one company that has made a decision not to proceed with seven plants. That is unfortunate. Everybody recognises that it is unfortunate that that investment has not reached the extent that was expected and was trumpeted by the government in its early press releases. I notice the government has resiled from that position now and has said, 'No, we only ever had a commitment for one plant'.

It sees each of these decisions as compartmentalised decisions that are only of consequence in their own right and do not have an impact elsewhere. But the more thoughtful members of the government will recognise that what is crucial to business investment and confidence in this state is a consistency of policy, competence and credibility. There is a real concern in the business community, especially amongst foreign investors, about investing in Victoria because of the state of industrial relations in Victoria and also because of episodes like the Scoresby freeway and the renegeing on that contract by this state government, the Seal Rocks fiasco, the Docklands studio fiasco, and certainly the Saizeriya experience. Saizeriya is a case in point. When you go back to the boardrooms of Japan, companies right throughout Japan are aware of the experience of Saizeriya. It is not simply that the company has pulled out its investment; it is a whole range of directors in companies right across Japan who, when they are looking at investment options in the future — and Victoria is one of the options on their papers — will say, 'Wait a minute. We don't want to get caught in the same sort of bind as Saizeriya. We don't want to lose face the way they did with their investment experience in Victoria', and we will lose investment opportunities as a result.

Indeed major companies like Orica have already said they will never again build in Victoria. Woolworths had to be given, as I understand, a \$7 million grant or financial support package to encourage it to build a new warehouse in Wodonga rather than across the border in New South Wales after its disastrous experience in Broadmeadows.

The synchrotron cannot attract private investment. Why can it not attract private investment, because I agree with the statement that was made by Mr Viney that it is quite a significant project? It is an important project, because Victoria has a very good biomedical industry and some very innovative and effective science

companies. But they are not prepared to put their money into this project, because they cannot be confident that the government will not rewrite or tear up the contract and walk away from it into the future.

Why can they not have that confidence? Because of what the government did at Seal Rocks. Everybody says, 'No that was different, that was just this piddly little place down on Phillip Island'. But it was a very significant development; it had private sector investment, and it had a contract. However, this government tore it up. This government has torn up the contract it had with the federal government on the Scoresby freeway. Mr Viney seemed to misunderstand all of the figures. He tried to rope in the Eastern Freeway as part of that contract. It was never there. What was put there by the Minister for Transport, Mr Batchelor, but conveniently forgotten by Mr Viney, is a clause — it was put there by the minister — and I re-emphasise: no tolls on this project. The minister insisted that condition be made a part of that contract and yet the government has tried to tear up the contract and walk away from it.

To this day the federal government has \$445 million in its budget; not the \$200 million or thereabouts that Mr Viney mentioned in his speech when he inaccurately quoted figures for the convenience of his argument. The federal government still has that money in its budget today and it is prepared to go to 50 per cent on the project as outlined in that memorandum which was for the Scoresby freeway project; not some trumped-up Mitcham–Frankston freeway project that the government has entered into again as a bit of public relations puffery to avoid the fact that it has not completed the Eastern Freeway, which was an election commitment from 1999. We need to get the facts straight on that.

This government needs to recognise that if it is to have credibility; if it is to achieve the initiatives outlined in its economic statement, then it must look at things across the board. It must look at areas such as industrial relations; the credibility of contracts; and the integrity of tenders for projects in this state, to make sure that businesses can invest with confidence. At this point in time businesses do not have that confidence. Whilst they have welcomed this statement and see the initiatives as a positive step forward, the word I revisit at the end of this speech is 'hopeful'. Businesses are hopeful that the government is fair dinkum about this economic statement and that it will meet the initiatives outlined in it. They are hopeful that this statement is not simply another example of the gloss, the smoke-and-mirrors approach of the Bracks government as it tries to maintain its popularity without actually

addressing the fundamental issues that are important in terms of driving this state forward.

Mr PULLEN (Higinbotham) — I am surprised that this motion has been moved today by the opposition. It is a silly motion because we had a wonderful document released yesterday and opposition members should have redirected their ideas on what they wanted to do. The motion says:

That this house condemns the government's mismanagement of major infrastructure projects throughout Victoria which has resulted in a growing lack of confidence in the business community in relation to doing business and construction in Victoria.

I am surprised that The Nationals have supported this motion because Liberal Party members get up every day and see how negative they can be towards the state. They also continue to put the Liberal Party first and Victoria second. That approach has once again been demonstrated in the motion that has been moved today. They remind me a bit of a punch-drunk fighter who keeps on getting knocked out and is silly enough to keep on getting up, only to get knocked out again. That is exactly what is happening in this particular motion.

I remind the opposition that the first term of the Bracks government was about restoring services that were absolutely smashed by the Liberal–National coalition government. We had a situation where our health, education, community services and so on were destroyed by the opposition parties. It was essential that we came to power and restored the services in those sectors as a first step.

Not everything the Kennett government did was bad — and I am the first to give some credit where it is due. It did build the CityLink tollway and the Melbourne Exhibition and Convention Centre. But once again it stuffed up these major projects. How did it stuff them up? Quite clearly it did that by imposing tolls on roads that lead onto or were part of the CityLink tollway. That was absolutely unfair. As I mentioned earlier, the opposition built the Melbourne Exhibition and Convention Centre, but it is known as Jeff's Shed because it is so small that the Bracks government now has to look at building a new convention centre — I will touch on that later.

As I have already pointed out, in the initial period of our government we were restoring services. I want to run through a couple of things that the Bracks government did in its first 12 months. We doubled capital spending on Victorian schools, hospitals, transport and community facilities compared to the previous government. If you do not believe that you can

read it in today's *Age*. We have completed major projects, including the Australian Centre for Contemporary Art, the Collins Street bridge extension and the \$165 million Hallam bypass, which opened 17 months early and \$10 million under budget. We have continued the construction of the fast rail to regional Victoria, and the Spencer Street station redevelopment. We have approved plans for new major projects, including the synchrotron — which I will touch on in a moment — and the redevelopment of the showgrounds and the Royal Women's Hospital. Some of the other things we have been able to do include the \$168 million redevelopment of the National Gallery of Victoria. This was the largest redevelopment program for any cultural institution in Australia; and this project was completed on time and on budget.

I should also mention the Commonwealth Games project. The Commonwealth Games development, including the games village and the Melbourne Sports and Aquatic Centre, will be completed in time for the Commonwealth Games. The government has committed to creating — and this is very important for the green movement — a greener and sustainable athletics village. Six-star energy-efficient houses will be built, as well as 5-star apartments; well above the standard expected for comparable developments. It should also be remembered that a lot of this development will be used for public housing when the games are over. Another achievement of this government has been the redevelopment of the Melbourne Cricket Ground, and I have touched many times on how we got duded by the federal government on that project.

Work on the \$206 million Australian synchrotron, the most important scientific infrastructure project in Australia in decades, is on time and on budget. Construction is powering ahead, and major components are in place.

Then there is the VicUrban, or Docklands, situation. VicUrban is responsible for the \$8 billion Docklands project, which is the largest construction project in Australia and a large urban renewal project by world standards. The project is for 20 000 residents, 25 000 office workers and an average of 55 000 visitors a day and is on a 200-hectare former port site which is now disused in the inner city. It is an example of sustainable urban development with excellence in design. The development of Docklands continues to progress ahead of schedule.

I now want to touch a little bit on the economic statement, *Victoria — Leading the Way*, which was released yesterday. But before I do I want to speak

about the MPs in business program run by the Victorian Employers Chamber of Commerce and Industry (VECCI), which I participated in on 25 February. I was pleased to spend a day at the Hyatt Hotel on Collins Street. I want to place on record my appreciation of the Hyatt Hotel, particularly the general manager, Michel Koopman, for the way the day was conducted. I know a little bit about this industry, because in the past I have been involved in running an entertainment centre. While I was there Mr Koopman raised three major issues with me: WorkCover, land tax and a convention centre. I wrote to the Premier outlining Mr Koopman's points, and while I do not take all the credit for the good things that came out of yesterday's economic statement — but I will take some of it — it shows the Bracks government is once again listening and acting. It is very important to remember that.

We have seen a cut in WorkCover premiums of 10 per cent, or \$180 million a year, which brings the average premium to 1.99 per cent, the second-lowest in Australia. The lowest is in Queensland, but clearly the benefits under our WorkCover are far superior to those in Queensland.

The other thing I mention in my letter is land tax. The reforms will deliver relief for land tax payers totalling more than \$1 billion over the next five years through a \$25 000 increase in the tax-free threshold, taking the threshold from \$150 000 to \$175 000 and removing approximately 24 000 Victorians from the land tax net. There will be a reduction in the top land tax rate, reducing the current rate from 5 per cent to 3.5 per cent by 2006–07 and to 3 per cent by 2008–09. There will be an upward adjustment over two years to the land tax brackets between \$675 000 and \$1 080 000. These reforms will mean that of approximately 160 000 Victorians currently paying land tax, around 24 000 of them will no longer pay and an additional 21 000 will receive land tax relief. More than one in four will benefit from that.

We have already heard what the chief executive officer of VECCI said, but I want to add a couple of points made in today's *Australian Financial Review*. It states:

'The land tax reductions are very welcome', said the chief economist with the Victorian Employers Chamber of Commerce and Industry, Chris James. 'The timing of the statement is crucial. It comes just days after the NSW government increased its taxes. There is a real opportunity to pick up some of the investment that might have gone to NSW, especially in the property and financial services sectors.'

The Property Council of Australia's NSW executive director, Ken Morrison, said the contrast between the recent NSW mini-budget and Victoria's land tax cuts could not be more

stark. 'Victoria is cutting its taxes to create a more competitive business environment and provide benefits for investors and self-funded retirees. In NSW, the government is taxing business and families out of the state.'

I think it is important to point out that economic performance in Victoria has grown more than in New South Wales and South Australia combined in the last 12 months, and that is despite dairy exports being hit by the drought. Neil Coulson, the VECCI chief executive officer, is quoted in today's *Age* as saying:

This package will go a long way to serving business interests into the future ...

I will now turn to the convention centre. I return to the letter I sent to the Premier outlining some of my discussions with Mr Koopman. I mentioned that I talked about WorkCover and land tax with him. One of the other things that was brought up was that the plenary capacity of Melbourne has slumped from being one of the largest to now being smaller than that of all mainland capital cities and also the Gold Coast and the Cairns centre. I have also heard that Australia is losing a lot of businesses because people are going to places like Indonesia. Melbourne, despite its under-utilised hotel infrastructure, cannot provide permanent plenary facilities for more than 1500-person conventions. I was surprised to learn that the occupancy rate is about 87 per cent in Melbourne on any night. That is very good. It was also discussed that a new facility should be integrated with the existing exhibition centre, with its physically separated facilities, rather than being the only centre in the region. In the opinion of Mr Koopman a new facility will generate more than 2500 ongoing jobs and more than \$5 billion in economic benefits to Victoria over the life of the project, which will include at least \$250 million of benefits to regional Victoria. It will be a major fillip for Victoria's construction industry, and it will encourage business investment, increase Melbourne's business profile, strengthen business links and provide opportunities to further grow the knowledge economy. I sent those points to the Premier, and I was pleased to listen yesterday to the Premier saying that a 5000-seat convention centre will be the centrepiece for the redevelopment of Southbank. A media release states:

Unveiling the plan as part of the major statement *Victoria — Leading the Way*, Mr Bracks said the Melbourne Convention Centre would be Australia's largest.

'This new facility, to be opened in 2008, will make Melbourne the destination of choice in the global conference market,' Mr Bracks said —

that is very important —

'It will bring major economic benefits to Victoria, including an estimated increase in gross state product of \$197 million per year and 1000 jobs during the construction phase.

Then, of course, the Treasurer said that the project formed part of the Bracks government's significant infrastructure investment agenda which will see \$10 billion spent on infrastructure over the next four years. The Minister for Tourism said that tourism contributed \$10 billion annually to the state's economy and the project would boost Victoria's status as a world-class destination. The new convention centre will ensure tourism remains a major driver of growth in Victoria, and the Bracks government's efforts to increase Victoria's share of international and national tourism are already working, because Victoria's market share of all international visitors to Australia in 2003 was a massive 28.1 per cent, and our share of international business visitors — and I emphasise business visitors — was a strong 32 per cent. The new centre will further strengthen our position as the thinking capital, attracting world leaders in the areas of science, technology, engineering, medicine and law, and of course we will continue to be the world's most livable city.

These government initiatives clearly follow on from what has already been done for business. I just want to refer to them in the little time I have left. We have cut payroll tax since we came to office; duty on non-residential leases has been abolished; financial institutions duty has been abolished; duty on unquoted marketable securities has been abolished; duty on quoted marketable securities has been abolished; duty on mortgages will be abolished from 1 July 2004; and the debits tax will be abolished from 1 July 2005.

I think we should create history in this Parliament today by the opposition voting against this silly motion.

Hon. A. P. OLEXANDER (Silvan) — I am delighted to have the opportunity of contributing to debate on and supporting what is a very important motion moved by the Deputy Leader of the Opposition, the motion that this house condemns the Bracks government's mismanagement of major infrastructure projects throughout the state resulting in a growing lack of confidence which is becoming evident in the business community in relation to doing business, investing and constructing in Victoria.

I shall contribute to this debate in the context of the arts in Victoria and major arts projects. Victoria's position as the cultural capital of Australia, an historical position of which we have been proud for many years, attracts significant business investment to the state. As Sydney, our key rival, vies to become the cultural capital of

Australia Victoria continues to decline, and a large part of that decline is based on problems arising with our arts infrastructure under this government. This decline has been overseen by the current arts minister and affects our ability to attract new investment into this state. The failure of the Bracks Labor government to manage very important major arts projects is the worst of all, because it decreases our investment potential and consumer confidence, and it highlights that the Labor government in Victoria cannot manage big projects and finances and does not have the vision or commitment required to take this state forward as it should, particularly in the area of the arts.

I shall initially refer to the Yarra precinct arts integration project which was to provide two new world-class arts facilities to the state, the Dame Elisabeth Murdoch recital hall and a new 500-seat home for the Melbourne Theatre Company (MTC) — important initiatives that are badly needed in our arts infrastructure in this state. I am particularly concerned at the lack of progress on this important project, and I share that concern with people in the arts sector and with investors generally.

This project was announced by the government in the 2002 state budget, and now, in 2004, we are yet to see any progress on the theatre. There has been a deafening silence from the government about what exactly is happening with the project. There are concerns as to whether this project was initially underfunded and there is growing evidence coming from the Department of Infrastructure that it was undercosted. Now there is a financial shortfall which the Bracks government is struggling to meet, and that is why we are not hearing anything about the progress of the Yarra precinct arts integration project.

There is also concern in the arts sector that the \$18 million Crown Casino committed towards the project as part of its deal with the state government has been reallocated by the Department of Treasury and Finance to other projects or to other consolidated revenue applications and has been taken away from the arts community and from the portfolio of moneys which were to be used by the government to fund these important infrastructure changes. Where is that \$18 million, and what is the situation with the undercosting by the Department of Infrastructure of that project? Is there a gap? We have not been told. The current arts minister has been deafening in her silence on this, as has Treasurer Brumby. The net result is that the project is on indefinite hold, to the great frustration of the arts community in Victoria and of performers, tourists and investors.

The MTC urgently requires the theatre to be built; so does the Victorian community. The MTC is unable at this stage, because of the delay in the project, to issue general tickets and have a cap on its subscriptions due to its limited season capacity at the Fairfax. That is a huge concern, because it puts enormous financial pressure on the Melbourne Theatre Company and means that many Victorians are unable to experience the brilliant theatre produced by it. It also shows up in stark relief what has happened vis-a-vis theatre in Melbourne and theatre in Sydney — Sydney has overtaken Victoria in the length of its season, the variety of its productions and the tourism that it attracts to the state because Sydney has a greater range of venues. We are playing catch-up in Victoria because of the mismanagement and bungling of infrastructure projects by this government.

The current arts minister has been deafening in her silence since it was announced, which is totally unlike her, because she tends to announce and reannounce her projects — but on this occasion, nothing. The opposition agrees with the industry concerns about the project and its critical importance and wants the government to come clean to the community and the arts sector in particular and explain exactly what is going on.

The minister in her budget media release of 7 May 2002 said:

We have resolved longstanding concerns about the need for dedicated facilities for chamber music and the Melbourne Theatre Company, providing \$54 million over five years.

This significant investment consolidates the Yarra arts precinct and completes Australia's most exciting arts and entertainment project.

As well as contributing to our tourism industry, it will showcase the work of Victorian artists and say to the rest of the world that this is a great place to live, work and do business.

If that had been the case, and if the issues had been resolved and the money available, then that certainly would be true, but it is not. The minister has not been able to deliver what she promised. The major projects web site says that:

... registrations of interest were called early in 2003 for key consultant services. The selection process is under way and it is expected that the architects, engineers, acousticians and cost planners will be appointed in the second half of 2003. The expected completion date of the project is 2007.

That has not happened. The government has since made a commitment to the completion of this project in its creative capacity policy, but interestingly no completion date has been published in that policy. We

have had clear commitments from the government on infrastructure which have not be met, and nobody in the government is prepared to explain to the people of Victoria why that is the case.

The Docklands film studios are another example of Bracks Labor government financial mismanagement. We have a situation that has been variously described as the biggest white elephant in town. It sits there, it is empty and it is not utilised, despite claims to the contrary. It is a situation which is incredibly damaging to the film and television performance of Victoria in the context of Australia.

We have a very comprehensive market for film and television. Sydney and Brisbane have again overtaken Melbourne. We are no longer at the forefront of this important arts pursuit. It is an infrastructure issue; it comes down to bricks and mortar.

According to the tender documents, the local film industry in Victoria was to benefit significantly from this project. A series of events have shown the opposite. I quote what Mr Tim Barnett, the chief operating officer of Central City Studios, said, as reported in the *Age* of 26 March:

... they're not coming to talk to us for whatever reason.

Many productions have walked away or are not prepared to talk to us in Victoria. It is because they simply cannot afford to engage these studios.

There was also to be a foundation for film-makers and it is still months away from being set up. The foundation was supposed to provide about \$500 000 a year in local production subsidies, with an extra \$150 000 each year for education and training grants.

The commercial precinct is a disaster. Everybody in Victoria knows that internationally and interstate this government has destroyed what should have been a major infrastructure initiative for state. It is having severe consequences for our film and television performance.

This government is culpable. It is responsible for very important arts infrastructure projects and programs that have not been delivered. It is a serious indictment of this government that it continues to put its faith in a part-time Minister for the Arts who is completely uninterested and completely silent on the completion of these very important projects. The government should be condemned. It is costing us investment, it is costing us dollars and our arts community in Victoria is being severely hampered by the government's lack of action. The minister must act. I support the motion. It should

be carried by this chamber and I urge all members to also support the motion.

Ms CARBINES (Geelong) — I really welcome the opportunity afforded to the government by the opposition this morning to showcase our commitment to ensuring that the Victorian economy is not only innovative but is internationally competitive and, most importantly, serves all Victorians very well. We have worked to grow the whole of the state and restore the services and infrastructure that Victorians told us they care about: education, health and community safety. We have worked hard to protect our precious environment; and, although the opposition cannot bear to admit it, we have won the confidence and support of business in this state.

Rather than condemning us in the debate this morning, the opposition should be joining with media commentators and the various business leaders of our state in applauding Premier Bracks and Treasurer Brumby for yesterday's economic statement, *Victoria — Leading the Way*, and its 19 actions to cement Victoria as the no. 1 place to do business in our nation. Of course you would expect members of the government to laud this initiative, as we have heard this morning from my fellow government members in their contributions.

Let us have a look at some of the headlines. The front page of the *Age* today has: '20 000 jobs, \$1 billion tax cuts, vows Bracks'. On page 10 under the heading 'WorkCover' it states 'Bracks to cut premiums and lure foreign investment'. There is a fantastic editorial on page 16 headed 'Making sure Victoria is still the place to be' and stating:

The Bracks government's infrastructure plans are crucial to the state's economic future.

On page 10 under the heading 'Reaction' there is 'Business gets what it wanted', with a range of business leaders in this state applauding the Bracks government for its initiative in the economic statement yesterday. The chief executive of the Victorian Employers Chamber of Commerce and Industry (VECCI), Neil Coulson, is reported as saying:

... business had been given everything it asked for.

Tim Piper, from the Australian Industry Group, said:

... reductions in WorkCover premiums and land tax would create jobs.

He further said:

This government has shown that it is pro-business and this is a pro-business statement ...

Top that! On page 11, under the heading 'Chorus of approval for surprise tax cuts', there is an in-depth article about the ramifications of the announcement in relation to land tax. This issue has been raised with me many, many times as a member for Geelong Province since I was elected in 1999. It has certainly been an issue that has affected coastal caravan parks in my electorate. I was very pleased recently as part of the MPs in Business program run by VECCI to work at a caravan park in Geelong and also to discuss some of the issues surrounding land tax. It is very interesting to see how appreciative those caravan park owners are of the announcement yesterday in relation to land tax. In fact the *Geelong Advertiser* this morning, under the heading 'Premier cuts land tax and WorkCover' on page 6, reports:

Operator of Ocean Grove's Wynndean caravan park John Wynn, who was forced to close 100 sites because of land tax during the Kennett years, welcomed the announcement.

'They have not solved the problem, but they have certainly taken a number of steps in the right direction', Mr Wynn said.

Mr Wynn actually left a very appreciative message last night at my electorate office, thanking me for my involvement in delivering for him a welcome cut in his land tax. So we are certainly making sure that business is well looked after in this state.

I was rather galled this morning to listen to the Honourable Andrea Coote's ill-informed comments about Geelong. I suggest the Honourable Andrea Coote ought to get out of the city some time, come down the highway and spend some time with us in Geelong and she actually might open her eyes and see just what the Bracks government has done for Geelong. Just in case she is not prepared to make that journey — and it would not surprise me if she did not, because she is very city-centric, I would like to catalogue the achievements of the Bracks Labor government in Geelong so far. In fact there are too many to actually talk about this morning, but I will start.

We have built new schools in Geelong: Torquay Primary School, Lara Secondary College, the Ocean Grove campus of the Bellarine Secondary College and Leopold Primary School, providing not only excellent education facilities but also much-needed jobs for the construction industry in Geelong. We have upgraded too many schools to mention, but some of them are: Corio Community School, Belmont High School, Geelong South Primary School, Geelong High School, Geelong North High School, Ocean Road Primary School, Barwon Heads Primary School, Chilwell Primary School and the Gordon Institute of Technical and Further Education.

We saved the Grace McKellar Centre from privatisation. Members opposite wanted to sell off the Grace McKellar Centre. We have often heard the Honourable Andrea Coote talk about Grace McKellar. Her lot were going to privatise it, but the Geelong community said, 'No'.

Hon. Andrea Coote — Where's the \$50 million?

Ms CARBINES — We have already commenced the upgrade of Grace McKellar, so watch this space. We have built a new 24-hour police station at Ocean Grove. We are redeveloping Skilled Stadium, home of the Geelong Cats. We are building a new \$20 million facility for the Marine and Freshwater Resources Institute in Queenscliff. We have provided \$1 million to purchase the Arena, home of the Supercats in Geelong. We have redeveloped the Geelong railway station and we are building a new station at Grovedale. We have provided \$1.75 million to build a gas pipeline to the townships of Portarlington, Indented Head and St Leonards, a project that was totally ignored by the Kennett government. The infrastructure that has come as a result of that investment is enormous and I know that the residents of the Bellarine Peninsula are very appreciative of it. We have completed the track for the fast rail service between Geelong and Melbourne, which will reduce travel time to 45 minutes. We have revitalised, along with the City of Greater Geelong, the central activities area in Geelong, with a \$12 million boost.

We have made the economy in Geelong so buoyant that Qantas has announced that it is starting from the end of May or the beginning of June its new Jetstar venture at Avalon Airport. All the Geelong members of Parliament are very excited about this fantastic service.

Hon. B. N. Atkinson — That was nothing to do with you.

Ms CARBINES — Wasn't it, Mr Atkinson? These are just some of the numerous examples of how Geelong has benefited under the Bracks government.

But if all that does not convince the opposition parties that the motion before us today is just a joke, the most telling example of the Bracks government's foresight and vision and its commitment to infrastructure and to the people of Geelong is the Geelong ring road. Labor is the only party that went to the state election with the foresight and vision to announce a \$190 million commitment towards the Geelong ring road. Where was the opposition on that project? It was nowhere to be seen. It has not at any stage supported this project.

The project is so vital to the people of Geelong and our region that our five regional councils have joined together in a campaign to join with the state government to lobby the federal government to match the state government's commitment of \$190 million. In fact so disappointed are we in Geelong and in the south-west region in the Prime Minister that yesterday he was in our region again — for the second time in two weeks, which is pretty amazing, because since he was elected he has spent nearly no time in Corangamite, the federal seat in which I live — because he is so worried he is going to lose Corangamite and that Peter McMullin will be elected as the new Labor member for Corangamite. So he was back in town again yesterday, but the headline in today's *Geelong Advertiser* was 'PM passes buck on ring road plan — PM says no again'.

The opposition should join the state government and the people of Geelong, the Borough of Queenscliffe, the Surf Coast Shire, the Shire of Colac-Otway and the Golden Plains Shire to support its campaign. The opposition should be joining with G21 and the Committee for Geelong and lobbying the federal government to put some money where its mouth is and commit \$190 million for the Geelong ring road.

The opposition should not come in here with its sham motions. What the opposition came in here with this morning was a joke. Opposition members know — and they hate to admit it — that we are running this state very, very well, and they have been embarrassed by their contributions this morning. They were hopeless.

Hon. D. K. DRUM (North Western) — I join with the Liberal and National Party members of the house to support this motion, and in doing so I will talk about a few issues that affect country and regional Victoria. When I first came to Parliament I was made aware of the Regional Infrastructure Development Fund, which was set up by a previous government to spend \$180 million over three years. I looked at the ways in which that money was going to be spent and saw it was a very, very good fund.

The fact is that when the last election was about to be called, this government announced it would be cutting by 40 per cent that \$180 million Regional Infrastructure Development Fund by spending it over five years. I also found out that not only was it doing that, but when the deadline came for the first instalment of the \$180 million there was still \$47 million left in the kitty that it was unable to spend. Apart from having the fund slashed by 40 per cent — —

Hon. J. H. Eren interjected.

Hon. D. K. DRUM — No, it has not been able to identify enough needy programs, so it has \$47 million left in the kitty because it is incapable of allocating the money. But then the government changed the boundaries for where this money can be used by introducing the nine outer suburbs and calling them regional areas, therefore taking more money out of what was already a diminishing pool.

I listened upstairs to Mr Viney's contribution to this debate, and he was talking about policy. Where on earth are the policies? It is interesting to note that with the Regional Infrastructure Development Fund put forward by The Nationals we had a very good, strong policy that was costed to be financially sound as well as being able to produce the sort of sums that are actually going to get something done. The flagship of this Regional Infrastructure Development Fund policy put up by The Nationals was the \$150 million that needed to be spent on the extension of natural gas programs throughout Victoria. This government took that policy, cut it in half and then shared it amongst the outer suburbs. So instead of this money being spent on natural gas throughout country Victoria, it is simply being spent now on the outer fringes of Melbourne. That is what happened with natural gas. It does not give the communities throughout regional Victoria much of an opportunity to share in this diminishing pool of money, and the government needs to be held accountable for its promises made in the 2002 election.

I refer to *Building for Tomorrow — Labor's plan for Geelong and South West Victoria*, which was put out during the last election. I will quote the policy the Labor Party actually went to the election with in relation to natural gas in my area. The document says:

Labor will ensure that a range of communities in Bendigo and north-west Victoria will benefit from the Bracks government's \$70 million statewide program, funded from the Regional Infrastructure Development Fund, to extend the reticulation of natural gas to small communities in regional and rural Victoria.

It is saying that a whole range of communities within the Bendigo region will benefit from this \$70 million. That was in 2002. What has actually happened in the Bendigo area and in north-west Victoria? Absolutely nothing. Now we are being told by the Treasurer that that has absolutely nothing to do with the government and that this is now a battle to be fought between the respective councils and the gas companies. What Labor said in the election campaign has now been totally turned around and is no longer the case. We still have communities up in the Bendigo region in Huntly and Marong, in parts of Junortoun, Strathfield and Maiden Gully and in all of Heathcote without gas — and that is

just in the Bendigo region. North-west Victoria has been left alone by this government in relation to this vital and essential service. When is this government going to seriously consider doing what it takes to get natural gas to Swan Hill so that community can grow along with all the other regions throughout Victoria that have natural gas connected to them? It is certainly time to take a look at that and to call on the government to produce what it promised to produce when it went to the 2002 election.

The next issue I will talk about is the rail situation within northern Victoria, primarily the fast rail project, which is a very strong issue in the Bendigo region. When we talk about this issue we in the National Party continually congratulate the government on its initiative of spending money on a rail upgrade. Every time we speak about the fast rail project, we start by acknowledging that the government has had the foresight and the initiative to spend money on the rail infrastructure. What we are just as strong — if not stronger — on is that the government is not doing the upgrade in the best way possible. In fact it is doing a very poor job in spending this money as wisely as it possibly can. Some 150 years ago we made the mistake of putting three different gauge railways in our country. The government is currently ripping up one of the lines from Kyneton through to Bendigo as part of this fast rail upgrade, and by using only broad gauge sleepers that will last for another 70 to 100 years, it will mean that this line will never ever be standardised. This government is perpetuating a mistake that was made 150 years ago. It is saying, 'For as long as the city survives, you are never going to be on the national rail grid'. That decision will save the government in the vicinity of only \$1.3 million. For an additional \$1.3 million this government could be doing this program correctly. If it were doing this program correctly it would be in a position in 20, 30 or 40 years time to simply move the tracks over as the sleepers would be accommodating, and therefore at some stage down the track we would be able to standardise these tracks at a minimal cost. That is an area that the government needs to be held accountable for.

In relation to the ripping up of two tracks, numerous rail experts within the Bendigo and Mount Alexander regions have proven the benefits of keeping the two existing tracks. We are not asking the government to build dual tracks to Bendigo — they already exist. This government is simply ripping one of these tracks up because it does not want to have the responsibility of maintaining it into the future. It has come up with a half-poached idea of having some passing loops. Passing loops have been proven to have less ability to

carry frequent services, to be less reliable and to be less safe than dual lines.

Yet this government is continuing to push this. The people of the region are simply saying to the government, 'Listen to what we are saying and what we actually want. You are spending an enormous amount of money. Please spend it on rail upgrades in this area'. These people are simply not being listened to. We want the government to head down the track of listening to the people and specifically listening to the experts, because they feel as though they are being very much ignored.

One of the hottest topics in Bendigo at the moment is the Calder Highway duplication. If you ask what is the most important issue in Bendigo, the vast majority of people who live there will say it is the Calder Highway. I keep going back to the last election, because I think this government needs to be held accountable for what it said prior to getting into government and what it is doing now that it is in government. Prior to the last election the Premier came on local television in Bendigo and said to the people of Bendigo that Labor is the only party that will deliver the Calder Highway duplication and complete it by 2006. He said that in the full knowledge that there was no money forthcoming in the forward estimates of the federal budget. We have a letter that was sent to the Victorian Minister for Transport one month prior to the last election in October 2002. I will quote what this letter says:

On 14 May 2002 I wrote to you setting out the 2002–03 budgeted expenditure for Victoria under the National Highway and Roads of National Importance program and the forward works program for the next three years. You will be aware, therefore, that Victoria's program is fully committed at present and that Victoria will continue to receive a favourable share of federal roads funds over the next three years.

It clearly tells the Victorian state government that at that moment it was fully committed to its funding for Victoria. There will be no more new moneys forthcoming. With that categorical explanation of what was to come with the forthcoming budget, the Premier went along and said that the Labor government would finish the Calder Highway duplication by 2006. It took 10 days, after the election, for the Premier and the state government to link its own promises to the federal government funding, even though they knew there was no money coming. Local members were exasperated when, suddenly, there was nothing in the federal budget for the highway. It was quite astounding that they reacted that way when they knew that there was nothing in it. This Bracks government promised that it would get this job done in the knowledge that there was no money coming in from last year's federal budget.

The opposition expects the government to be honourable to its promises and finish the job that it said it would finish.

One other issue I would like to touch on is an interesting situation in relation to education in my area. I have heard Ms Carbines talking about primary schools, secondary schools and education. In Bendigo there is a new primary school on the books to be built in Kangaroo Flat. I went looking for it in the budget papers and tried to find out where it was and exactly how much money was going to be spent and when it was going to be spent. I had the feeling that it was already supposed to have been completed. The budget papers of last year indicated that \$3.5 million for the new Kangaroo Flat Primary School was going to be spent by 30 June this year. The final payment was going to be made on this school by 30 June this year which is in couple of months time. That sounds fine except that the school has not even been started yet! When I went looking for it, I could not find where it was as a future works. Then I found out why: the government thinks the school has already been built! In 2002 in *Building for Tomorrow* the government says that since 1999 it has delivered on key election promises — that it has built and replaced the Kangaroo Flat Primary School with funds totalling \$3.5 million. No wonder it has not been started — the government thinks it has already been built!

Three different situations have arisen. I have not spoken too much about standardised rail because my colleague Mr Bishop covered that most adequately, but we have three different situations that are occurring throughout Victoria, and there are three different ways in which this government is treating its promises. The first style it has is simply the Scoresby, where it says one thing prior to an election, then waits as little as three or four months after the election and simply breaks that promise. That is fine; that is how you can treat your promises, and we have all heard enough about Scoresby.

Standardised rail is another promise, and the government has adopted a different tack on it. It was a \$96 million promise. The government has announced this twice. Talk about spin! The government has announced and reannounced this one. It has taken the standardised rail promise to two elections and now it has arrived at what is called a frozen policy — in other words, it is not going to break the promise, but it is not going to actually do the job, it is just going to freeze the policy. So that is \$96 million frozen at the moment.

Then we have the Kangaroo Flat situation. The government announced and reannounced the money. It

acquired the land. It put up signs everywhere to say it was going to build the school, but it does nothing about it. It just keeps changing the date of the opening of the new school. Initially the sign said the new school would be opened in 2004. Then the sign was painted over to say it would be opened in late 2004. That sign was then painted over as well to say the school would be opened in 2005. Before the school can be opened in 2005 the government had better go out and find out how it is going to build it, because at the moment nothing is happening.

I really support this motion. I hope the people of Victoria wise up to what is happening to them. It is just not good enough for any government — and I mean all governments — to go to an election saying one thing and then simply not doing it. Irrespective of what side of politics you are on, it is simply not good enough for anybody to say something in election mode and then to break that promise once they are in government.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to make a contribution to this debate. The government has done a lot of positive things for Victoria. I have not heard much from the opposition recognising the good work the government has done. It not only made promises, it is delivering. You can see evidence of that on the front pages of today's *Herald Sun* and the *Age*, which talk about the things Premier Bracks plans to do for Victoria. I know there is not an easy answer for everything, but we try our best to deliver what we promise. The release of the *Victoria — Leading the Way* statement shows very clearly the government's plans and the actions it intends to take.

The government wants to look after the business community by making new cuts to direct business costs amounting to \$1.9 billion over the next five years. That is that not a small cut, it is a big cut. We want to attract investors and business to Victoria. The government encourages the Victorian community to take the opportunity to do more business, because it believes that by helping business it is helping to create more jobs and keep the economy healthier.

At the same time the government wants to build many projects to create jobs. It has set out a plan for driving \$10 billion of new investment in Victoria and creating 20 000 new jobs. It is a big task, and the government is looking at what opportunities can be used to attract more projects and also to make the community feel more comfortable. The government consulted the community. It knows what the community wants. People like to see that Victoria is the leading state in Australia. Also Melbourne is one of the best cities in the world, and that is very clearly recognised by

international businesspeople and the world leaders. We want to maintain that position. The government examined carefully where it will spend money, not because it wanted to get the votes by delivering on its promises, but to ensure that the expenditure is good for Victoria, its economy and the business community.

Highlights of the plan include a 10 per cent cut in average WorkCover premium rates worth \$180 million a year; funding commitments to a new vision for the port of Melbourne; the construction of a 5000-seat convention centre in Melbourne; new emergency powers legislation to deal with damaging industrial disputes; reforms to streamline planning processes; cutting business regulation and red tape; and measures to stimulate population and economic growth in provincial Victoria. That is good for country Victoria. I think the National Party should welcome that idea. Those are things that the government cares about in country Victoria.

The statement talks about many other things. The government details every project carefully. It makes sure the money gets to the people, the needs and the targets. I am sure all members of Parliament in this place will know what we try to do, especially in rural areas.

Recently we opened some projects like the redeveloped National Gallery of Victoria. The government spent \$168 million to upgrade the gallery. It is one of the largest programs in Australia. The project is welcome, and Melbourne can operate a world-class art gallery.

Many facilities and services will also be improved. For example, the Austin and Mercy redevelopment will improve women's health in Victoria. It will also create a lot of jobs and let the people know we do care. We spend the money to help improve health services and hospitals. At the same time the government has spent money to improve education and also to encourage investors to come to Melbourne.

The government is looking not only at the centre of Melbourne but also at places throughout Victoria. We make sure that people in the country have the opportunity to do their business. It also encourages people, especially the migrants, not only to come to Melbourne but also to go to the country and take the opportunity of the growth of Victoria.

The Docklands development is one of the best projects in Victoria. The government has worked very hard with the Docklands Authority in the last few years since it has been in office to make sure the project proceeds in a responsible way. There are 20 000 residents moving in

there and 20 000 office workers, and there is an average of 55 000 visitors to the area each day. That is a big project. If people thought negatively about Victoria and about our government that would not have got far.

The commitment of the Labor government shows that it cares for all sectors of the community and for the whole of Victoria. I ask for the people's support, and I would like to make them aware of what the Labor government does for Victoria. I will tell my community, especially the business community, about the launch of *Victoria — Leading the Way* and what the present government will do to help the community of Victoria.

Hon. ANDREA COOTE (Monash) — I particularly thank my colleagues Bruce Atkinson and Andrew Olexander for their contributions to the debate, and I place on the record my thanks to Gordon Rich-Phillips for having prepared a contribution, but because this was such a dynamic debate we ran out of time.

However, I would like to talk about Mr Viney's contribution particularly, pathetic as it was. Mr Viney attacked the Kennett government and talked about what the Bracks government is going to do. He cannot talk about what the Bracks government has actually done; it is indeed a government of spin and not of action. Mr Viney waved his arms around and said infrastructure spending by the Bracks government is up 73 per cent in comparison to the Kennett government, but these are promises, not delivery. Let us get the terminology absolutely explicit here. We have to go no further than the Australian Bureau of Statistics report, document no. 5220.0 on the state accounts. The bureau issues some comparisons. It says that state government capital expenditure in the last quarter of the Kennett government was \$1.6 billion but in the first year of the Bracks government expenditure declined by \$574.4 million. In the latest available figures actual expenditure was 26 per cent lower in real terms than in the last Kennett year. Mr Viney had better have a closer look at what actuality and reality mean, not just the spin.

I was very pleased to hear his long diatribe on the freeway. He continued to call it a freeway, but once again the government needs to understand that it is trying to implement a tollway. That is what this issue is about. Mr Viney continued to raise this issue and refer to it as a freeway. It is a tollway, and that is the problem. Until the government addresses that problem it is not going to get anywhere.

Ms Carbines spoke at length about Geelong. I travel to Geelong on a regular basis, and I have to say I can see

all the excellent work the Liberal government has done. The Bracks government is still full of spin about Geelong. It is very happy and ready to blame everybody.

Here are some other issues concerning what the Bracks government likes to promise but cannot deliver, and I would like to thank Mr Rich-Phillips for his information and research on these. In September 1999 the Bracks government promised to build a police station at Endeavour Hills; almost five years later it is not built. Mr Viney should take note. The Pakenham bypass was announced in October 2002; there has been no action; it is behind schedule. Mr Viney should take note. The Dandenong development was announced in March 2002, and there is still no action. The 5000-seat plenary hall that was announced yesterday was identified by the Liberal government over five years ago. It was part of our 1999 policy and — if you want to talk about policies — that was our policy. The \$400 million Commonwealth Games village that the Premier announced in October 2002 was to start in February 2003 according to the budget, but it actually started a whole year later, in February 2004. And the \$51 million Melbourne Sports and Aquatic Centre redevelopment was supposed to start in February 2003, but in fact its plans were only finalised in January 2004 and it has only just started. This is indeed a government that cannot deliver. It is full of promises and spin.

The Bracks government cannot actually talk about what it has done. It is unable to document what it has done, and it bodes ill for business investment in this state. Mr Viney was not able to convince us about who is going to pay for what was announced yesterday in *Victoria — Leading the Way*. Neither he nor any of the contributors to the debate from the Labor Party was able to say who was going to pay for the channel deepening. Who is going to pay for the plenary session hall? We know the government has done a deal with the City of Melbourne and is putting the pressure on it to pay up, but who is going to pay for the rest of it? It is sad for this state that the Labor Party believes its own spin. Labor members are the only ones who believe that Victoria is leading the way, and that is sad for the entire Victorian economy.

House divided on motion:

Ayes, 17

Atkinson, Mr (<i>Teller</i>)	Hall, Mr
Baxter, Mr	Koch, Mr
Bishop, Mr	Lovell, Ms
Bowden, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr

Drum, Mr
Forwood, Mr

Vogels, Mr (*Teller*)

Noes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Carbines, Ms	Mitchell, Mr
Darveniza, Ms (<i>Teller</i>)	Nguyen, Mr
Eren, Mr	Pullen, Mr
Hadden, Ms	Romanes, Ms
Hilton, Mr	Scheffer, Mr
Hirsh, Ms	Smith, Mr
Jennings, Mr	Somyurek, Mr (<i>Teller</i>)
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr

Pairs

Brideson, Mr	Buckingham, Ms
Davis, Mr P.	Theophanous, Mr

Motion negatived.

Sitting suspended 1.04 p.m. until 2.07 p.m.

DISTINGUISHED VISITORS

The PRESIDENT — Order! Before I call the first question I wish to acknowledge the President of the West Australian upper house, the Honourable John Cowdell, who is with us in the chamber today, and also a delegation from the people’s High Court of Guangxi Zhuang Autonomous Region, led by Mr Yang. I welcome them to our chamber today.

QUESTIONS WITHOUT NOTICE

Land tax: *Victoria — Leading the Way*

Hon. PHILIP DAVIS (Gippsland) — I direct a question without notice to the Minister for Small Business. I note the minister’s references in question time yesterday to the land tax changes in the so-called economic statement — that is, to raise the tax-free threshold 16.7 per cent at a time when many small businesses face increased land tax bills of up to 2000 per cent in just two years and while vacant land prices on which land tax is calculated have risen by an average of 75 per cent in metropolitan Melbourne and 50 per cent in country Victoria since 1999. Can the minister tell small businesses along the suburban shopping strips all over Victoria, whose properties are valued at between \$1.08 million and \$2.7 million and who are suffering huge increases in land tax impost now, why they will not be getting any land tax relief from these changes?

Hon. M. R. THOMSON (Minister for Small Business) — I thank the member for giving me an opportunity yet again to talk about the economic statement announced yesterday, *Victoria — Leading the Way*, and the question of the land tax cuts. As I informed members yesterday, we have doubled the tax-free threshold since we have been in government. It started at \$85 000 and it is now at \$175 000. We have done more to alleviate pressure on small business than the opposition did in its time of government. In relation to WorkCover, we have a sustainable WorkCover system that will see the lowering of the average WorkCover premium by 10 per cent.

On the issue of land tax, the opposition would do well to remember its record in relation to land tax. It did nothing during its term of government to alleviate land tax pressure on small business. What we will see from the land tax arrangements that this government has entered into is the threshold being lifted to \$175 000 — an increase of \$25 000. We will see the lowering of the higher end from 5 per cent down to 4 per cent on 1 July, going down to 3 per cent in 2007–08 — a great benefit to people throughout Victoria.

We heard from Ms Carbines today about the benefits for the people of Geelong from that arrangement and also the remedying of the situation in the middle bracket for small businesses that get hit with land tax bills.

Supplementary question

Hon. PHILIP DAVIS (Gippsland) — With nearly 2 minutes to go, I would have thought I would have got an answer to the question. As I did not get any answer to the question I asked, I will have to restate it, and I will do it very simply for the Minister for Small Business: when will small businesses with properties valued at between \$1.08 million and \$2.7 million receive land tax relief?

Mr Viney — On a point of order, President, this is supposed to be a supplementary question, but it is a restatement of the original question. I do not believe that it is in order.

Hon. PHILIP DAVIS — On the point of order, President, the honourable member will well know that supplementary questions can be asked of a minister when the minister makes some statements in relation to the original question. In this case I asked a question about land tax. I made the point that land tax bills have gone up by 2000 per cent and that I was seeking edification from the minister as to when there would be some relief for certain taxpayers. The minister gave a

partial answer, and as a consequence I have summarised the original question in a different form to seek further clarification on the minister's answer to the original question.

Hon. T. C. Theophanous — President, further on the point of order, the forms of the house are very clear on this: a supplementary question cannot simply be used to restate the original question. I was listening carefully to the Leader of the Opposition. In putting his supplementary question he used the words that he would ask the same question again. I put it to you, President, that if the member were of the view that the minister was in some way not answering the question in accordance with the standing orders, it was open to him during her response to his original question to take a point of order. It is not open to him to use a supplementary question simply to restate the original question.

Hon. PHILIP DAVIS — On the point of order, all I can say, President, is that the rules of the house provide quite clearly that members are entitled to seek further clarification on the response from a minister to a substantive question by way of a supplementary question. In terms of the supplementary question I put today, it was very straightforward in order to assist the minister to elucidate the original answer and to specifically respond in a way that is relevant and apposite to the question. The question was about land tax and land tax bills increasing by 2000 per cent.

Members of the government can put any case they like in relation to protecting the minister, who seems to be unable to respond to the original question. If the purpose of the point of order is to protect the minister — —

Honourable members interjecting.

The PRESIDENT — Order! The Leader of the Opposition is raising a point of order through the Chair.

Hon. PHILIP DAVIS — What I am seeking is to have the minister respond to the supplementary question, which is not, as has been asserted by the government, identical to the original question.

The PRESIDENT — Order! I remind honourable members that in rulings I have given in the house before, I have said that supplementary questions must be actually and accurately related to the original question and must relate to or arise from the minister's response. This point of order was raised because the Leader of the Opposition indicated in his opening remarks to his supplementary question that he would restate the question, which is not what a supplementary

question is about. The question that needs to be asked is: does the supplementary question fit the ruling that it be actually and accurately related to the original question but not be the original question.

I think the confusion arose because of the opening comments made by the Leader of the Opposition, and I suggest that all honourable members who raise supplementary questions do not use that phrase or we will end up in a point of order debate continuing for some considerable time.

To ensure that the Leader of the Opposition adheres to that ruling, I ask him to state his supplementary question again so that I can be sure that he is not repeating his original question.

Hon. PHILIP DAVIS — I will be delighted to re-ask the new supplementary question.

Honourable members interjecting.

The PRESIDENT — Order! The Leader of the Opposition's time is running out.

Honourable members interjecting.

The PRESIDENT — Order! During points of order the clock is stopped, but all honourable members know that the Leader of the Opposition has 1 minute to ask a supplementary question. He has 39 seconds left to re-state his supplementary question, and I suggest he be allowed to do it without interruption.

Hon. PHILIP DAVIS — When will small businesses with properties valued between \$1.08 million and \$2.7 million receive land tax relief?

Hon. M. R. THOMSON (Minister for Small Business) — It is obvious that the opposition hates the fact that this government has delivered an economic statement that benefits business in this state, particularly small business, and that we have done what it was never able to do — that is, to restructure the land tax regime to ensure that small businesses benefit.

Let me remind this house that 24 000 people who have in the past been caught up in the net of having to pay land tax will be the beneficiaries because that obligation will now be removed. We are proud of the statement; the business community supports it, and small businesses are the beneficiaries.

Aged care: funding

Ms ARGONDIZZO (Templestowe) — I refer my question to the Minister for Aged Care, Mr Gavin Jennings. I refer the minister to the series of media

stories concerning the Howard government's re-election strategy and possible changes to funding of aged care services as part of this strategy. Can the minister advise the house as to whether any such changes will result in Victoria finally receiving a fair share of aged care funding from the Howard government?

Mr GAVIN JENNINGS (Minister for Aged Care) — I thank the member for her question, and I note the key phrase in that question: a fair share. That is something that I have drawn to the attention of this house on many occasions — there should be a fair share for Victoria in relation to aged care services. Today I am calling for a fair share on behalf of the 460 000 Victorians over the age of 70 who expect a fair share from the commonwealth government in its provision of aged care services into the future.

Up until now those services have been severely lacking. As I have reported to the chamber before, there is a shortfall of over 4000 residential aged care places in Victoria. The commonwealth has failed to provide that level of operational bed care in residential services to older members of our community each and every day for the last few years whilst I have been the Minister for Aged Care. If it were not for the fact that the Victorian government provided 6500 residential aged care beds in Victoria we would be over 10 000 beds short of the commonwealth's own benchmark that it is responsible for funding.

I am calling for a fair share on behalf of members of the Victorian community who live in rural and regional areas. Many members in those electorates will understand that over 30 per cent of people over the age of 85 years in the Victorian community live in rural and regional areas, and they deserve a fair share. An example of this need was demonstrated by the people of Manangatang who drew attention to their service recently. They recognised that if it were not for the substantial subsidy provided by the Victorian government for the provision of those services, then their residential aged care service would have disappeared. I visited Canberra and called on the federal minister for ageing to take her fair share of responsibility in meeting that deficit in funding.

I am also calling on a fair share from the federal government in funding for our hospital system. Each and every day the Victorian hospital system has to pay the cost of over 530 acute hospital beds that are occupied by people who are waiting for residential aged care. This is something that the Victorian government provides, because it recognises its obligations to older members of the community who deserve that degree of

care. However, it is also the federal government's responsibility to take its fair share of this responsibility and make sure that residential aged care beds are provided to take the pressure off Victoria's hospital system. I call for a fair share on behalf of the residential aged care sector generally. The day-to-day, the not-for-profit and the private providers of residential aged care have to cover on a daily basis the shortfall in the subsidies provided by the commonwealth government that do not adequately address the cost of wages, compliance issues, depreciation and the need for reinvestment in services into the future.

I am not alone in calling for this. A recent article published by the *Age* newspaper on 14 April speculated on improvements that might come through the federal government's budget. They have been waiting for a long time. Greg Mundy, chief executive officer of Aged and Community Services Australia, an organisation that represents the not-for-profit sector, is quoted as saying that an estimated \$250 million to recurrent funding might not be enough.

That is the magnitude of the problem. He expects that order of magnitude will only start to repair the damage that is being caused by the chronic underfunding in this sector for the last seven years. On behalf of this sector, on behalf of the residents of Victoria, and on behalf of the Victorian people, we stand up and say that we want and deserve a fair share from the commonwealth government in the federal budget.

Small business: Australian workplace agreements

Hon. ANDREW BRIDESON (Waverley) — I direct my question without notice to the Honourable Marsha Thomson, the Minister for Small Business. Can the minister advise whether or not she supports the continued use of Australian workplace agreements by small businesses in Victoria?

Hon. M. R. THOMSON (Minister for Small Business) — I know the opposition does not like hearing about the things we do for small business in this state. It does not like hearing the record of what we are contributing to small business tax relief. It does not like the way we are putting in place regulation reform, which will recognise the need for flexible regulations to make life easier for small businesses to do business. As a matter of fact, I remind the house that one of the initiatives to come out of the economic statement made yesterday, *Victoria — Leading the Way*, is to have international standards in place when looking at the regulation of legislation as it affects business, in particular small business. That will complement very

nicely the work of the Small Business Commissioner and ensure that we as a government understand the complexities — —

Hon. B. N. Atkinson — On a point of order, President, the question did not — —

Mr Smith — Take note, Andrew, this is how it's done!

Hon. B. N. Atkinson — When Bob Smith has stopped rabbiting on — —

Mr Smith — That will be a long time.

Hon. B. N. Atkinson — It probably will.

The PRESIDENT — Order! Mr Atkinson, on his point of order.

Hon. B. N. Atkinson — You shut them up, and I will give you the point of order.

The PRESIDENT — Order! I am not sure how to take this.

Hon. B. N. Atkinson — I would thank you now for shutting them up.

The PRESIDENT — Order! As Mr Atkinson knows, it is not appropriate to use such terminology in the house. When the minister was on her feet the member called a point of order, and I called the house to order. I ask the member to refrain from making comments to the Chair. It is one thing to have debate through the Chair but another to make comments to the Chair, and I do not appreciate it. I ask the member to desist from doing that in the future.

Hon. B. N. Atkinson — The question that was asked had no preamble. It was very specific — it asked for a specific response from the minister. In a previous point of order today somebody suggested that there were other forms available to the house to pursue concerns about a minister not answering a question — that is, the use of a point of order. That has been raised by the government this day. It was used very conveniently for its last argument, but now on this question the minister had been going for some period of time and had begun talking about the economic statement and other issues and made absolutely no attempt to address the issue raised in the question. I seek your ruling to make sure that the answer is in fact apposite to the question that was asked.

The PRESIDENT — Order! A question was asked of the minister. It was a specific question. The minister had been going for only 56 seconds of her allocated

4 minutes, and I ask the minister in the time allocated to respond to the question asked by the Honourable Andrew Brideson.

Hon. M. R. THOMSON — I thank you, President. I have every intention of answering the member's question. From the Victorian government's perspective, it is working very hard at ensuring that it is making it easier for small business to do business in this state. As the Minister for Small Business, I am proud of the record of this government in addressing the issues of small business, and a lot of the policy initiatives that we have put in place as a government have actually come from the small businesses when I have gone around the state talking to them about the issues of concern to them.

I can tell you, President, that as I go around to small businesses one issue they want to talk to me about is WorkCover, and we have addressed their issues in relation to WorkCover; they want to talk about land tax, and we are addressing the issues relating to land tax; and they want to talk about compliance with the GST — and I wish the federal government would address the issues of compliance with the GST. We listen to what small businesses have to say and we act on that. I am not the federal Minister for Employment and Workplace Relations; I do not have jurisdiction in that regard, but where I do have jurisdiction and where I can act, I will.

Supplementary question

Hon. ANDREW BRIDESON (Waverley) — The minister has failed to respond to the initial question I asked. She did not even mention the words 'Australian workplace agreements' (AWAs). I will try to be a little more specific. The Restaurant and Caterers Association of Victoria and the Australian Chamber of Commerce and Industry have both stated publicly in the past month that AWAs are crucial for their survival. Will the minister provide an assurance that she will support the continued use of AWAs by small business employers? I cannot be any more specific than that.

Hon. M. R. THOMSON (Minister for Small Business) — I reiterate: in the areas where I have responsibility as a minister to act, I will always act on behalf of small business.

Housing: associations

Hon. C. D. HIRSH (Silvan) — My question without notice is to Ms Broad, the Minister for Housing. Can the minister inform the house of how the Bracks government is delivering its election

commitment to establish housing associations in a climate in which the Victorian government is not receiving a fair share of funding for housing from the federal Howard government?

Ms BROAD (Minister for Housing) — I thank the member for her question and for her concern to see that Victoria receives its fair share of housing funding from the Howard government. One of the Bracks government's election commitments was to establish not-for-profit, community-based housing associations to grow the supply of affordable housing for low-income Victorians. The housing association strategy and the attached \$70 million of funding announced in last year's state budget deliver on that election commitment — that is, \$70 million of state-only funds over and above the commonwealth-state housing agreement at a time when Victoria is definitely not receiving a fair share from the commonwealth.

Housing associations will complement existing community housing providers and public housing, which will continue to be the cornerstone of housing assistance in Victoria.

Through the state-only funds provided and the ability of housing associations to attract private investment the government believes it will be able to achieve growth in affordable housing, providing another option for low-income Victorians in housing need.

Our way forward is in stark contrast to the complete lack of leadership shown by the commonwealth on housing issues. Victoria is not getting a fair share of commonwealth housing funding, and we are constantly being duded financially. Over the last decade, the commonwealth has ripped out a shameful \$630 million from Victoria's social housing system. That represents some 4000 housing units that are not available to low-income Victorians that could have been made available.

Not content with that, the latest commonwealth-state housing agreement contains no provision for GST compensation. This will cost Victoria a further \$75 million over the next five years of the agreement. While the Bracks government fights for a fair share of commonwealth housing funding for Victoria, those opposite remain silent, and they will not stand up to their mates in Canberra, proving themselves again to be Liberals first and Victorians second.

The government has recently completed an extensive consultation process with the housing sector, the finance sector and tenant groups right across Victoria

about the best way to go forward. Shortly we will announce a registration of interest process to see which organisations in the community are interested in becoming a housing association, or forming strategic alliances with other groups to become one.

The government will continue to look for innovative and visionary ways to expand the supply of affordable housing to low-income Victorians, a group which clearly the opposition does not care about, and at the same time ensure that public housing remains the cornerstone of housing assistance in Victoria. This is and remains in contrast to the failure of the Liberal Party in Canberra and Victoria to provide, let alone stand up, for a fair share of housing funding for Victorians who most need it.

Wind farms: rates

Hon. P. R. HALL (Gippsland) — My question is directed to the Minister for Local Government. I refer the minister to her announcement on 7 April that the government would act to clarify the rating formula applying to wind farms. Will the minister give the house an assurance that the new rating structure applying to wind farms will see them pay their fair share of local government municipal rates and will not see them treated any more favourably than every other business, farm, and domestic property within that same local government area?

Ms BROAD (Minister for Local Government) — I thank the member for his question on this important issue, and I thank him for drawing attention to the announcement I made recently, together with my colleague in this place the Minister for Energy Industries, which, amongst other things, included the announcement of a panel to be appointed under the Local Government Act to review the arrangements in relation to rating of energy industries, including wind generators.

It is to be a public consultation process which will take submissions and will report to me later this year. It is the government's intention to conclude this process in the interests of providing certainty to councils and to energy industries into the future. The energy consultation processes and the report of the panel to me as local government minister should be wrapped up by the end of this year.

I can assure the member — and this was indicated in the announcement by me and the Minister for Energy Industries — that the government is seeking an outcome which is fair to councils in meeting their needs to raise rate revenues and meet their responsibilities to

their citizens under the Local Government Act. The government is also mindful of the vital status of energy industries in this state in terms of their contribution to the economy — to a great deal of industry in this state regarding the energy component of our economy. I will be seeking to ensure that that is what we end up with in terms of a fair result. That will be a decision of government following the report from the panel after it has concluded its public consultations.

Supplementary question

Hon. P. R. HALL (Gippsland) — I am left somewhat confused by the answer of the minister, given the 7 April press release which indicated that there are already proposed amendments to the Electricity Industry Act. The press release also mentions that there will be a review of the framework relating to both of those. Can the minister give the house an assurance that there is no predetermined outcome to a review of rating arrangements that may apply to wind farms?

Ms BROAD (Minister for Local Government) — I believe I indicated in my answer to the member's first question that there was no predetermined outcome when I indicated that the government was seeking a fair outcome both to councils and in relation to energy industries. I reiterate that that is the case.

The other matters raised by the member are not within my area of responsibility. There will be matters coming before this house this sitting which will provide plenty of opportunity for debate.

Consumer affairs: property scams

Mr VINEY (Chelsea) — I refer my question to the Minister for Consumer Affairs. The Howard government is obviously not interested in giving Victoria its fair share in so many areas, as we have heard already from other ministers during question time. Can the minister share with the house what action the Bracks government is taking to deal with unscrupulous property investors in the absence of leadership from the Howard government on this issue?

Mr LENDERS (Minister for Consumer Affairs) — I thank Mr Viney for his question and ongoing interest in looking after the interests of consumers, particularly those consumers vulnerable to unscrupulous property spruikers who deal with them. Mr Viney raised the issue of the commonwealth doing its fair share of what is truly a national issue. There is a sad litany with the wealth creation schemes where the commonwealth government will not put in its fair share of the initiative.

The commonwealth, being the Sydney-centric, lazy government that it is, simply sits there and says that it is an issue for the states. The whole issue of Henry Kaye and the Henry Kaye group of companies highlights the issue where there is a national issue of wealth creation companies that requires a national response where nine governments — state, territory and commonwealth — together deal with this as an issue.

Unfortunately in this environment, one of the nine governments will not do its share. One government simply sits there, blames the other others and hopes the problem will go away. It wipes its hands in a way that makes Pontius Pilate look dynamic. The commonwealth government, under the leadership of Mr Ross Cameron from Sydney, the parliamentary secretary to the Treasurer responsible for consumer affairs, has written to all states and territories saying that it is a state problem. He says that the states should deal with it. The states are dealing with the Henry Kaye group of companies. This government is prosecuting in the Victorian Civil and Administrative Tribunal as we speak to deal with the issue, but it is after the event.

Our capacity is to prosecute after the event whereas the commonwealth, through the powers it has currently under the Australian Securities and Investments Commission, could regulate the industry before the problem starts. However, the commonwealth is not prepared to put in its fair share of effort. It got to such an extent that the other eight governments in Australia got together in Sydney. All the state and territory consumer affairs ministers got together and said, ‘What do we do about this problem where one level of government, the level of government that has control of ASIC and the Australian Competition and Consumer Commission, will not pull its weight, deliver its fair share or do anything?’.

In that environment I am pleased to report to the house that the states and territories have not only made an offer to work together with the commonwealth but, further than that, all the state and territory ministers have signed an agreement to work together, and the federal shadow minister for corporate governance and financial services, Senator Stephen Conroy, and the shadow minister for consumer affairs, Alan Griffin, have committed a Latham government to working with the states to deal with the scourge of the property investment market.

The issue we have here is a classic one in a federation: a Sydney-centric, lazy federal government cannot be bothered dealing with issues that are more adequately addressed if every level of government pulls its weight, does its fair share and works towards a solution. The

states can deal with this problem after the event through prosecution, but with the assistance of the commonwealth we can deal with this problem as it starts by dealing with the industry at the appropriate time. I call on the members opposite to be Victorians first and Liberals second and call on their Sydney-centric Liberal colleagues to do their fair share to assist so that all Victorians are protected from this scourge.

Small business: Australian workplace agreements

Hon. B. N. ATKINSON (Koonung) — I direct my question without notice to the Honourable Marsha Thomson, the Minister for Small Business. I notice that the government’s economic statement includes intervention powers in certain industrial relations disputes. I presume this power is sought for circumstances such as the Electrical Trades Union bans on power connections for more than 50 small businesses around Victoria which have been without power for more than eight weeks. These businesses have been caught in the middle of an enterprise bargaining agreement dispute and the protected strikes provisions introduced by the Keating government and locked in by the refusal of the Latham opposition to pass amendments to the Workplace Relations Act. I note that the Minister for Aged Care and other ministers have talked about federal matters today, so I ask: will the Minister for Small Business, in the same spirit of dialogue, seek with her ministerial colleagues involved in the development of the ministerial statement to press the federal opposition to support Howard government amendments to the Workplace Relations Act?

Hon. M. R. THOMSON (Minister for Small Business) — It is interesting that I get a question that is outside my portfolio area and a matter of industrial relations over which we have no jurisdiction. It is also very interesting that I have raised in this house the issue of the Trade Practices Act and changes to the act which would affect small businesses and assist them to compete more fairly in the marketplace, and the opposition has been absolutely silent on the issue.

We do support a unilateral system of industrial relations.

Hon. Bill Forwood — A unilateral system?

Hon. M. R. THOMSON — A unitary system of industrial relations. We believe it is in the best interests of Victorian businesses and the economic development of the state to have one set of industrial relations laws. We believe in a system of having an arbitrator, an

umpire — that is, the Australian Industrial Relations Commission. We have faith in the ability of the Australian Industrial Relations Commission to act on behalf of both parties and establish what is in their best interests having heard evidence in the individual cases before it. That is the system we support.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — The Minister for Small Business clearly does not want to talk to her colleagues about the protected strikes provisions of the Workplace Relations Act. Indeed it is evident from the minister's answer that the Bracks government does not support casual employment, the use of Australian workplace agreements or changes to the protected strikes clause of the Workplace Relations Act, so I ask: when will the minister stop implementing the unions' industrial relations agenda and start representing the interests of small business?

Hon. M. R. THOMSON (Minister for Small Business) — What a nonsensical supplementary question! I have no responsibility to implement any industrial relations legislation whatsoever, but I do have pride in being able to say that I am part of a government that has reduced land tax, has seen the average WorkCover premium lowered by 10 per cent and has put in place regulations that will take into account the needs of small business. I am proud to be part of that government. I know that government represents the interests of small business, because I hear it from small businesses.

Energy: mandatory renewable target

Mr SCHEFFER (Monash) — I refer my question to the Minister for Energy Industries, the Honourable Theo Theophanous. We have heard today how the Howard government will not give Victoria its fair share of federal funding. Can the minister tell the house how the Howard government's delay in resolving the mandatory renewable energy target issue is harming investment in Victoria?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Another excellent question from the honourable member. We will keep raising this issue until there is a resolution from the federal government. As honourable members would know, the mandatory renewable energy target report was given to the Howard government in September 2003. It took until the last possible day — in January 2004 — for the federal Minister for the Environment and Heritage, Dr David Kemp, to release the report, and then he released it without a federal government response. Four

months later we still have no government response in relation to the mandatory renewable energy target.

There are businesses out there which want to invest in renewable energy in Victoria. It was quite evident on my recent overseas trip that these energy companies are keen to come and develop Victoria's renewable energy sector. They like the pro-business approach of this government; they like the fact that we are going to give certainty in terms of local government rates; they like the fact that we are streamlining the planning processes; and they like the fact that we are reducing WorkCover premiums and cutting taxes.

They like all these things, but they want certainty over the mandatory renewable energy target. Victoria wants its fair share of mandatory renewable energy certificates. The trouble is that we do not know whether they even have a future because of the failure of this federal government to act and to provide that certainty for investment in this very important sector.

From the time that this issue arose we have seen crocodile tears from the members for South-West Coast and Hawthorn in another place in relation to the renewable energy sector and the Portland wind project. They keep asking, 'Where is the Portland wind project? Where is the blade factory?'. We have to have a viable energy industry for all these things to develop, and therefore we need to know about the mandatory renewable energy target.

I have never heard them calling on the federal government to resolve the mandatory renewable energy target issue. They talk down Portland, but they stand up for Canberra; they talk down Victoria, but they stand up for Canberra. It hurts me to say that I think the Honourable Bill Forwood is in the same category as the others. He has also become silent on this issue. He may not be on speaking terms with Mr Philip Davis or the Leader of the Liberal Party in the other place, but he used to be a director of the Victorian Liberal Party, and he probably still has some contacts at the federal level. So I call on the opposition spokesperson in this area to pick up the phone and talk to Prime Minister Howard, if he will listen to him, and to Senator Kemp and tell them that Victoria wants certainty on the mandatory renewable energy target so that we can have a viable wind and renewable energy industry in this state. Mr Forwood stood up for the retailers yesterday. How about standing up for Victorian businesses and the mandatory renewable energy target?

Local government: fire services levy

Hon. J. A. VOGELS (Western) — I direct my question without notice to the Minister for Local Government. The Metropolitan Fire and Emergency Services Board has recently informed 25 metropolitan councils that they will be liable for a 15 per cent increase in the fire services levy this year, in addition to a 20.6 per cent increase that councils endured only last year. I ask: what input, if any, she, as the advocate for local government, brings to this budgetary process, and what discipline is placed upon the Metropolitan Fire Brigade to justify the cost effectiveness of its services in relation to this enormous cost increase?

Hon. R. G. Mitchell — Who wrote that one for you, John? You did not get it right yesterday.

Hon. J. A. VOGELS — I wrote it myself.

Ms BROAD (Minister for Local Government) — I believe the member has acknowledged in the way he has asked his question that this is in fact not my responsibility — that the Metropolitan Fire Brigade is not an agency for which I am responsible. I am well aware of this issue. It has been raised with the government by the Municipal Association of Victoria and other representatives of local government in addition to councils, including raising it with me. These are matters which the government is well aware of and the responsible minister is well aware of.

Supplementary question

Hon. J. A. VOGELS (Western) — I thought the minister was the advocate for local government. Does the minister not consider a 35 per cent increase over two years to be extreme and nothing short of just another blatant example of cost shifting by this government onto local government? If she is the advocate for local government, surely when she is sitting with her cabinet colleagues she comes in and fights for councils that have now had a 74 per cent increase in their fire services levy over the last six years, or since the Bracks government has been in power?

Ms BROAD (Minister for Local Government) — I am sure the member and all members opposite would like me to discuss the details of discussions around the cabinet table about budgets and all sorts of other things. I am sure it will come as no surprise to them at all that I am not about to do so. I am sure the responsible minister will take note of the member's question.

Commonwealth Games: athletics review

Mr SOMYUREK (Eumemmerring) — I refer my question to the Minister for Commonwealth Games. As all members will be aware, on 3 March the Howard government announced that the Australian Sports Commission and Athletics Australia would undertake a joint review into athletics in Australia. I ask the minister to advise the house of what actions the Bracks government has taken to ensure that the Howard government acts on and will do its fair share about concerns raised with Athletics Australia and what implications there are for the Melbourne 2006 Commonwealth Games.

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question and his particular interest in athletics in Australia. Members of the house will appreciate that the Bracks government is leading the way and led the way in relation to the debate with the Sydney-centric ABC management and called upon it to reverse its decision when it dumped the local television sports coverage in favour of a national wrap.

As well as that, we are also leading the way because we were the first to call on the federal government to act on and resolve issues with Athletics Australia. For members of the house who may not be fully aware, Athletics Australia is the peak body for athletics in Australia. On 26 February I wrote to the federal Minister for the Arts and Sport, Senator Rod Kemp, urging him to take action to resolve the problems of Athletics Australia. I wrote to Minister Kemp following widespread media reports and also representations from a number of key stakeholders critical of the operation and management of Athletics Australia.

Athletics Australia is funded by the Australian Sports Commission. We would have thought that on the back of the 2000 Sydney Olympic Games Athletics Australia would have made the most of that, but the optimism that flowed from Sydney has evaporated. What we have seen over past months is Athletics Australia embroiled in wrangling. Last February, for the first time in 10 years — and this is worth highlighting in relation to that call — —

Hon. J. M. McQuilten — Like the Victorian Liberal Party.

Hon. J. M. MADDEN — Not unlike the Victorian Liberal Party, that is right, thank you very much. Last February, for the first time in 10 years, there were no dedicated television broadcasts of the national titles. Given that this is an Olympic Games year and those

national titles were where it was decided who will go to Athens for the coming Olympic Games, it does not reflect well on Athletics Australia. Appreciating also that there was minimum newspaper coverage and, in comparison with recent years, very few attended those trials over the four days they were held, it does not reflect well on Athletics Australia.

I am pleased that Minister Kemp took my advice and on 3 March, a week after I wrote to him, announced that there would be a wide-ranging review of the performance of Athletics Australia. Appreciating my role as Minister for the Commonwealth Games and that athletics is a key component of the 2006 Commonwealth Games, I wrote to the minister. From both the participant and spectator viewpoint the athletic component of the 2006 Commonwealth Games is critical in terms of not only its value but its performance. I am pleased to say that the Bracks government leads the way and continues to lead the way. I am glad that the federal government acted upon our call to take action. I am glad that they acted on our advice and that they initiated a review, but I hope they ask the hard questions and that they do their fair share to make sure that Athletics Australia and the Australian Sports Commission do their fair share to maximise athletics for the 2006 Commonwealth Games.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to four questions on notice: 1061, 1176, 1383 and 1385.

LAND TAX (AMENDMENT) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That, pursuant to sessional order 34, the second-reading speech be incorporated into *Hansard*.

I point out that this bill was amended in the Legislative Assembly, and the details of the amendment regarding progress payments are listed on page 4 of the circulated second-reading speech.

Motion agreed to.

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Introduction

As honourable members are aware, on 24 March the government announced that it would introduce measures to extend the current land tax regime to electricity transmission easements owned by electricity transmission companies. The principal objective of this bill is to make the necessary amendments to the Land Tax Act 1958 to give effect to the tax on electricity transmission easements.

An easement is an interest in land owned by another person. An easement gives the holder a right to use a portion of the land owned by another in a particular way, or to prevent the landowner from using a portion of their land in a certain way. Easements are legal interests in land and recognised as such by the registrar of titles.

The bill provides that transmission easements will become taxable. These are defined as interests in land held by transmission companies operating under the Electricity Industry Act 2000. The extent and value of these types of land holdings acquired by large electricity transmission companies is significant, and it is appropriate that they constitute taxable interests in land for the purposes of the Land Tax Act 1958.

The provisions of the bill do not apply to any other type of easement in Victoria.

The tax is expected to raise approximately \$75 million to \$80 million in the 2005 calendar year.

This bill also makes several amendments to the Valuation of Land Act 1960 which are necessary to support the land tax changes that are being introduced.

Provisions of the bill

Part 1

Part 1 of the bill details the commencement of the land tax on easements. From 1 July 2004, transmission easements will be taxable at the existing land tax rates although, for the first six months, the relevant rates will be halved reflecting the half-year land tax liability.

Part 2

Part 2 of the bill inserts a new part 2B into the Land Tax Act 1958, which levies the land tax on transmission easements. This provision specifies the exact nature of the easements that will be taxed and the basis of taxation. Under part 2B land tax is only payable in respect of transmission easement holdings. Easements over land that are used or acquired for any other purpose, or by persons other than transmission companies, are not taxable.

The bill prescribes that, after a transitional period, the Valuer-General will determine the taxable value of transmission easements for tax purposes every second year, which is the same cycle as municipal council property valuations. Indexation factors will be applied to those valuations in alternate years. This is essentially the same regime that is currently applied for land tax, with the minor difference that in most cases the valuation used for land tax is determined by the municipal council for rating purposes rather than by the Valuer-General. Indexation factors reflect the fact that land is only valued every second year, but valuations change in the interim.

Tax assessments for 2004 will be for the six months to 31 December 2004, and will apply half the current tax rates reflecting the fact that this is half a land tax year. After that initial period, tax assessments will be made annually based on easement holdings at 31 December of the year preceding the assessment. This is consistent with all other land tax assessments. The rates that will be applied to taxable easements from 1 January 2005 are the rates that are already set out in Table E of the second schedule to the Land Tax Act 1958.

The bill also provides for the Governor in Council, on the recommendation of the Treasurer, to exempt certain transmission easement holders or transmission easements from land tax liability. In considering whether to recommend an exemption the Treasurer may have regard to a number of factors including the need to promote the economic development of Victoria or to promote and not hinder the development of energy infrastructure in Victoria.

Importantly, part 2 of the bill inserts a provision preventing the easement holder from passing the tax payable in respect of the easement to the landowner. This is to preserve equity between the landowner and the transmission easement holder, and to ensure there are no unintended land tax consequences for the landowner. Land that is currently exempt from land tax, for example primary production land, will remain exempt irrespective of the fact that there may be a taxable easement registered over that land.

The bill confirms the administrative requirements imposed on the Commissioner of State Revenue to assess the land tax on easements and to issue and serve a notice of assessment on the easement holder accordingly.

The bill also confirms that a taxpayer who receives a notice of assessment in respect of a transmission easement can object to the assessment within 60 days of service of that notice. Where an objection relates to the valuation of an easement, the Commissioner of State Revenue will determine the objection after consultation with the Valuer-General. If the taxpayer is not satisfied with the outcome of the objection, it can be pursued in the Victorian Civil and Administrative Tribunal or the Supreme Court.

To prevent avoidance of the land tax on transmission easements and to protect the revenue, the bill contains provisions ensuring that joint ownership of easements, declarations of trust over easements, and transfers of easements to related or associated persons or companies, will be ineffective for tax purposes. The general anti-avoidance provisions in the Land Tax Act 1958 can be applied if they are required.

The bill recognises that certain remedies for the collection of land tax ought not apply in respect of transmission easements. In particular, the provisions stating that unpaid land tax gives rise to a statutory first charge over land will not apply, and neither will the provisions allowing recovery of land tax from a mortgagee, lessee or occupier of the land over which the easement runs.

In relation to the collection of the land tax on easements, the bill also includes a provision that enables the Commissioner of State Revenue to enter into an agreement allowing a taxpayer to pay the tax to be assessed in instalments. Such an agreement may be for a period not exceeding 5 years. This amendment is intended to permit agreements which give the

taxpayer certainty regarding their payment obligations for current and future years. Limiting such agreements to a maximum term of 5 years retains sufficient flexibility for re-negotiation as circumstances change.

Part 3

Part 3 of the bill makes amendments to the Valuation of Land Act 1960 to provide for the valuation of these easements. The amendments to the Valuation of Land Act 1960 have been determined in consultation with the Valuer-General and reflect standard industry thinking and practice in this area. The basic principle is that the value of a transmission easement is the amount by which the transmission easement decreases the site value of the land over which the easement runs. This principle is reflected in the new section 5B which is inserted into the Valuation of Land Act by clause 15 of the bill. In other words, the value of a transmission easement is the loss associated with the landowner's reduced interest in the site value of the parent land.

Conclusion

On 24 March 2004, the government also announced its intention to cease the collection of the smelter reduction amount (SRA), which has been in place since 1997, from 30 June 2004. The SRA is the subject of litigation in the High Court and, whilst the government does not admit any liability in this matter, it has decided to end the levy in order to minimise any uncertainty for the electricity industry and for consumers. Since 1997, the SRA has been used to fund the State Electricity Commission of Victoria's contractual obligations, which relate to two electricity supply agreements with the Point Henry and Portland smelters. These obligations will be met after this date from government contributions from consolidated revenue.

The funding shortfall caused by this decision has consequences for the general financial health of the state. Under these conditions the changes to the Land Tax Act 1958 made in this bill are a fiscally responsible move by this government, which provide an appropriate and equitable source of revenue.

Existing land tax payers and other easement holders will not be affected by these new arrangements as it is expected the arrangements will only affect a small number of specialised commercial enterprises.

Further, the government is confident that the introduction of these arrangements will have no material impact on overall electricity industry costs, and therefore no change is anticipated in retail electricity prices.

I commend the bill to the house.

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

Debate adjourned until next day.

ROAD MANAGEMENT BILL

Second reading

Ordered that second-reading speech, except for statement under section 85(5) of Constitution Act, be incorporated on motion of Ms BROAD (Minister for Local Government).

Ms BROAD (Minister for Local Government) — I move:

*That the bill be now read a second time.

Aims of this bill

This bill proposes a new statutory framework for the management of our state and local road networks. The issues affect every community in this state. Roads are fundamental to our society and economy yet we tend to take them for granted. Everybody uses a road every day: to go to work, to visit our families, to go to the shops, or maybe just to go for a walk. But a moment's thought reminds us that, next to housing, roads are the oldest form of infrastructure and still amongst the most important.

What do our communities want from their roads? What can our communities afford? Who decides? And by what criteria? And who is responsible when results do not match expectations?

We cannot by legislation prescribe answers to these questions for all places and all times. The answer in each case depends on many things. Put simply, one size does not fit all. What is appropriate for one community at one time will not be appropriate at other times or elsewhere. Priorities must be set and resources allocated to meet those priorities. These are policy decisions that must be made by democratically accountable bodies.

These issues were last canvassed in this Parliament in the debate on the Transport (Highway Rule) Act 2002. I repeat the following comments from the second-reading speech for that bill:

What the community needs is a system that provides roads that best meet the needs and priorities of the community to the highest practical standard given the available resources. The law should facilitate this outcome.

An important principle is that the assessment of needs and the setting of priorities are tasks that are best carried out by publicly accountable bodies. At a local level this means councils, elected by and accountable to their communities. At a state level it means state government agencies, such as VicRoads, that are ultimately accountable to this Parliament.

This bill fulfils the commitment the government gave at that time to bring in legislation that deals comprehensively with road management and related issues. This bill comes before this house after an extensive consultation process around these issues, including consultation around several discussion papers and a draft bill. In recent years these issues have also been considered by the High Court, by the Auditor-General, by members of federal, state and territory parliaments and, most of all, by the community.

The main purpose of this bill is to provide a legal framework for the management of the public road network that helps communities, through the democratic process, to determine and implement sound road management policies and practices. To this end the framework for road management established by the bill is based on the following principles:

clear allocation of ownership of road assets;

corresponding allocation of responsibility for managing road assets;

development of effective decision-making processes and accountabilities for policy decisions and the setting of performance standards;

provision of adequate operational powers to achieve targets and performance standards;

corresponding accountability for the exercise of those operational powers.

I will now outline the key provisions of the bill.

Rights and responsibilities of road users

Importantly, this bill begins by conferring rights on road users.

The bill sets out the basic rights and responsibilities of road users. It confirms the fundamental common-law principles that roads are public open space, made available for use by members of the public, and that all individuals have a right to travel over public roads.

In particular, part 2 of the bill confirms the general right of members of the public to pass along roads. This right already exists under the common law and is the defining characteristic of a public highway at common law. This bill restates and confirms that common-law right by expressing it in statutory form.

Part 2 also confirms that owners or occupiers of land adjoining a road have a right of access to the road. Again, this restates in statutory form an existing common-law right.

These rights will be legally enforceable but will be subject to restrictions under this bill or other legislation.

With rights go responsibilities. The bill also proposes to amend the Road Safety Act 1986 to insert a new section 17A that will spell out the general duties of road users, drivers, riders and pedestrians. The responsibilities include travelling safely having regard to road, weather and traffic conditions, and avoiding unreasonable risks to other road users.

[Motion subsequently moved again and amended speech read a second time on 22 April at page 377.]*

The road system

What is a road?

The word 'road' itself means different things to different people. For most people it means the piece of infrastructure developed and maintained for the driving of vehicles — in other words, the strip of pavement outside your house. However, the legal meaning of 'road' differs according to the context.

Under the common law 'a highway' is a piece of land over which members of the public have a legal right to pass. Whether or not there is an actual roadway on a piece of land, if it has been dedicated as a highway then nobody can lawfully deny access to any member of the public. There are many parcels of land that are 'highways' in this technical legal sense but which are not really roads at all. These are sometimes called 'paper roads', because they only exist on a plan somewhere.

In contrast, under the Road Safety Act 1986 a highway is anywhere people do actually drive vehicles. Whether they have a legal right to drive on the land is beside the point — if the public drive vehicles over a piece of private land, then it may be a highway for the purposes of the road safety laws. This is because road safety laws are focused on actual road-user behaviour, not legal rights of use or access.

But what do we mean by 'road' in the context of the management of public road infrastructure? This is one of the main questions dealt with by this bill. The matter has been brought into focus by the High Court judgment in *Brodie v. Singleton Shire Council*. Under that decision a road authority that has powers to manage a road, that 'controls' a road, has a common-law duty to exercise those powers proactively to ensure that the road is maintained to a reasonable standard, to inspect the road, to repair defects and give warnings of dangers, and to manage development of the land in the interests of minimising danger to road users.

This bill proposes to restate those common-law rules by imposing specific statutory duties on road authorities to inspect, repair and maintain to a reasonable standard those roads that form part of the public road network.

It is not feasible for road authorities to be required to maintain every parcel of land over which the public might have a right of way. For one thing, it is often not clear whether a parcel of land is a public highway. Secondly, road authorities simply do not have the resources. There needs to be a way of identifying those roads that form part of the network of roads reasonably required for general public use and that should be maintained at public expense.

The bill therefore draws a distinction between 'roads' generally and 'public roads'. The term 'road' refers to 'highways' in the common-law sense — that is, land over which the public has a legal right to pass. A 'public road', on the other hand, is a road that is reasonably required for general public use. These are the roads that road authorities should spend their time and money on — the roads that the general public reasonably require and use for travel and transport.

The bill confers powers on road authorities to manage roads generally. In the case of public roads, however, the bill imposes a legal duty to construct, inspect, maintain and repair these roads to an adequate standard, having regard to the

nature of the road and the traffic that uses them. This duty will not extend to other common-law 'highways' that a road authority has decided are not reasonably required for general public use and are not on its register of public roads, such as paper roads or bush tracks.

All freeways and arterial roads will automatically be public roads. For other roads, it will be a matter for the relevant road authority to decide whether or not a particular road is reasonably required for general public use. Each road authority will be required to keep a register of the public roads under its administration. The road authority will be required to maintain these registered public roads.

Classification of roads

The current system for the classification of state roads is complex and confusing. The division of responsibilities between VicRoads and councils is unclear in many areas and produces unnecessary litigation over which authority is responsible for a particular section of road.

The bill proposes a new and simplified system for the classification of roads administered by state government agencies. State roads will be divided into three categories — namely freeways, arterial roads and non-arterial state roads.

The bill establishes criteria for determining which roads should be regarded as arterial roads. The main test will be whether the road provides a principal route for the movement of people or goods between regions, major population centres or across cities. Roads may also be declared to be arterial if they have statewide economic or tourism significance, are major public transport routes or provide connections between other arterial roads.

Initially, arterial roads will include the existing 'main roads' under the Transport Act 1983, many of which are maintained by municipal councils with state funding. This transfer will roughly double the extent of the road network directly managed by VicRoads from around 11 000 to 22 000 kilometres and will relieve councils of the burden of maintaining these roads for the benefit of the state as a whole.

State roads that do not perform an arterial function, such as roads in forests and national parks, will continue to be the responsibility of the relevant state agency, in many cases the Department of Sustainability and Environment.

Roads that are not the responsibility of a state road authority will be a municipal responsibility, as at present. Councils will continue to administer these roads under the powers conferred under the Local Government Act 1989. However, the provisions of this legislation that apply to road authorities generally will also apply to councils.

Allocation of road management functions

Road management functions relating to an arterial road are of two main types.

First, there is coordination of development and use of the road, such as the development and implementation of management plans, the placement of non-road infrastructure like poles and pipes, the timing of works and powers of a regulatory or enforcement nature.

VicRoads' focus will be on the parts of the road network that are of statewide significance. Accordingly, VicRoads will be

responsible for the overall management and coordination of development of freeways and arterial roads.

Other state agencies, such as the Department of Sustainability and Environment, will manage roads that are a state responsibility but which do not form part of the arterial road network, such as roads in national parks.

Councils will be responsible for the overall management and coordination of development of municipal roads, including roads on Crown land that serve the local community.

The second type of function is that of an operational nature, including the construction, inspection, maintenance and repair of roadways and pathways.

In relation to operational functions, VicRoads will be directly responsible for freeways and for those parts of arterial roads that are used by through traffic — that is, the carriageways carrying through traffic.

Councils will continue to exercise operational responsibility for all municipal roads, including the powers conferred on councils by the Local Government Act 1989.

In relation to arterial roads, there will be a split of operational responsibility in urban areas. This reflects the reality that main roads in urban areas not only provide arterial routes for the state network but also serve important functions for the local community that should be locally managed. For this reason councils will have operational responsibility for the parts of urban arterial roads that are used for purely local purposes such as service roads and footpaths and roadside areas such as nature strips. However, VicRoads will remain responsible for the overall coordination of the arterial road network. In non-urban areas, VicRoads will exercise operational functions in respect of the entire road reserve of arterial roads.

Councils will continue to exercise operational responsibility for all municipal roads, including the powers conferred on them by the Local Government Act 1989.

Road authorities may delegate or transfer certain functions between each other by arrangement. For example, VicRoads and a council could agree that the council should administer a particular section of arterial road as if it were a municipal road or vice versa. This will enable cost-effective management, through packaging of works and retention of opportunities for local employment.

Ownership of roads and infrastructure on roads

The proposed arrangements in relation to the ownership of roads are consistent with the existing law — that is, the land over which there is a road will continue to be owned by either state or local government.

In relation to state roads, freeways and arterial roads will remain Crown land, and VicRoads will be responsible for their overall management on behalf of the state. Roads under various state acts dealing with other state roads will also remain Crown or public authority land and may be managed under the powers to be conferred by this bill.

In relation to municipal roads, councils will retain freehold title to the land in the local roads they administer other than local roads on Crown land and land owned by state agencies.

Infrastructure on roads is a more complex issue as there are many bodies that install poles, cables and pipes and the like on roads or carry out related works on roads. Disputes often arise as to who is responsible for failings in relation to the design, placement, safety and maintenance of such infrastructure. Is it part of the road for which the road authority is responsible, or is it the responsibility of the body that placed it there or operates it?

This bill establishes the principle that the body that installs or operates infrastructure on a public road is its owner. The manager of infrastructure is responsible for its proper maintenance and operation and for ensuring that works related to the infrastructure are carried out safely and with minimum disruption to road users, the road itself and other infrastructure on the road reserve.

Infrastructure on roads will be treated as the personal property of the utility that manages that infrastructure rather than as a fixture forming part of the road. Similarly, road-related infrastructure, such as traffic signs and signals, will be the property of the road authority that placed it on the road.

Roadways on privately owned land will remain the responsibility of the owner or occupier.

Management of the road system

It is essential that those who are accountable to elected bodies like this Parliament and councils are able to make policy decisions about road management. This will enable each community to decide for itself, through the democratic process, the type of road network that will best suit it and which it can afford. It is just not possible to set road standards that will be suitable for all places and all times. Roads vary widely in character: from a freeway to a footpath, from Hoddle Street to a suburban street, from the Hume Highway to a bush track by the Murray River. As I said earlier, one size does not fit all. What is suitable in the City of Yarra may not be appropriate in the Shire of Yarriambiack.

For these reasons, the bill proposes that it will be for each road authority to decide how it will carry out its road management functions. In particular, the bill will authorise road authorities to develop, in consultation with relevant communities and stakeholders, road management plans that set out in detail the standards of construction, inspection, repair and maintenance of public roads under their administration. These road management plans will be public documents.

The process for determining policy in relation to road management functions through road management plans will be broadly similar to the development of planning policies through planning schemes.

There will be codes of practice that will give practical guidance to road authorities in carrying out road management functions. In making decisions about the performance of their road management functions, road authorities will be guided by these codes. The codes will be developed in consultation with the community and key stakeholders, and will be subject to disallowance by this Parliament. They will give practical guidance about those elements of road management that are common to all roads: such as the keeping of asset registers, the assessment of needs, the setting of policies and priorities based on those needs and available budgets, and inspection

and review procedures to ensure that the policies are properly implemented.

Coordination of activities on roads

There are many demands on limited road space. There are gas, water, electricity and telecommunications providers that use road reserves for their pipes, cables and poles. There are the roadways and pathways themselves, which must serve a variety of uses, such as through traffic lanes, service roads, parking, public transport, pedestrians and cyclists. And we must not forget that roads and roadsides provide valuable public open space in many urban communities, and may contain environmentally sensitive land in rural areas.

All of these uses are legitimate. But, increasingly, these competing demands for road space are coming into conflict. It has been said that land is very valuable — they are not making it any more. Development and the demand for road space will increase, but the amount of space will not. Consequently, competition between these uses can only become more intense.

Victoria does not have a consolidated and consistent legislative framework for the coordination and management of the use of road space. This bill aims to fill that gap, to facilitate the optimal use of a limited resource in the overall community interest, to facilitate legitimate uses of road reserves and to minimise disruption to road users and hazards to road safety.

To this end, the bill proposes a number of measures.

Firstly, there will be a Utilities Infrastructure Reference Panel that will advise government on the effective coordination of the use of road reserves. It is intended that this panel will provide a forum to enable the various bodies that carry out works to better coordinate their activities in the interests of all.

Secondly, codes of practice will be developed in consultation with that panel to give practical guidance on the coordination of infrastructure on public roads.

Thirdly, coordinating road authorities will have responsibility for coordinating works and infrastructure on roads. The consent of the relevant coordinating road authority will be required for works on a road that may have an effect on road safety, road infrastructure or traffic management. Road authorities and utilities may negotiate arrangements to give consent on an ongoing basis.

The bill enables exemptions from these requirements to be set out in regulations. The bill also states that it is intended that those types of works that do not have significant impacts on road safety, traffic or other infrastructure will be exempted by the regulations. It is intended that these regulations will be made before the provisions of the bill dealing with the management of infrastructure and works on roads come into operation. For example, it is expected that the connection of electricity to a house by running a cable from a power line would be exempt from the requirement to obtain consent. A coordinating road authority will be required to have regard to the principles set out in a code of practice when exercising these powers, and the road authority may not unreasonably withhold consent to the carrying out of works. There will be an appeal process to ensure that these powers are exercised reasonably.

Fourthly, the bill will amend the Road Safety Act 1986 to require any person who manages roadworks to have an approved traffic management plan and to use properly trained and qualified staff. The aim is to provide safe worksites, and to minimise road safety hazards and disruption to traffic flow.

Finally, any road authority, utility or other person responsible for infrastructure or works on public roads will be subject to several duties to protect those roads, the infrastructure on the roads and road safety. In particular, a manager of works or infrastructure must:

act in accordance with good engineering practice and relevant industry standards;

cooperate with the relevant road authority and the managers of utility and other infrastructure on the road;

avoid unnecessary damage to roads and infrastructure and unnecessary delay or obstruction;

maintain its infrastructure to an appropriate standard;

share information with other infrastructure managers about the standard and location of infrastructure on the road;

consult relevant sections of the public about works that may affect them;

during works, minimise disruption to traffic, ensure the safety of works and make adequate provision for disabled people; and

reinstate the road and other infrastructure to its former condition within a reasonable period and give notice to the coordinating road authority so that inspections may be carried out.

Other reforms

I would like to mention briefly a number of other reforms proposed by this bill.

The bill proposes a system for regulating access to roads for reasons of traffic flow or road safety. Road authorities may declare a road to be a 'controlled access road' and may develop and publish policies about connections to the road from adjoining property and from new roads, such as roads connecting to new subdivisions. The control of access may be important in hazardous areas, such as urban arterial roads because of high traffic volumes or winding roads in hilly terrain. There will be a right of appeal to the Victorian Civil and Administrative Tribunal (VCAT) against decisions to limit access to a road.

The bill will enable state road authorities to require contributions to the development of state roads from owners of adjacent land.

The bill contains a number of provisions designed to protect public roads from interference. It will be an offence to carry out works on a public road without consent of the coordinating road authority, unless exempted by the regulations. It will also be an offence to obstruct a public road unreasonably. The relevant road authority will be authorised to take action to remove, or to require the removal of, hazards on adjoining land, such as overhanging structures, excavations, diversions of water flows and the like.

Section 85 statement

It is the intention of divisions 2 and 3 of part 6 and section 129 of this bill to alter or vary section 85 of the Constitution Act 1975. I therefore make the following statement under section 85(5) of the Constitution Act 1975 to set out the reasons for altering or varying that section. In doing so, I will also outline and explain a number of changes that the bill makes to the law relating to civil liability in relation to the management and condition of roads.

Principles concerning performance of road management functions

Clause 101 sets out principles for ascertaining whether there is a duty of care, and if so, the standard of care for the purposes of determining whether there has been negligence on the part of a road authority or the manager of works or infrastructure on a road. The principles are closely based on the principles set out in the High Court majority judgment in Brodie's case.

The reason for the provision is that it is desirable to have a clear legislative statement of the principles of liability of road authorities and the managers of works and infrastructure on roads, including utilities, in the interests of promoting responsible management practices and greater certainty in litigation.

The 'policy defence'

Division 2 deals with liability for claims for the negligent performance or non-performance by a road authority of road management functions, whether the claim is brought in tort, in contract or under statute. The key proposal is set out in clause 103, which proposes a 'policy defence' for road authorities. The bill proposes to implement, in relation to the management of roads, recommendation 39 of the *Final Report of the Review of the Law of Negligence* (the Ipp report) to the commonwealth government in October 2002. That recommendation reads as follows:

In any claim for damages for personal injury or death arising out of negligent performance or non-performance of a public function, a policy decision (that is, a decision based substantially on financial, economic, political or social factors or constraints) cannot be used to support a finding that the defendant was negligent unless it was so unreasonable that no reasonable public functionary in the defendant's position could have made it.

In May 2001, the High Court decided that the 'highway rule' was no longer part of the common law of Australia. That rule had protected highway authorities from liability for 'nonfeasance' — that is, for non-performance of their road management functions.

The nonfeasance immunity was unsatisfactory for the reasons set out in the majority judgment of the High Court. The distinction between poor performance, or 'misfeasance', and non-performance, or 'nonfeasance', was sometimes hard to draw, and this made the outcome of litigation uncertain in such cases. In short, the rule was uncertain, unworkable and unfair.

But the new common-law position also poses significant practical problems for the efficient management of the road network. One of the major problems is the lack of certainty

for road authorities in setting their maintenance programs and allocating budgets. The government accepts the principle that a road authority should be liable for not maintaining its roads to a reasonable standard, but those standards need to be certain in practice. They must also reflect the policies and priorities of the particular road authority across its whole range of functions, as determined through the normal processes of democratic government.

The bill therefore seeks to clarify, in relation to road management functions, the boundary between policy decisions, which are subject to the principles of administrative law, and operational failings, which may be the subject of negligence actions.

To these ends, clause 103 provides that an act or omission will not be wrongful if the road authority's actions were consistent with its policies in relation to the performance of its road management functions. These policies may be set out in road management plans, but do not have to be. The defence also applies if the road authority was acting in accordance with a policy direction issued by the relevant minister. However, the policy defence will not apply if the policy was so unreasonable that no reasonable authority or minister would have made the decision. This is intended to adopt the administrative law test known as 'Wednesbury unreasonableness'.

Clause 102 provides that a road authority will not be liable for failure to remove hazards or repair defects or deterioration that arise between inspections, unless the authority is actually aware of the problem. This will not affect liability for failure to carry out inspections.

A road authority may become aware of a defect or deterioration either because it is found by inspection or because it has been reported to the authority. Clause 40 of the bill imposes separate duties on road authorities to inspect and to repair roads. A road authority may be liable for damages if it does not perform either of these tasks to the appropriate standard.

The reason for the clause is to make clear how the policy defence will work where the road authority is not actually aware of a hazard, defect or deterioration which is a factor in causing injury or damage. If the road authority was aware of the defect, then the issues will be whether the defect was of a type that required remedial action and, if it was, whether the road authority had failed to take the appropriate action within the appropriate time. On the other hand, if the road authority was not actually aware of the defect, the issue will be whether the authority had carried out appropriate inspections. If it did, then it has carried out its responsibilities to the required standard and should not be held to be at fault.

For example, say a council as a road authority makes a policy decision that a particular road is to be inspected every three months. Provided that policy is properly implemented, the road authority would not be responsible for an accident caused by a pothole in the road that developed between inspections and of which the road authority was unaware. However, it could be liable if a court decided that the council's policy in relation to inspection intervals was so unreasonable that no reasonable council would have made that decision. It may also be liable if the council was actually aware of the defect — for example, if it is proven that the pothole had been reported but not repaired within the time set

under the council's policy or, if there were no policy, within a reasonable time.

The reason for these changes is that it is simply not possible for road authorities to be fully aware of the condition of all roads all of the time. What they need to do is establish a reasonable system for managing their roads, including the setting of reasonable inspection and maintenance schedules and target times for repairing defects or deteriorations that are found or reported. In establishing such a system, the road authority must have regard to the whole range of its activities and the resources available to carry them out and set their priorities and policies accordingly.

The proposed policy defence will protect a road authority from liability if it has established and implemented such a reasonable system. However, if the road authority's policy is plainly unreasonable, or if the road authority has not made a policy in relation to the function in question, then it will be for a court to determine what was a reasonable standard. In doing so, the court must have regard to the matters set out in clause 101 of the bill, including the character of the road and the traffic that uses it.

Liability where two bodies have road management functions

Clause 104 provides that, where a person has a duty in relation to a matter and another person has discretionary power to take remedial action, only the person with the duty is liable for negligence in relation to the exercise of those functions.

The reason for the provision is to reinforce this bill's allocation of responsibility for various road management functions and to ensure that responsibility is matched by accountability. An organisation or person that causes harm by failing to carry out its responsibilities properly should be held accountable and bear the financial consequences of that failure. The provision also aims to reduce the costs of litigation by avoiding the involvement of other parties that were not under a duty to take action.

Defence to prove that reasonable care was taken

Clause 105 of the bill establishes a defence to a claim based on alleged negligence for a road authority or the manager of works or infrastructure on a road to show that it had taken reasonable steps in carrying out its road management functions. The reason for this provision is to set out what a road authority or works and infrastructure manager needs to prove in legal proceedings if it is to establish that it had carried out its functions properly and was not negligent. Compliance with a road management plan or other policy decision of a road authority will establish this defence unless it can be shown that the policy was manifestly unreasonable.

Contributory negligence

Clause 106 requires a court to consider whether any of the matters set out in proposed section 17A of the Road Safety Act 1986 was a relevant factor for the purposes of determining issues of contributory negligence in litigation relating to the condition of a road or infrastructure. Section 17A, which is to be inserted by clause 138 of the bill, places a number of general obligations on road users, including a duty to drive safely having regard to road, weather and traffic conditions.

The reason for the provision is to ensure that the duties that this bill proposes to impose on all road users are taken into account in civil proceedings.

Roadsides and public highways

Clause 107 provides that a road authority does not have a statutory or a common-law duty to perform road management functions in relation to a public highway that is not a public road or in relation to roadside areas. The reason for this is that road authorities should devote their resources to the roadways and pathways that actually form part of the public road network. The community cannot afford, and road authorities should not be required, to maintain as roads all land over which the public may have a right of way.

Occupier's liability

Clause 108 clarifies that a road authority is not an occupier of land, and that a road is not 'premises', for the purposes of occupier's liability under section 14B of the Wrongs Act 1958. This exemption from liability will not apply to buildings on roadside areas.

The purpose of the clause is to ensure consistency with the position under Australian and English common law in relation to occupier's liability. Roads are public places, and road authorities cannot exercise the same degree of control over roads that private land-holders can exercise over their holdings.

Fences

Clause 109 provides that neither the Crown nor a road authority is liable for damage that may be caused by reason that a road is not fenced. The reason for this is that road authorities do not have sufficient funds to fence off roads, and in many cases it is simply not appropriate to fence a road. The decision whether to fence a road should therefore be left to the relevant road authority. This confirms the existing position under section 249 of the Transport Act 1983 in respect of roads administered by VicRoads, and extends the principle to roads generally.

Threshold for small property damage claims

Clause 110 establishes a deductible of \$1000 on property damage claims against road authorities where the claim arises out of the condition of a road or infrastructure on a road. Clause 111 provides for the threshold to be linked to the consumer price index.

The reason for these proposals is that minor damage to vehicles, bicycles and other property will inevitably occur from time to time. The risk of minor damage, such as broken windscreens and punctures, is reasonably incidental to the decision to operate a vehicle or a bicycle on the roads. Further, the prevention of damage to vehicles, bicycles and other property is generally more within the control of the driver or road user than the road authority. While the value of such claims may be small individually, the total amount of the claims, and the administrative and legal costs of dealing with them, could become a significant diversion of funds that can be better spent on road maintenance and improvement. Indeed, in many cases the processing costs may exceed the value of the claim itself, making it uneconomic to defend the claim. With the abolition of the nonfeasance defence, claims of this nature will increase and it would be an inappropriate use of road maintenance funds to pay for the repair of minor

damage to vehicles and other property caused by road conditions. For all these reasons, it is considered that the risk of minor property damage should be borne by the vehicle or property owner. The community cannot afford to become, through its road authorities, the de facto insurer for minor property damage on the road system.

Modification of a common-law rule

Clause 129 deals with an old common-law rule that a landowner may be responsible for the maintenance of public highways over the owner's land. The rule appears to have had little, if any, application in Australia. Clause 129 proposes to abrogate the rule in relation to roads on Crown land and land owned by a commonwealth or state authority.

The scope and content of road authorities' duties to maintain roads is to be determined in accordance with this bill. The reason for clause 129 is to ensure that the vesting of roads in the Crown or road authorities does not have the unintended result of creating a common-law duty to maintain those roads by reason of tenure.

Section 85 statement read pursuant to sessional orders:

Section 85 statement relating to amendments to the Victorian Civil and Administrative Tribunal Act 1998

Clause 168 of the bill inserts a new section 160A into the Victorian Civil and Administrative Tribunal Act 1998, which states that it is the intention of section 52 of that act as amended by clause 167(1) of this bill to alter or vary section 85 of the Constitution Act 1975. I therefore make the following statement under section 85(5) of the Constitution Act 1975 to set out the reasons for altering or varying that section.

The effect of clause 167(1) is that appeals to the Victorian Civil and Administrative Tribunal against road authority decisions of the following kinds will be treated as planning appeals:

decisions under clause 57 in relation to development contributions;

decisions under clause 126 and schedule 2 of the bill, which deal with access to controlled access roads;

decisions taken under the regulations made under clause 132 of this bill. This is consistent with the existing position under the Transport Act 1983.

Treating such appeals as planning matters means that section 52 of the Victorian Civil and Administrative Tribunal Act will operate to exclude the jurisdiction of the Supreme Court, County Court and Magistrates Court to hear or continue to hear a matter where the tribunal has jurisdiction to review that matter, unless the court is of the opinion that there are special circumstances. This merely maintains the status quo in the hearing of planning disputes.

Other civil liability provisions

Clause 115 of the bill requires persons who wish to make a claim against a road authority in respect of the performance of road management functions to give notice of the incident within 30 days. This serves three purposes. First, it ensures that the road authority is made aware of the hazard or

potential hazard so that it can take remedial action. Secondly, it will enable the road authority to prepare a condition report on the road. Road conditions vary constantly, and it can be very difficult to ascertain, months or years later, the condition of a road at the time of an incident for the purposes of litigation. Thirdly, it will provide a source of information for road safety research.

Condition reports prepared by the road authority must be made available to the relevant parties. Failure to make an incident report will not itself prevent an action being brought by a plaintiff, but it will be a factor that a court may take into account in deciding what weight to give to evidence from the parties about road conditions at the time.

Conclusion

This Parliament has a proud record in the field of road safety. There are four risk factors in road accidents: the driver, the vehicle, the weather and the road.

In relation to driver behaviour, this Parliament is a world leader in enacting laws to promote good driving and deter reckless driving, such as speeding and drink-driving.

In relation to vehicle safety, Australia has comprehensive and detailed design rules. Vehicle safety standards have advanced tremendously in recent years.

In relation to the weather, we can complain, but there is not a lot we can do.

This bill focuses on an area where we can do something more — the standard of public roads. This bill is called the Road Management Bill because it is only by better management that we can improve the road system. This bill is about achieving the best road system we can with the available resources, about making decisions that will optimise results, and then implementing them.

To sum up, this bill is about facilitating better road management for Victorian communities by establishing clear processes for setting goals, establishing policies and standards and implementing sound management techniques.

I commend the bill to the house.

Debate adjourned on motion of Hon. R. H. BOWDEN (South Eastern).

Debate adjourned until next day.

MONETARY UNITS BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Finance).

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

This legislation implements the government's policy of automatic indexation as announced in the 2003–04 budget.

This initiative will ensure that the original intent in setting fees and fines is maintained over time.

This policy is not unlike the price adjustments that occur regularly throughout the economy. The cost of providing government services is regularly increasing, yet in many cases the value of the fee or fine has not increased for a number of years, and in some cases as many as 10 years.

This legislation establishes the concept of a fee unit, it continues the concept of a penalty unit and adopts the annual rate set by the Treasurer as the indexation factor. This legislation also establishes regulation-making powers to enable the conversion of fees and penalties set in monetary amounts into the equivalent number of fee units and penalty units, and vice versa.

This legislation amends the Sentencing Act 1991 and the Subordinate Legislation Act 1994 in order to establish the framework for automatic indexation. Other acts are also amended, where a conversion from a monetary amount to a fee unit or penalty unit is required, and vice versa.

I commend the bill to the house.

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

Debate adjourned until next day.

**PETROLEUM (SUBMERGED LANDS)
(AMENDMENT) BILL**

Second reading

**Ordered that second-reading speech, except for statement under section 85(5) of Constitution Act, be incorporated on motion of
Hon. T. C. THEOPHANOUS (Minister for Resources).**

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

That the bill be now read a second time.

The offshore petroleum industry supports thousands of jobs and provides Australian communities with most of their domestic natural gas requirements. It is a major export contributor to the Australian economy and attracts significant foreign investment for exploration and the development of new oil and gas fields. Offshore safety on petroleum facilities is regulated according to whether the facility lies in commonwealth or state waters and for operators in several jurisdictions they may be subject to two or more regulatory regimes.

In August 2001, with the support of the industry and the work force, the commonwealth Department of Industry, Science and Resources prepared a report on offshore safety. The report found that the current system of regulation was inadequate with unclear limitations, overlapping acts and inconsistent application between commonwealth and state jurisdictions.

The commonwealth has responded to the report by initiating the creation of a National Offshore Petroleum Safety Authority to regulate occupational health and safety matters on offshore petroleum facilities in both commonwealth and state waters. The commonwealth has already passed legislation to enable the authority to undertake its regulatory activities in commonwealth waters and to provide the safety authority with the ability to fully recover the cost of its operations through industry fees and levies.

All the states are party to the offshore constitutional settlement with the commonwealth which supports consistent offshore regulation. This obligation requires Victoria to enact legislation to mirror the legislative changes made by the commonwealth to enable the safety authority to carry out its occupational health and safety role in state waters. It will mean that state laws which currently regulate OHS matters on offshore facilities will be disappplied and a new schedule 7 inserted into the act which provides the OHS regime to apply in state waters.

Schedule 7 outlines the duties that are to be carried out by various people with responsibilities on an offshore facility, including the operator of a facility and employers of workers. It also extends to the manufacturers and suppliers of plant and substances to be used on the offshore facility to ensure that when properly used it is safe and without risk to the health and safety of the workers. The OHS regime will be supported by the safety case approach outlined in the regulations to the act. Safety cases have been applied in Victoria for a number of years under the Occupational Health and Safety Act and regulations, and require the owner-operators of offshore facilities to provide for high standards of OHS procedures.

The bill provides for the functions of the safety authority, which include the promotion of the occupational health and safety of persons on offshore petroleum facilities and the development and implementation of monitoring and enforcement strategies to ensure compliance with OHS obligations. The safety authority is also able to investigate OHS incidents and make reports and recommendations to the state and commonwealth ministers on OHS matters. The safety authority is also empowered to cooperate with other state and commonwealth agencies that may also have functions relating to offshore petroleum operations.

The bill gives the minister the power to require the safety authority to prepare reports or give information in relation to the performance of the safety authority or in the exercise of its powers in state waters. The minister must also cause a review to be undertaken of the operations of the safety authority in state waters every three years and a copy of the review report is to be tabled in Parliament.

The bill also provides for a Safety Authority Board, which has the functions of giving advice and to make recommendations to the CEO of the safety authority, the state and commonwealth ministers and the Ministerial Council on Mineral and Petroleum Resources. Advice may be given on policy or strategic matters relating to OHS issues on offshore facilities or the performance of the safety authority.

The bill also mirrors amendments made by the commonwealth which restrict the use that may be made of information and mining samples obtained by a Victorian minister under the act and prevents the general publication or distribution of the information or samples to preserve their

commercial value. The bill also states that the requirements of the Information Privacy Act continue to apply.

Section 85 statement read pursuant to sessional orders:

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by this bill.

New section 151ZT of the Petroleum (Submerged Lands) Act 1982 to be inserted by clause 11 of the bill states that it is the intention of section 151ZS and clause 69(2) of schedule 7 to alter or vary section 85 of the Constitution Act 1975.

New section 151ZS provides that the safety authority, the CEO, an OHS inspector and a person acting under the direction or authority of NOPSA is excluded from liability for the performance of an OHS function carried out in good faith.

This exemption from liability does not currently exist in the Victorian Petroleum (Submerged Lands) Act 1982 but reflects a similar exemption conferred by the commonwealth Petroleum (Submerged Lands) Act 1967. Inclusion of this provision is consistent with the offshore constitutional settlement between the commonwealth and the states to provide for consistent offshore regulation. It will also enable the safety authority to carry out their functions without constraint from possible legal action in both commonwealth and state waters, particularly when incidents occur on offshore facilities that require immediate action.

The exclusion from liability also applies the new clause 69(2) of schedule 7. This new clause provides an exemption from liability for a person who contravenes a code of practice issued for the practical guidance of operators or employers of offshore petroleum facilities.

Currently there is no provision for codes of practice and their exemption from liability in our act. It has been included to reflect similar requirements applying in the commonwealth Petroleum (Submerged Lands) Act 1967. Inclusion of this provision is consistent with the offshore constitutional settlement between the commonwealth and the states to provide for consistent offshore regulation. It will also enable the operators-employers of offshore facilities to choose to carry out their functions within the broad parameters of a code of practice without breaches of the code being subject to possible legal action in both commonwealth and state waters.

The minister believes that the provisions of this bill will benefit the petroleum industry by providing consistent OHS regulation on offshore facilities by a national safety authority that will be staffed by people with a unique mix of technical competence, judgment and skills. The minister is confident that the new safety authority will provide a high degree of confidence in the regulation of safety on offshore facilities and the protection of the offshore work force.

I commend the bill to the house.

Hon. BILL FORWOOD (Templestowe) — I move:

That debate on this bill be adjourned to the next day of meeting.

I look forward to debating it with Mr Theophanous.

Motion agreed to and debate adjourned until next day.

LIMITATION OF ACTIONS (AMENDMENT) BILL

Second reading

Ordered that second-reading speech, except for statement under section 85(5) of Constitution Act, be incorporated on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

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

That the bill be now read a second time.

Purpose

The purpose of this bill is to amend the Limitation of Actions Act 1958 to:

- (a) clarify the application of section 20A of that act which concerns limitations on proceedings for the recovery of tax, and, in particular, to clarify that it operates in relation to proceedings between private parties as well as against revenue-collecting authorities; and
- (b) prevent the recovery of windfall gains in proceedings for the recovery of a tax or an amount attributable to a tax.

Reasons for the bill

There have been a number of decisions of the High Court and courts in other states which have highlighted some shortcomings and uncertainty in the laws related to the recovery of imposts. Other states have legislation which can overcome some of those shortcomings and it is desirable that Victorian legislation be brought into line with that which applies in many other states.

In the case of *Roxborough v. Rothmans of Pall Mall Australia Ltd*, the High Court found that tobacco retailers could recover from wholesalers the franchise fees which had been found to be invalid by the High Court in the *Ha v. State of NSW* decision. They were able to do so despite the fact that the retailers had passed the burden of taxes onto the consumer. The retailers, therefore, received a windfall gain.

However, when the consumers sought to recover this windfall gain from the retailers in the NSW Supreme Court in the *Cauvin v. Phillip Morris Ltd* case, it became apparent that it would be virtually impossible for them to succeed against the retailers.

Provisions to prevent windfall gains are common in the taxation legislation of other Australian states and territories. New South Wales, South Australia, Tasmania and Western Australia already have anti-windfall provisions which apply to the recovery of all taxes. The appropriateness of such provisions is further demonstrated by the fact that the

Canadian courts have developed a similar bar to recovery of taxes where such recovery would result in a windfall gain.

Anti-windfall provisions already operate in respect of some specific taxes in Victoria. These are to be found in the Taxation Administration Act 1997 and the Land Tax Act 1958. This bill ensures that they operate in all cases. While the state has a limitation period in relation to the recovery of all taxes in section 20A of the Limitation of Actions Act 1958, it does not have an anti-windfall provision which applies to all taxes.

This bill ensures that all taxes are subject to an anti-windfall provision. In particular, it introduces an anti-windfall provision which imposes a requirement that proceedings cannot be maintained to the extent that recovery would result in a windfall gain. Introducing this provision will have the effect of bringing Victoria into line with New South Wales, South Australia, Tasmania and Western Australia.

A further potential difficulty with the present form of section 20A of the Limitation of Actions Act 1958 was highlighted by the recent case of *Thistle Investments Pty Ltd* in which judgment was handed down in September 2003. In that case, the Australian Capital Territory Supreme Court doubted whether the equivalent Australian Capital Territory provision applied to proceedings between individuals or was instead limited to actions against a public revenue-collecting entity. In another recent decision, *British American Tobacco Australia v. Western Australia*, the High Court held that a Western Australian law regulating court proceedings did not apply in federal jurisdiction as it was limited to actions against the Crown.

If the state has the benefit of a provision like section 20A, the citizen should have it too. It would not be just to allow citizens to be exposed to a greater liability than that which they can recover from the state. For that reason the bill clarifies that the 12-month limitation period imposed by section 20A applies in proceedings between parties of any kind. This is likely to strengthen the application of the section in proceedings in federal jurisdiction. It will also mean that the section will apply not just to proceedings against revenue-collection authorities, but also to proceedings between individuals and individuals and proceedings between individuals and companies.

The bill also makes clear that the anti-windfall provision applies in proceedings between parties of any kind, whether the parties be individuals, companies or the state.

By extending the anti-windfall provisions in this manner and clarifying that the provisions apply to all proceedings, these provisions will prevent a company from maintaining a proceeding if it has passed on the burden of a tax or purported tax to its customers. A party is precluded from recovering money paid by way of tax, or attributable to a payment of tax, if the party has suffered no loss. So, if a situation were to arise again which was like the Roxborough case, retailers would not be able to recover from the wholesaler unless they could establish that they would not receive a windfall gain.

The bill, however, makes it clear that a party who has passed on a tax will still be able to bring a proceeding if:

the windfall amount has already been paid back to the customer; or

an unconditional and enforceable agreement is entered into with the customer to pay back the tax, for example an agreement which is not dependent on the outcome of a court proceeding.

The bill thus only seeks to regulate proceedings; it does not seek to extinguish any rights.

Further, the bill only restricts a party bringing a proceeding to the extent that the party has received a windfall gain. If the party has absorbed some of the burden, a proceeding can still be brought in relation to that part of the burden that has been borne by that party.

In clarifying the operation of section 20A, the opportunity has been taken to make two technical amendments to the section. The particular amendments relate to:

section 20A(1), which is amended to ensure that a demand made under the colour of authority is covered by the section; and

section 20A(2), which is amended to ensure that it operates in relation to taxes imposed or purported to be imposed under all legislation by substituting the current reference to an 'act' with the expression a 'law'.

The extension of section 20A(1) has been made because proceedings under this section, traditionally described as 'actions for money had and received', are often brought under several grounds. In addition to 'mistake', which is currently covered by the section, a further ground is that a taxation amount has been demanded 'under the appearance or colour of authority'. This amendment seeks to ensure that the provisions apply equally to all cases in which recovery of taxes is sought whether a proceeding be brought under one name or another. Claimants should not be able to avoid the operation of this section by the technical way in which they plead their case.

The amendments to section 20A(2) make it clear that section 20A applies to all invalid taxes, through whatever mechanism they have been exacted. The amendment will put beyond doubt that the limitation provision in that subsection applies where money paid by way of tax or purported tax is recoverable because of the invalidity of instruments other than acts. It will ensure that the limitation provision operates in relation to taxes imposed by instruments such as regulations as well as other instruments which are applied as a law of Victoria or are enforceable under such applied law.

Application

In keeping with the past practice associated with the commencement of legislation dealing with the application of limitation periods in relation to the recovery of taxes, the amendments made by this bill apply to and in relation to money paid before, on or after 4 March 2004 (the day on which the bill receives its second reading) but do not apply to a proceeding commenced before that date.

Section 85 statement read pursuant to sessional orders:**Statement under section 85(5) of the Constitution Act 1975**

I wish to make the following statement under section 85(5) of the Constitution Act 1975 setting out the reasons for altering or varying section 85 of that act.

Clause 5 of the bill inserts a new section 38B in the Limitation of Actions Act 1958 which states that it is the intention of:

section 20A, as amended by section 3 of the Limitation of Actions (Amendment) Act 2004; and

the new section 20B (inserted by section 4 of the Limitation of Actions (Amendment) Act 2004)

to alter or vary section 85 of the Constitution Act 1975.

The purpose of the amendments to section 20A effected by clause 3 of this bill is to establish or clarify: that the section operates in proceedings between individuals; that section 20A(1) applies to proceedings brought on the ground of a payment made under colour of authority; and that section 20A(2) applies in relation to a wider class of instruments, rather than just acts.

The reason for limiting the jurisdiction of the Supreme Court is that the purpose of clause 3 could not be achieved if the Supreme Court could entertain proceedings to which the modified section 20A applies where such proceedings are brought after the expiration of the limitation periods referred to in that section.

The purpose of the introduction of the new section 20B effected by clause 4 of this bill is to introduce a general anti-windfall provision in proceedings for the recovery of a tax or an amount attributable to a tax and to ensure that it applies in proceedings between parties of any kind.

The reason for limiting the jurisdiction of the Supreme Court is that the purpose of clause 4 could not be achieved if the Supreme Court could entertain proceedings to which the new section 20B applies without fulfilling the conditions prescribed by that section.

Conclusion

As noted, the cumulative effect of a series of cases, the most recent in September last year, has highlighted a problem that needs to be addressed.

In addressing this problem, this bill seeks to balance the need for protecting public revenue with the need not to give the state an advantage in these kinds of proceedings that is not given to other parties.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. STRONG (Higinbotham).**Debate adjourned until next day.****MARINE (AMENDMENT) BILL***Second reading***Ordered that second-reading speech be incorporated on motion of Ms BROAD (Minister for Local Government).**

Ms BROAD (Minister for Local Government) — I move:

That the bill be now read a second time.

This bill addresses a number of issues requiring amendment in the Marine Act 1988 and the Port Services Act 1995 in order to facilitate improved safety in the marine environment. The Marine Act 1988 is a key body of legislation providing a framework for the safety of people, the safe operation of vessels and control of pollution in Victorian waters. The Marine Act also provides for implementation of international conventions related to safety and pollution. The Port Services Act 1995 deals with the establishment of the port corporations and authorities, the economic regulation of the ports and management of Crown lands.

The Bracks government is committed to ensuring that the legislative framework which underpins the safety of users, the safe operation of vessels and the control of pollution in Victorian waters, promotes efficiency, effectiveness, safety, security and environmental responsibility on the part of all bodies associated with the use of the marine environment.

The amendments in this bill will, to a large degree, clarify provisions that are in the Marine Act 1988 and consolidate legislation that is currently duplicated in the Port Services Act 1995.

This government undertook to revise port legislation to include an explicit requirement for ports to be operated safely and in an environmentally responsible manner. The consolidation of the harbourmasters provisions into the Marine Act 1988 meet this undertaking by specifically requiring the harbourmaster to carry out his or her functions in a manner that ensures the safety of persons, the safe operation of vessels and that minimises the effect of vessel operations on the environment.

The government response to the review of port reform following the Russell review conducted by Professor Bill Russell indicated that legislative amendment was required to address a number of gaps and inconsistencies in relation to responsibility for safety in state waters, particularly waters outside port boundaries. There are 59 gazetted waterways in Victoria dealing with vessel safety issues on state waters. The legislation has not always been clear on the roles and functions of the authorities dealing with these waterways.

This bill introduces a number of amendments to the Marine Act 1988 drafted to clarify the role and responsibilities of bodies dealing with state waters outside port waters. These amendments will facilitate improved safety on the Victorian waterways.

The increased clarity will also improve safety for the marine environment. For example the clarification of the definition of 'pilot' to include pilot exempt masters for fatigue requirements will bring pilot exempt masters in line with the

requirements of pilots leading to a safer marine environment. This is a positive step as exempt pilot masters perform the same function as pilots and are faced with the same safety issues.

The introduction of regulation-making powers to implement the Australian builders plate for new recreational vessels will also increase marine safety. The Australian builders plate is a plate that will be affixed to certain recreational vessels at the point of construction or import. It will display certain information about the boat's engine and load capacities, its buoyancy rating and warning statements about its safe operation. Operators and regulators will have relevant information visible when on the vessel and will be able to ensure that the vessel is operating within its limits.

The bill introduces a provision for the improved audit of vessels by police and Marine Safety Victoria inspectors to check vessels for compliance with regulated vessel safety requirements. Marine Safety Victoria has always had the power through the uniform shipping laws (USL) code to undertake random safety audits on board vessels in Victoria. However, this provision is to be removed from the code as the code will focus on design and construction standards. It is more appropriate that this power sits with similar enforcement legislation. This provision is similar to the powers under the Fisheries Act 1995 for police to inspect vessels for compliance purposes. The policy is aimed at ensuring the safety of users.

Clause 30 of the bill has the effect of exempting the Marine (Designated Ports) Regulations 2004 to be made under the Port Services Act 1995 from the consultation and regulatory impact statement process required under the Subordinate Legislation Act 1994. The reason for the exemption from the subordinate legislative process is that the process has already been undertaken in October 2003.

The government is committed to consultation and proper assessment of regulations. In this case, for reasons of cost efficiency and because all stakeholders were consulted in the earlier process, it is appropriate to make the second set of regulations without replicating the consultation and the regulatory impact statement process.

The clause requires that the minister certify in writing that the draft regulations to be made under the Port Services Act 1995 on 1 July 2004 are the same in substance as the Marine (Designated Ports) Regulations made under the Marine Act 1988 and the minister will make both sets of regulations available when settled by parliamentary counsel.

Summary

This bill continues the legislative reforms in response to Professor Russell's comprehensive review and other reviews into the Marine Act 1988. The clarifying legislative amendments will lead to improved safety in the marine environment.

I commend the bill to the house.

**Debate adjourned on motion of
Hon. R. H. BOWDEN (South Eastern).**

Debate adjourned until next day.

ADJOURNMENT

Ms BROAD (Minister for Local Government) — I move:

That the house do now adjourn.

Monash Freeway: upgrade

Hon. R. H. BOWDEN (South Eastern) — I seek the assistance of the Minister for Transport in the other place on what is a very serious issue affecting millions of citizens of Melbourne and the south-eastern area of this city. The serious issue is the lack of capacity that is quite obvious on the Monash Freeway, which has now become a clogged artery and a slow-moving car park in peak times towards the city in the morning and away from the city in the afternoon. I suggest that the section between Warrigal Road and the Dandenong area in particular is a great cause for concern. This affects the efficiency of our economy, it affects the ability of people to get to work and it ultimately ends up being a situation where the cost of goods and services is unnecessarily lifted because of the inefficiency of this artery.

Honourable members interjecting.

Hon. R. H. BOWDEN — I notice that Ms Carolyn Hirsh is not concerned about this issue; she does not use the Monash Freeway, I would believe, based on her heartless comments. But I suggest to you, President, that this road has reached a crisis point, because it is clogged, inefficient and at times quite dangerous in its inability to cope with the demands put on it. It is in urgent need of investigation and upgrade.

In the past I have suggested that the space is available, and it is possible to add a lane in each direction between Dandenong and Warrigal roads to help in this very important matter. The road is a vital part of our transport system in this city, and it is not receiving adequate attention from VicRoads or the government at this time.

It is not simply my electorate that is affected; it is many electorates, and there are electorates represented by the Labor Party. The constituents of Labor members are equally disadvantaged by the situation that VicRoads and the government have allowed to develop.

I also ask the minister, as part of this investigation of the Monash Freeway, to look at the dreadful situation where VicRoads and the City of Casey are still continuing to be arrogant and are still planning to put lights on the Western Port Highway, where the Western Port Highway is a continuation of the Monash. The

combination of the arrogance and the poor planning of VicRoads and its connivance with the City of Casey, coupled with the inefficiency of the Monash Freeway, is a dreadful indictment of the administration of this government and of VicRoads in particular. The question is: will the minister investigate VicRoads and instruct it to do the right thing by the motorists in that region?

Thompsons Road, Cranbourne: upgrade

Mr SOMYUREK (Eumemmerring) — I raise a matter for the Minister for Transport in another place concerning Thompsons Road in Cranbourne on the border of my electorate. Thompsons Road is located in the city of Casey, which is one of the fastest growing municipalities in Australia. As I said previously, it is growing by about 10 500 households a year. Thompsons Road is a major east-west link road connecting the growth corridor with the bayside suburbs and the industrial estates of Dandenong South. However, Thompsons Road is too narrow for the traffic it currently carries, and this has led to considerable safety issues. The road is gravel edged and has potholes and uneven surfaces caused by large and heavy vehicles that also use this stretch of road. Unfortunately this has led to Thompsons Road being a major black spot.

Since coming to office the Bracks government has spent more than \$29 million in the city of Casey to eradicate black spots — they are black spots that have been inherited from the previous government, which in its last three years spent a total of \$163 000 on black spots in the city of Casey. I am pleased that this government has committed to a project to widen Thompsons Road between Frankston-Dandenong Road and Western Port Highway. However, more needs to be done.

I request that the Minister for Transport give consideration to extending the project to include the intersection of Thompsons Road and Evans Road in Cranbourne. This will have a significant effect on safety in the area and continue the tremendous job the Bracks government is doing with its Arrive Alive road safety strategy to bring down the road toll.

Omeo Highway: sealing

Hon. W. R. BAXTER (North Eastern) — I also have a matter for reference to the Minister for Transport in another place. I refer to the parlous condition of the Omeo Highway, particularly the unsealed sections thereof. I have with me a stone selected at random which is typical of the size of the stone that has been used on the Omeo Highway in various patches. I assure

the house that this piece of rock was selected at random; it has not been selected as being one of the larger specimens. Of course rocks of this size on a road are not only dangerous and unsafe they are very costly to motorists in that they cause punctures. Many of my constituents have experienced punctures on that road in recent months. I have just been informed by the Leader of The Nationals that the last time he travelled along that highway not so long ago he also experienced a puncture. It is causing a good deal of concern.

I invite the minister to have VicRoads give some attention to this serious problem. I also implore the minister to get on and honour the commitment given by a former minister for roads in this place in the life of the previous government that the sealing of the Omeo Highway would be progressively undertaken. If the road were sealed it would overcome the problems that motorists are currently experiencing with this sort of pavement material being used.

Food: security

Hon. KAYE DARVENIZA (Melbourne West) — The matter I wish to raise for the attention of the Minister for Health, Bronwyn Pike, in another place goes to food security. In this context it refers to a person's or family's ongoing access to enough food that is safe, nutritious and affordable to live a healthy life. Food security is a very basic condition for good health, social wellbeing and economic participation. Most of us take very much for granted that we can access food on a daily basis. In fact we often worry about having too much food available to us. But that is certainly not the case for a number of constituents in my electorate.

Access to adequate, nutritious food is governed by a whole range of very complex factors. People most at risk include those with no incomes or low or adequate incomes, such as pensioners and asylum seekers; people with inadequate accommodation, and that can be homeless people, people in substandard accommodation, in rooming houses, or in supported residential services with no or inadequate cooking facilities or without facilities such as refrigerators to be able to keep food; people from culturally and linguistically diverse backgrounds who have difficulty understanding the system; people with health needs, chronic addiction and other health problems; people who are isolated, with limited transport or poor mobility; and single parents.

Given that my electorate of Melbourne West Province has some of the most socially disadvantaged who fall into the categories I have just mentioned, I am asking the minister what innovative and sustainable strategies

her department is implementing to improve the wellbeing of residents by increasing access to affordable and nutritious food in my electorate. Given the complexity of the issues that can result in people and families being unable to access enough affordable and nutritious food, I believe it is important that this issue is not seen as just a public health issue or just a social welfare issue. I am therefore interested in what involvement those responsible for areas such as homelessness, mental health, aged care and disability services are having in addressing this important issue in my electorate.

River Gum Walk, Ivanhoe: shared pathway

Hon. BILL FORWOOD (Templestowe) — The issue I wish to raise with the Minister for Energy Industries, who is at the table, is also for the Minister for Transport in the other place. It is to do with the proposed shared pathway through River Gum Walk in Ivanhoe. This has been quite a contentious issue, and the honourable member for Ivanhoe in the other place, Craig Langdon, took this matter up with the Minister for Transport, the Honourable Peter Batchelor, on 24 September last year. He wrote that while stage 1 had been funded, there was considerable concern about stage 2, which is the River Gum Walk bit, and about stages 3 and 4. In the course of his letter he wrote:

However, council does appear 'hell bent' on constructing a shared pathway through River Gum Walk, even though stage 3 is yet to be approved and stage 4 is uncertain. I note with interest that council is not prepared to finance this proposal from its own funds and is relying on state government funding; hence this is why the residents are turning to me.

Mr Langdon completed his letter by saying:

I therefore seek your assistance in not releasing any funding for stage 2, 3 or 4 without full disclosure of the proposals and proper community consultation. If council wants to fund these paths themselves it should be at liberty to do so as it is a council matter.

In other words, Mr Langdon asked in September last year for the state government not to provide the funds for River Gum Walk to go ahead until we know at least what is going to happen with stages 3 and 4. I also point out that stage 4 is reputed to go down the Boulevard, and about stage 3, I quote:

I note with interest that many are now suggesting that stage 4 will not occur and the Main Yarra Trail will be used instead. This is hypocritical if they are also advocating that the Main Yarra Trail should not be used further north as an alternative to River Gum Walk.

The issue I wish to raise with the minister is that although Mr Langdon wrote to him on 24 September

last year, I have been contacted by a resident of River Gum Walk who states, and I quote:

... I have not been able to get an answer from Craig Langdon's office as to Peter Batchelor's response, if, in fact, he has responded.

Hon. T. C. Theophanous — A quote from whom?

Hon. BILL FORWOOD — It is from Judy Meagher, the constituent who came to see me.

So the issue is, either Mr Batchelor has responded to the letter dated 24 September, and Mr Langdon is sitting on it, or he has not responded to the letter.

Hon. B. N. Atkinson — More likely.

Hon. BILL FORWOOD — More likely. I know that if Mr Langdon had a response from Mr Batchelor he would have done something with it. So I suspect that Mr Batchelor has not responded to his own colleague's letter written on 24 September. I ask him to speedily respond so that my constituents and Mr Langdon's constituents will know what is happening.

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

Rail: V/Line bookings

Ms ROMANES (Melbourne) — This issue I raise is also for the Minister for Transport in the other place, the Honourable Peter Batchelor. Many of the members who have visited Federation Square would also have visited the Melbourne Visitors Centre, which is downstairs in the place of a former railway station platform. It is an important transport and tourism hub at Federation Square. It was the initiative of the Melbourne tourism services department of the Melbourne City Council, and it fulfils a vital role in disseminating information and services to help people get around the city of Melbourne on public transport and also to access recreation and entertainment services in Melbourne.

I visited there last Saturday afternoon to gather some information on public transport in inner Melbourne for one of the local cafes near my electorate office. The proprietor is keen to provide information on local public transport services to people coming into his cafe as a service to them. I went there to gather that information and in discussion with one of the staff it emerged that visitors to the centre can access information on public transport and entertainment and also book a range of services including accommodation in Victoria, flights, tours, bus trips and buy Metcards. But one of the things they cannot do currently at the

Melbourne Visitors Centre is to make a booking on V/Line trains. This is a vital service which connects people and tourists in particular with the rest of Victoria, and I believe it should be available and accessible through a vital hub like the Melbourne Visitors Centre. I ask the minister why V/Line bookings could not be made at the Melbourne Visitors Centre and whether this omission can be rectified.

Hon. Bill Forwood — You can park your bike there.

Ms ROMANES — I did.

Bushfires: fuel reduction burning

Hon. E. G. STONEY (Central Highlands) — I raise an issue for the Minister for Environment in the other place. I request that the minister make a far greater effort to inform the public and raise its awareness of the issues arising from fuel reduction burning in our state forests. I must say I am particularly pleased that the Bracks government has finally adopted a comprehensive fuel reduction burning program in Victoria's forests following intense public and, indeed, political pressure after last year's bushfires. The decision was overdue but it is certainly welcome.

I think the Department of Sustainability and Environment is doing a good job this year with the program that is set before it, and I believe the criticism last week was unwarranted. The criticism from uninformed people and some media in Melbourne was not really deserved. It is a fact of rural life that there are side effects from the fuel reduction burning program. They include smoke and the possibility of a fire jumping lines. This is what happens, and it is really important that our political and civic leaders firstly explain the necessity for fuel reduction burns, and second, the side effects such as smoke and the odd fire getting away.

It is important that the public supports sensible forest management, including heavy programs of fuel reduction burning each year. They must understand that smoke is an inevitable part of that process, and even if it may be a bit uncomfortable at times like Easter, that may be the only time that that particular area can be burnt.

As I said, I was disappointed that there was unwarranted criticism last week, because this type of publicity pressures any government to be more cautious when it is really important that it is more courageous in authorising major fuel reduction burn programs. It is not clear to most people — and it should be conveyed

by the government — that there is a very small window of opportunity for protective burns; it may be as little as two to three weeks in some years. In fact it was a very hot week last week, it rained on the weekend and I am sure there are now some areas in the forest that will not be able to be burnt again this year. We go from hysteria one week to the position of being unable to burn in just a couple of days. Once April comes the Department of Sustainability and Environment must take every opportunity, including over Easter, to grab that window of opportunity because it may be a year before it happens again.

I ask the minister to improve his communication with the public about the true nature and challenges of fuel reduction burning, and these include smoke, and the fact that fire sometimes gets away. That is what happens in nature; it is what happens with fuel reduction burning in the management of public land.

Glen Eira: ratepayers association

Hon. C. A. STRONG (Higinbotham) — The issue I would like to raise is for the Minister for Local Government regarding the events at Glen Eira City Council. Mr Pullen yesterday referred to minutes of 25 June 2003 of the meeting of the Glen Eira ratepayers association. He stated that Cr Veronika Martens was referred to in those minutes as 'Fräu' Martens. I have taken the effort to check this allegation and I can assure the house that is not true. If Mr Pullen took time to inspect the association's minute book, which I am sure would be made available to him to inspect, he would know that that is the truth, rather than coming in here and peddling slanders against the ratepayers association — —

Hon. T. C. Theophanous — On a point of order, President, the honourable member is well aware of the forms of the house. He is in the process of making a substantive allegation about a member of this house in relation to allegations that the member has been untruthful to the house. He knows that the forms of the house are that if he wants to make a substantive allegation along those lines, then he has to do so by a substantive motion. If he is going to persist with this line, I ask that you rule his contribution out of order. And if he is of the view that a substantive motion is necessary, then he has other forms of the house which he can entertain. I am sure that the honourable member who is being named supports the view that I have put to you in relation to this matter.

Hon. Bill Forwood — On the point of order, President, Mr Strong is less than a minute into his contribution. He is raising an issue with the minister; he

is entitled to make a complaint, request or pose a query, and he is entitled in doing so to provide some background. This is absolutely no different to the circumstances we found ourselves in last night when Mr Pullen started his contribution in this manner. I put to you that Mr Theophanous is wrong in this case. Mr Strong has every right to state some background information before he moves on to make a complaint, request or pose a query. He has the capacity to give some background information as he moves towards his substantive issue. That is all he is doing at the moment.

The PRESIDENT — Order! The member has indicated facts about what was said in the house last night by another member of the house. I am listening very carefully to what the member said because the issue raised by the minister about making allegations about another member of this house rather than the comments that were made by Mr Noel Pullen about someone outside this house is somewhat different. He is aware of the rules of this house when it comes to making allegations about another member of the house. I do not believe he has said that at this stage, but I am listening very carefully to his comments. He is only 1 minute into his contribution; I ask that he make a request of the Minister of Local Government about the issue he is raising.

Hon. Bill Forwood — On a point of order, President, further to your ruling on this matter, I put it to you that Mr Pullen is in the chamber at the moment and if he has a problem with anything that Mr Strong has said, he has the right to stand up and seek to have it withdrawn.

The PRESIDENT — Order! There is no rule that says another member cannot raise a concern as a point of order in the house. The minister has raised a concern about some of the comments the Honourable Chris Strong has made. I have ruled that they are not out of order, but that he is to be very careful about what he is saying. Because Mr Pullen is in the house it does not prevent someone else from raising that issue based on what are the rules of this house when you are talking about making a substantive motion. There had been no withdrawal sought, he was raising a point of order, and I have ruled on that. On that basis I ask Mr Strong to continue.

Hon. C. A. STRONG — In his submission yesterday Mr Pullen also referred to his favourite councillor, Rachele Sapir, who I would remind members was elected to council on less than 6 per cent of the primary vote, owing her election to Cr Martens whose ticket she was on. Cr Sapir is the same one who has failed to submit a report on a travel junket she

received from the council, as required by Glen Eira's entitlement policy.

As is well known and has been reported at length on crikey.com.au, this friction within Glen Eira council has resulted in a police investigation into an assault by Cr Noel Erlich on visitors in the council gallery. It is an incident which I am led to understand has been recorded on the council closed-circuit TV security system.

I request that the minister investigate the concept of anger management programs for councils and councillors, which would be of benefit to those who have experienced assaults by Cr Erlich within the council chamber.

Synectix Enclosure Systems: electricity supply

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I wish to raise a matter for the attention of the Minister for Energy Industries. I have been approached by a company in Dandenong, formerly in Eumemmerring Province but now in Lyndhurst, and represented by the Minister for Manufacturing and Export in the other place, Synectix Enclosure Systems, which is a sheet-metal manufacturer and powder coating company.

On 18 March this year the company moved into new premises in Abbotts Road in Dandenong. The company has approached me for assistance, because on 18 July last year it applied to United Energy to arrange for the connection of electricity to its new site, which it knew at that stage it was moving into some nine months later. At that point in time the company was given a date of 19 February of this year on which the electricity would be connected. As the company says in a letter to me, that date was not met, and it was recommitted to 26 February, which again was not met. It was recommitted to 5 March, which did not happen, and at the time of this letter it was recommitted to 31 March, some two weeks after it moved into the site.

Some three weeks after that date the company still has not had its electricity connected and has asked for my assistance in getting this matter addressed. My office has spoken this week to United Energy as to the reason why these dates have not been met and why some one month after the company moved into the site it still does not have electricity. My office was told by United Energy that due to the industrial action by the Electrical Trades Union (ETU), this site is deemed a commercial site and therefore no work has taken place.

The company is spending around \$4000 a week hiring generators and spending money on diesel to keep its plant open. It has had to cancel a number of shifts on three separate occasions and this has resulted in heavy losses, cancellation charges and rearrangements for people coming to set up the site. The factory employs 52 people, and management has made it quite clear that this is not sustainable. It cannot go on paying \$4000 a week for temporary generators and keep 52 people on staff.

I seek from the minister his assistance in intervening in this matter. He said, by way of interjection earlier to Mr Forwood during question time with regard to the ETU, that he called its officials in and pulled them into line. I seek his assistance to go back to the ETU, address the situation and get the power connected to this company in Dandenong.

Responses

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I have a question from the Honourable Ron Bowden for the Minister for Transport in relation to the lack of capacity on the Monash Freeway, particularly the section between Warrigal Road and Dandenong. This is an issue which I think the honourable member has raised on a number of occasions, and I am happy to have his comments passed on to the Minister for Transport for direct response to him.

Mr Somyurek asked me a question for the Minister for Transport in relation to the widening and upgrading of Thompsons Road, Cranbourne, asking that the project be extended even further by the Minister for Transport. He also made reference to the \$29 million that has been allocated within Casey for the black spot program, and I will certainly pass his comments on to the Minister for Transport.

The Honourable Bill Baxter raised an issue for the Minister for Transport in relation to the Omeo Highway. He set about collecting rocks from the highway. He has brought one in here today, but he has obviously taken it home with him.

Hon. C. D. Hirsh — It is in his drawer.

Hon. T. C. THEOPHANOUS — It is in his drawer. Anyway he is not present to hear the response. The response is that I will pass his comments, but not the rock, on to the Minister for Transport for direct response to him.

The Honourable Kaye Darveniza raised an issue with me for the Minister for Community Services. This is

about the serious issue of poverty in her electorate and about the lack of food security that many people in her electorate experience, people who are also experiencing social disadvantage. She asked for strategies and action to try and bring affordable and nutritious food to some of these least advantaged people within our community. I would be very happy to pass those comments on to the Minister for Community Services.

The Honourable Bill Forwood raised a question for the Minister for Transport about the River Gum Walk in Ivanhoe. He spent most of his time reading out a letter that the member for Ivanhoe had written to the Minister for Transport. One might ask why Mr Forwood had not raised the issue. He is now seeking a response, not to his question, by all accounts, but for the member for Ivanhoe. He wants the Minister for Transport to respond to the member for Ivanhoe in order that the member for Ivanhoe can respond to his constituents. I am very happy to pass on to the Minister for Transport this new indirect way of assisting constituents that Mr Forwood has come up with by using another member.

Ms Romanes raised a question again for the Minister for Transport in relation to the Melbourne Visitors Centre at Federation Square, seeking that V/Line bookings be allowed, making the point that it does fill a significant number of important functions at the moment and asking that that be added to its functions. I am certainly happy to pass that on to the Minister for Transport.

The Honourable Graeme Stoney raised a question for the Minister for Environment in relation to fuel reduction burning. He asked that the government improve communications in relation to it. I agree with the comments made by Mr Stoney that it is important that governments have the courage to conduct fuel reduction burning and to also communicate to the community both the benefits and risks associated with that burning. I am very happy to pass on the member's comments to the Minister for Environment.

The Honourable Chris Strong asked a question for the Minister for Local Government in relation to some events, asking that the Minister for Local Government consider anger management for local councils. One might suggest that there might be some persons in this place who might require a bit of anger management as well from time to time, but I am happy to pass his comments on to the Minister for Local Government for consideration.

The Honourable Gordon Rich-Phillips raised a question with me in relation to a company called Synectix

Enclosure Systems. It related to an application to United Energy for electricity connections dating back to before 19 February, at which time United Energy had given a series of dates, including 19 February, but also some other dates later on, and it did not meet any of those dates, and the company remains unconnected. Let me make it clear, as I have before, that the government has not hesitated to act where there is an industrial issue involving security of supply, and indeed the member will have noted that following significant action by the government, supply has continued to businesses and to homes throughout Victoria by the electricity industry, despite the fact that there is a very significant industrial dispute happening at the moment.

Without knowing the details of this case I would not want to jump to the conclusion that the company was not at all at fault in relation to this. The question of connections is not just about whether there is an industrial dispute happening. I am not sure that there were any bans back in February, so the company may have to bear some responsibility for failing to meet the targeted date that it had given to this particular firm initially. Whether or not that is now being affected by the industrial disputes, I am happy to take up the individual case, examine the issue and try and get connection for the company.

Motion agreed to.

House adjourned 3.49 p.m.